CAUDAN
DEVELOPMENT

ANNUAL REPORT 2018

Dear shareholder

The board of directors of Caudan Development Limited is pleased to present its annual report for the year ended June 30th 2018.

The activities of the group continued throughout 2018 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 28th 2018.

Yours sincerely

Jean-Pierre Montocchio
Chairperson

René Leclézio
Executive Director


CAUDAN
ARTS
CENTRE
L'ENTRACTE

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There is always a sense of curiosity and anticipation when theatre curtains are about to open. It gets the imagination going – what is about to be revealed?

And as the curtains open, there is a sense of wonder and perhaps even euphoria as a new world is unveiled before us, different to ours, with characters and person as evolving in their respective contexts and situations. We suspend disbelief and we go along with them, transacting with that world, interacting, empathising, questioning, reflecting, participating...

Dear readers, welcome to Caudan Arts Centre – where we hope to make you immersed in a new world of creative possibilities.

who are we?

A multi-arts venue opening in December 2018, Caudan Arts Centre is the first of its kind in Mauritius and in the region. Caudan Arts Centre is a creative space that boasts a number of facilities and amenities to encourage creative and artistic possibilities: exceptional acoustics, excellent sightlines and an intimate theatre are our strengths. Our stage is enhanced by the fly tower and the trap door. The theatre has world-class lighting, sound and AV equipment. To enhance audience experience, our foyer not only hosts an in-house café and bar, but it also extends to an exhibition area, creating an arts-centric environment in which audience and visitors can bask.

Our location – where Le Pouce stream meets the sea – is telling and reflects who we are: Caudan Arts Centre is a lieu de rencontre of people, cultures and genres. We offer a dynamic space that can host diverse events pertaining to music, performing arts, screenings as well as conferences. Central to our philosophy is building relations: we want to create intellectual, emotional, artistic and aesthetic experiences that facilitate connections and exchange.

Caudan Arts Centre is the place for “Arts. Artists. Audience.”

what do we do?

Like other theatres that have existed in Mauritius, it would have been convenient to be a receiving house. However, we see Caudan Arts Centre as a game changer that will revitalise the arts and cultural sector in Mauritius. We want to build a creative future for Mauritius. As ambitious as this may sound, it is our belief and the driving force behind all we are doing at the Arts Centre.

artistic Programming

The artistic programming is the mainstay of Caudan Arts Centre and we want this to be as eclectic as possible. As a multi-arts platform, it is our goal to present a variety of styles and forms, cutting across cultures and languages, but retaining a strong aesthetic value that will resonate with our audience. The mix of international, regional and local artists is not only exciting, but it allows us to develop, generate and strengthen interest in the arts and stage performances by providing meaningful artistic experiences.

developing new creative work

In a bid to establish ourselves as a leading cultural destination, we wish to bring novelty to artistic performances by promoting new creative work for the future. It is our role therefore to unearth and support emerging talent, in a bid to showcase potential and particularly to prepare the future generation of performers and audience. Developing artistic visions is our responsibility and building creative collaborations with artists is primordial in our endeavour to create a new artistic wave in the following years. We can only be as creative as our community of artists, and therefore, working collaboratively and experimenting with genres and styles is fundamental.

creative learning organisation

There is one strand that is key to all arts centres around the world: a participatory, pedagogical approach open to everyone. We see Caudan Arts Centre as a space for creative learning/engagement where people not only learn about the arts, but through the arts. Together with performances and interaction with artists, we will be offering courses, workshops for children, adults, fellow artists – across age and backgrounds. Our goal is to provide creative learning opportunities for everyone to engage and grow with the arts. Caudan Arts Centre aspires to be a creative hub, buzzing with talent and dynamism and providing inspiration through arts education.

outreach programmes

In a similar vein, outreach programmes for students and the community are a key responsibility as an arts centre. We believe that we have to empower everyone to be creative. Our goal is to reach out to those areas in our immediate community, particularly of Port-Louis, where engagement with the arts is low and provide opportunities to participate in artistic activities and attend artistic events in our building. Our outreach programme will also be extended to all learners in Mauritius from pre-primary to secondary school students. We believe that we need to develop audiences and providing such creative opportunities for the adults of tomorrow is a must.

to the future

Caudan Arts Centre fills us with pride and hope because of the role it will play for the future of the country. Unlocking the creative potential in everyone is, above all, a collective responsibility. This is why we invite you to join us in our endeavour and to be to part of our story. As the curtains open, the stage is set for an exciting future ahead...

Ashish Beesoondial

Theatre Manager

Caudan Development
which is listed on the Stock Exchange of Mauritius is a subsidiary of Promotion and Development which holds an effective 70.62 per cent stake in the company

financial highlights

	2018	2017
	MRs	MRs
Group shareholders' funds	**3.96bn**	3.94bn
Group net asset value per share	**1.98**	1.97
Share price	**1.12**	1.09
	MRe	MRe
Earnings per share	**0.052**	0.045
Adjusted earnings per share	**0.048**	0.052
Dividends per share	**0.04**	0.04

performance summary

	2018	2017
	%	%
Group net asset return	**2.5**	2.7*

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	**6.4**	28.6*

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

Group annualised returns to June 30th 2018	
5 years	**1.4**
10 years **	**1.9**

Compound annual total return in terms of increase in net assets plus dividends.

* *Adjusted for Bonus and Rights Issue.*

** *Net assets prior to 2011 have not been restated in respect of prior year adjustments reflected in the accounts.*

Corporate Information

directors

Jean-Pierre Montocchio
Chairperson
Assad Abdullatiff
appointed April 2018
Bertrand de Chazal
Catherine Fromet de Rosnay
Gilbert Gnany
Stéphanie de la Hogue
appointed April 2018
René Leclézio
Jocelyne Martin
Seedha Lutcheemee Nullatemby
Antoine Seeyave
Bernard Yen

remuneration, corporate governance and ethics committee

Catherine Fromet de Rosnay
Chairperson
Bertrand de Chazal
Stéphanie de la Hogue
as from April 2018
René Leclézio
Jean-Pierre Montocchio

audit and risk monitoring committee

Bertrand de Chazal
Chairperson
Assad Abdullatiff
as from April 2018
Gilbert Gnany
Bernard Yen

management company

Promotion and Development Ltd

company secretary

Jocelyne Martin

auditors

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

registrar and transfer office

MCB Registry & Securities Ltd
Sir William Newton Street
Port Louis, Mauritius

registered and postal address

Promotion and Development Ltd
8th Floor, 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

chairperson's statement

Dear Shareholder

Should you have driven past Le Caudan Waterfront in the last twelve months, you would have noticed the extensive works happening in and around Caudan. It has indeed been a welcome coincidence that all the different projects' developments have coincided somewhat. While the situation may appear chaotic at the moment, it is important to cast oneself to times ahead and contemplate what the finished product will entail for the future of your company. Most of the construction works happening are scheduled to be complete by the end of this year, and we have great hopes for what is yet to come.

Notwithstanding these disruptions, we are happy to present to you improved results for the year ended June 30th 2018. Your board and I were pleased to be able to again return a dividend of 4 cents per share to our valued shareholders.

results

Our Net Profit after taxation for the financial year 2018 increased to MRs103.6m (2017: MRs76.1m) despite our revenues decreasing to MRs481.9m (2017: MRs492.1m). The subdued performance in our top-line revenues is the result of weaker rentals in our commercial property segment. Because of the new developments happening around Caudan and the entailing new operating landscape, Le Caudan Waterfront is adjusting its positioning strategy. This has led the company to review its tenant mix resulting in unfortunate but necessary lengthy vacancy periods. The decrease in top line revenue was nevertheless offset by a net gain from fair value adjustments on investment property of MRs12.8m (2017: MRs3.2m). The Group also registered lower operating expenses of MRs357.1m (2017: MRs375.0m) albeit aided by reversals of certain provisions for bad debts.

In addition, our results were positively impacted by the interest savings generated by our surplus cash position during the greater part of the year.

Our security segment posted a net loss of MRs 2.7m (2017: gain of MRs1.7m).

Our associate LCW Casino continues to carry accumulated losses, which prevent us from recognising any profits on our books. This situation is unlikely to change in the near future, but as and when the upward trend in business activity is resumed, the position of our associate will reverse and we will again see positive contributions from our investee.

The underlying Net Asset Value (NAV) per Share stood at MRs1.98 at June 30th 2018 compared to MRs1.97 at June 30th 2017. Our compound annual return in terms of increase in net assets per share plus dividends stands at 1.4 per cent for the last 5 years and at 1.9 per cent for the last 10 years. The share price closed at MRs1.12 on June 30th 2018, at which point Caudan shares were trading at a 43.4 per cent discount to their NAV reflecting the significant upside potential of CDL shares. Based on the closing share price, the dividend of 4 cents per share represents a dividend yield of 3.6 per cent. Total shareholder return for the year including capital gains and dividends thus amounted to 6.4 per cent.

As I mentioned in my opening remarks, there are a number of significant changes and developments happening in Caudan. Consequently, future years financials will look different as we take on new business lines in the field of event management, both artistic and corporate, and add capacity to our existing office and parking operations. Indeed, the financial year 2019 will mark a new era for Caudan Development and, as usual, we tread with caution in spite of our eagerness to see these new business lines flourish.

Le Caudan Waterfront

Perhaps the most well-known mantra for investing in property is 'Location, location, location'. For a number of years now, and for reasons that we shall not delve into, there have been very few new developments or even refurbishments to existing infrastructure in the central Port-Louis area. People were hence less inclined to visit, businesses struggled and this self-perpetuating cycle carried on spiralling downwards. Recently however, thanks to efforts from the both the public and private sectors, we have witnessed a renewed will to spur the popularity of the city centre. New projects including the Port-Louis Waterfront, the Aquarium, and the Victoria and Immigration urban terminals will meld to create a zone full of entertainment options for the Mauritian population. Furthermore, the Government has shown its commitment to regenerate Port-Louis and address the connectivity issues which plague the city. This has led to the creation of new roads and accesses on top of the Metro Express project. I am further encouraged in the knowledge that these projects are all initiatives, which are currently being implemented and that we will soon all benefit from. As opposed to many other malls around the island, Le Caudan Waterfront was never built in isolation, but instead at the very heart of the capital city, hence relying on the general attractiveness of the area to boost its appeal. Today as this zone is being developed, the access improved and the offering diversified, we are confident that there will be a renewed interest in the waterfront area.

Our contribution to this development is non-negligible. The Caudan Arts Centre is towering up at a rapid pace and will hopefully be a catalyst for the further development of the performing arts industry in Mauritius. The development has been incredibly challenging. Local contractors have been working with international experts so that the auditorium's qualities mirror what can be found in any major city around the world. I take this opportunity to extend my thanks to the many professionals who are working relentlessly to accomplish this unique engineering feat. I would also like to take this opportunity to pay tribute to a central figure in the development of Caudan, Maurice Giraud, who sadly passed away during the year before the building could be completed. Mico's unique architectural prowess turned this once-barren land into the iconic destination it is today. On behalf of the board, I extend my warmest sympathies to his family.

Operationally, we have been gearing up for the opening scheduled for December of this year. Entrance tickets for shows in December are already on sale on our online ticketing platform at www.caudanartscentre.com as well as at the reception kiosk in Caudan. As part of the opening, we launched Caudan Live, a national artistic competition in the field of performing arts. The intention was to offer an outlet and opportunity to both professional and amateur artists to showcase their talent and to encourage the public to get involved. So far, the contest has been a great success having attracted a large number of artists as well as extensive public interest. The finalists will perform on stage in front of a live audience in the Caudan Arts Centre during our opening night. There are also numerous activities planned all across Caudan, and we invite everyone to come and join in the celebrations. This event is followed the next day by a kréol re-adaptation of the classic musical theatre, Porgy and Bess by Gershwin. Actors and musicians have been hard at work over the past months preparing for the show and we encourage you to come experience the theatre with this beautiful piece.

As I mentioned in last year's commentary, conference and corporate events will supplement the activities within the theatre, and we already have events and seminars planned for next year. We encourage you to visit our corporate events platform, www.caudanevents.com to find out more. In order to maximise the majority of the potential benefit on this activity whilst retaining our flexibility in terms of offering and ability to control quality, we have set up a Food and Beverage department with the required expertise to cater for the conference activities. We will manage in-house the operations of our café in the Caudan Arts Centre as well as the restaurant above the food court, where we will be opening an Italian restaurant in order to amortise the operational costs of the F&B department. Operating initially with limited staff, we retain the capacity to ramp up operations in due course. Having regard to our intended structure, we expect these operations to be profitable after the first 6 months of operation.

property operations

Net Profit after tax increased by 42.7 per cent from MRs74.4m in 2017 to MRs106.2m. The property segment's operational results excluding the fair value adjustment on revaluation of investment property improved from MRs114.8m in 2017 to MRs124.6m in 2018, representing an advance of 8.5 per cent for the year.

Despite experiencing an expected slowdown in rentals from our commercial segment due to our repositioning strategy, we were able to report an improved performance, reflecting the positive impact of a strict monitoring of costs and bad debts recovered following negotiations and settlements by defaulting debtors. Our offices continue to perform well and we have already received a number of expressions of interest for the new office space in the Caudan Arts Centre.

As the operating landscape to which we are accustomed, is changing, we are re-adapting our mall tenant mix strategy in order to provide a more comprehensive offering to our patrons as well as a more aesthetically appealing environment. Negotiations are underway with a number of potential tenants and we expect that by next year, our mall will operate at near full capacity.

security Operations

In terms of performance, our security segment had a disappointing year posting a loss of MRs2.7m versus a gain of MRs1.7m in 2017. Top line revenue remained rather flat at MRs262.2m from MRs262.8m in the prior period, while operating expenses increased from MRs260.5m to MRs262.1m in 2018.

All in all, we were disappointed that our top and bottom line results did not reflect the work and effort expensed during the year. From a top line perspective, client losses offset any new business the company was able to capitalise on. From a cost perspective, we were adversely impacted by some unforeseen expenditures but we expect this trend to reverse in the years to come. As the business focusses on technology - oriented solutions and diversification of our field of activities and services, we anticipate a better year for 2019.

indebtedness

The group started out the year with surplus funds of MRs141.1m advanced to our parent company and cash balances of MRs0.3m but by financial year end our group net borrowings had increased to MRs48.1m following capital expenditure in respect of Phase III construction works. Surplus funds for the greater part of the year have led to net finance income of MRs2.7m compared to net finance costs of MRs11m for 2017. While it is not expected

that borrowings will again increase to the pre rights issue level by the next financial year end, we do expect borrowings to increase rather substantially from their current base in light of the completion of the Caudan Arts Centre. Again, as our business lines expand with the delivery and beginning of operations of the Arts Centre, and our debt burden is reduced from the levels we saw in 2016, the associated finance costs will be less of a drag on the operations of the company.

prospects and outlook

As I have pointed out in the past, the commercial property market in Mauritius has become over-saturated as new shopping malls have continued to spring up across the island. This situation is characteristic of a mature market which is being commoditized by an oversupply of shopping malls relative to a population with stagnant growth.

When a market reaches the stage of maturity, it is vital for businesses within this market to reposition themselves in order to thrive again. The alternative is to risk entering a period of flat or negative growth. Unfortunately, the commercial property market has some very real physical constraints when it comes to reinventing itself, and, thus, this need has to be identified early on, in order to make the required changes to the business model.

Your board has identified this need for Caudan Development, and has opted to use the arts as a catalyst for growth at Le Caudan Waterfront. Arts is being used more and more across the world to regenerate fledgling cities, strengthen the social fabric and combat rising levels of crime. In the UK, cities are currently competing to be crowned the UK City of Culture of 2021. This initiative by the UK government incentivises cities to adopt artistically focussed initiatives in order to receive this title. The philosophy behind such an endeavour lies in the belief that the intangible benefits that the arts and culture bring to society will in the long-term foster growth within the economy. We, as your board, are in line with this train of thought and believe wholeheartedly that by stimulating the arts world in Mauritius, we will see not only intangible benefits but real economic gains for Le Caudan Waterfront. As Confucius once said, 'the longest journey begins with a single step'. We have now taken this step onto a new era of our growth and development, and we anticipate that the journey ahead will be both long and prosperous.

acknowledgments

Finally, 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 for their good work and continued efforts. The road ahead is long but thanks to their level of perseverance, unwavering dedication and team spirit, we are all able to face it with confidence in what tomorrow will bring. 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.

Yours sincerely

Jean-Pierre Montocchio

Chairperson
October 2nd 2018

corporate governance report

governance structure

The company is qualified as a public interest entity as defined under the Financial Reporting Act 2004.

The board is responsible for leading and controlling the organisation and meeting all legal and regulatory requirements. The board supports and is committed to attain and maintain the highest standards of corporate governance, including the principles of openness, integrity and accountability.

The board strives to comply substantively with all the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) ("NCCG"). The company recognises the need to improve the principles and practices in the light of the new code and is currently in the process of implementing the necessary changes so as to be fully compliant therewith. The promotion of good corporate governance values, however, underlies the organisation's decisions and actions.

The company's compliance with the principles of the NCCG is set out in the report.

board and its committees

board charter (the "charter")

The board charter sets out the objectives, roles and responsibilities and composition of the board. The charter should be read in conjunction with the Company's Constitution and in case a dispute in content or meaning arises, the wording of the Constitution shall prevail.

The main objectives of the charter are to:

- define the purpose, strategy and value and determine all matters relating to the directions, policies, practices, management and operations of the company and the group in accordance with the directions and delegations of the board and;
- monitor the ethical conduct of the subsidiary companies, its executives and senior officials.

The charter defines inter alia the roles, function and objectives of the board, various board committees, the chairman, the managing director and the company secretary. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision making processes within the group.

The charter is in the process of being approved by the board and will be available for consultation on the website of the company in due course.

code of ethics

The Group is committed to conduct business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. This Code has been designed to help officers and employees understand their ethical responsibilities as they conduct business on behalf of the Group.

It applies to all subsidiaries of the Caudan Group, irrespective of the business segment. Moreover, the Code must be read together with the other policies prevailing within the Group and any business-specific policies in the applicable area.

The Code will be reviewed and updated on a periodic basis in order to ensure it stays relevant to the Group.

This Code of Ethics is in the process of being approved by the board and will be available for consultation on the website of the company in due course.

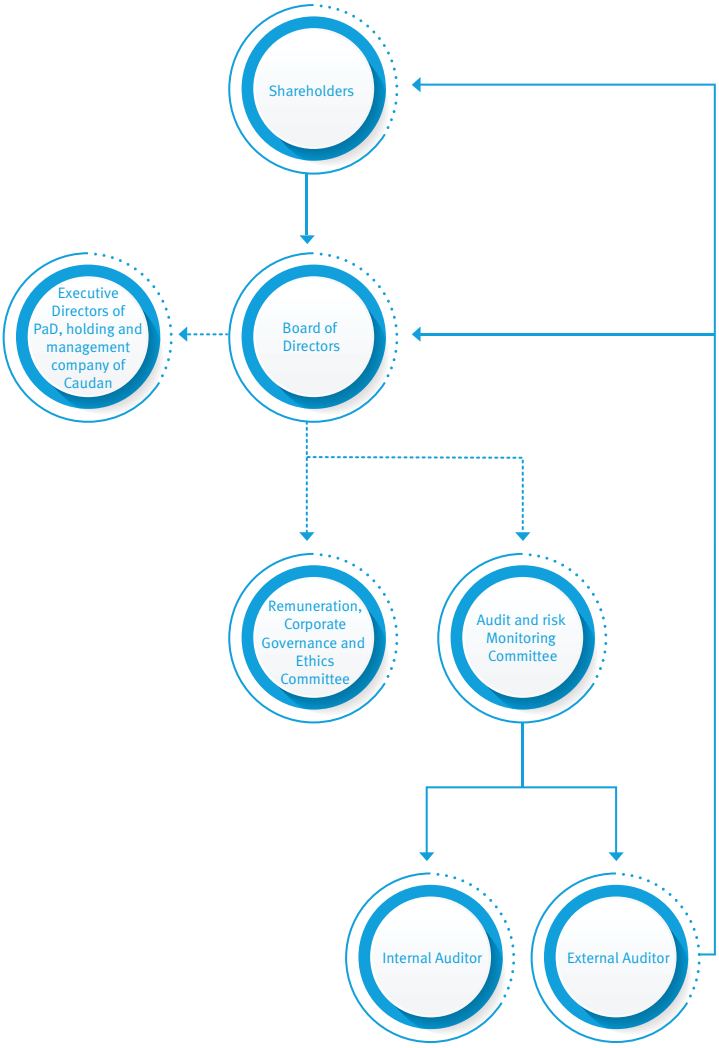
profiles of key governance officers

The profiles of Mr René Leclézio and Mrs Jocelyne Martin appear in the directors' profiles sections.

organisation chart and statement of accountabilities

The board is responsible to set general strategies and policies and ensure their implementation with the support of the key senior governance officers. These key governance officers have an experienced professional background. In addition, the board has set up two committees namely the Remuneration, Corporate Governance and Ethics Committee and the Audit and Risk Monitoring Committee.

structure of the board and its committees



the board

The board is led by an effective and highly committed unitary board, whose responsibilities are, inter alia, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems. It comprises of an appropriate balance of executive, non-independent non-executive and independent non-executive directors.

directors' duties and performance

The main role of the board is to protect and enhance shareholder value. It determines the group's direction, monitors its performance, oversees risks and is collectively responsible for the long-term success of the group, its reputation and governance. The board is responsible to all its shareholders and to its other stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the company and its subsidiaries are managed in such a way as to achieve its objectives.

The board has ultimate responsibility and is accountable for the performance and activities of the company. The role of the board is to set the overall strategy for the group and to supervise executive management and the proper functioning of the company, including inter alia:

- ensuring that the long term interest of the shareholders are being served, and safeguarding the company's assets;
- assessing major risk factors relating to the group and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;
- reviewing and approving management's strategic and business plans, including developing a depth of knowledge of the business, understanding and questioning the assumptions upon which plans are based and reaching an independent judgement as to the probability that the plans and/or the forecasts can be realized;
- monitoring the performance of the management against budget and forecasts;
- reviewing and approving the acquisition and divestment policy and significant corporate actions and major transactions;
- approving the treasury policy and raising of finance;
- assessing the effectiveness of the board;
- ensuring that good corporate governance policies and practices are developed within the group;
- ensuring ethical behaviour and compliance with laws and regulations, auditing and accounting principles and the company's own governing documents;
- considering sustainability issues, e.g environmental and social factors, as part of its strategic formulation; and
- performing such other functions as are prescribed by law, or assigned to the board in the company's governing documents.

The Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders in the course of discharging its duties. It is committed to highest standards of business integrity, transparency and professionalism in all of its activities.


Reception
CAUDAN
ARTS
CENTRE

directors' profiles

Jean-Pierre Montocchio

Chairperson and non-independent 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.

René Leclézio

Executive director

BSc (Hons) 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, EUDCOS, Mauritius Freeport Development, Swan Life and Swan General.

Assad Abdullatiff

appointed April 2018

Non-independent non-executive director

LLB (Hons) and LLM in Business Law, admitted to the Bar of Mauritius. Founding partner and Managing Director of AXIS Fiduciary Ltd. Previously an Assistant Director at the Board of Investment of Mauritius, where he was the Head of the Financial Services Cluster, responsible for the promotion of Mauritius as an International Financial Centre. Member of the Society of Trusts & Estate Practitioners (STEP), past Chairman of the Mauritius branch and appointed as Council member of STEP worldwide in 2017 to represent the Africa/Arabia region. Currently also engaged in the following organizations/committees: the Mauritius branch of the International Fiscal Association; the Executive Committee of Association of Trust and Management Companies. Director of Promotion and Development and a number of other companies in Mauritius operating in diverse economic sectors.

Bertrand de Chazal

Non-independent 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, MCB Equity Fund and MCB Capital Markets.

Catherine Fromet de Rosnay

Non-independent non-executive director

Partner at LEGIS & Partners. Holds a 'Magistère de Juriste d'Affaires' and 'Diplôme de Juriste et Conseil d'Entreprise (D.J.C.E)' from the Université de Paris II, Panthéon Assas. Practised as an in-house lawyer for nearly 8 years at the legal department of Nexans in Paris, formerly known as Alcatel Cable France. Involved in the negotiation and drafting of commercial and joint-venture agreements, corporate due diligence exercise, M&A operations, legal and taxation advice. Director of Promotion and Development.

Gilbert Gnany

Non-independent non-executive director

Master's degree in Econometrics - University of Toulouse and 'DESS' in Management/Micro-Economics - Paris-X. Currently the Chief Strategy Officer of MCB Group. Previously worked as Senior Advisor on the World Bank Group's Executive Board. Prior to joining the World Bank, was the MCB Group Chief Economist and Group Head of Strategy, Research & Development after having been the Economic Advisor to the Minister of Finance in Mauritius. Has been involved in various high-profile boards/committees. Chaired the SEM and the Statistics Board and as well as having been a member of the Board of Governors of MOBAA and of the IMF Advisory Group for sub-Saharan Africa. Currently a Board member of several companies within the MCB Group. On the institutional side, member of the Financial Services Consultative Council and director of the Financial Services Institute, Chairperson of the Economic Commission of Business Mauritius. Director in other listed companies/funds namely MCB Group, Promotion and Development, COVIFRA, MCB India Sovereign Bond ETF and African Domestic Bond Fund.

Stéphanie de la Hogue

appointed April 2018

Non-independent non-executive director

Bachelor in marketing from the Institut de Management International de Paris. Managing Director of Poivre Corporate Services, a family group of companies' corporate office. She is also director of Promotion and Development, La Prudence Leasing Finance, Rey & Lenferna and Forges Tardieu.

Jocelyne Martin
Executive director
BSc (Hons) in Statistics, London School of Economics. Member of the Institute of Chartered Accountants of England and Wales. Trained with Deloitte Haskins + Sells (now part of PwC), London. After several years of experience in the UK, worked at De Chazal Du Mée before joining Promotion and Development in 1995 as Group Financial Controller. Was appointed director in 2004. She is also the Company Secretary. Director of Promotion and Development, Medine, EUDCOS and Mauritius Freeport Development.

Seedha Lutcheemee Nullatemby
Independent non-executive director
Fellow of the Institute of Chartered Secretaries and Administrators (FCIS) and also holds an MBA in Finance. She is also a qualified Stockbroker. She has been working at the State Investment Corporation Ltd for the past 28 years and has wide ranging experience in the field of Finance, Accounting, Administrative and Corporate matters. She is a Director of various companies within the SIC Group. She is also the Chairperson of the Finance Committee and Director of Mauritius Educational Development Company Ltd.

Antoine Seeyave
Independent non-executive director
Chairman of Happy World and director of Ipro Growth Fund. Sloan fellow of the London Business School.

Bernard Yen
Non-independent 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 more than 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. Also director of Promotion and Development, MCB Capital Partners and Mauritian Eagle Leasing.

key roles and responsibilities

The executive directors are: Mr René Leclézio and Mrs Jocelyne Martin who are executive directors of PaD, the holding and management company of Caudan.

To ensure a better balance of power and authority on the board, the functions and roles of the chairperson and executive directors are separate. The Chairperson has overall responsibility for leading the board and ensuring its effectiveness whilst the executive directors are responsible for managing and leading the business of the group.

The chairperson provides overall leadership for decisions taken collectively by the board. He is responsible for ensuring the smooth functioning of the board and for promoting high standards of corporate governance. He is also responsible for ensuring that the directors receive accurate, timely and clear information and that adequate time is available for discussion of all agenda items at board meetings and in particular strategic issues. He encourages the active participation of all board members in discussions and decisions, constructive relation between the board and management and effective communication with stakeholders.

The executive directors are responsible for the day to day running of the group's operations and for developing and recommending the long term strategy and vision of the company and the group. They lead and direct senior management to implement the strategy and policies set out by the board. They also ensure effective communication with shareholders.

The Company Secretary provides assistance and information on governance and corporate administration issues. She is responsible for ensuring that the board procedures are followed and that applicable laws and regulations are complied with, for guiding the board with regard to their duties and responsibilities and for preparing agenda and minutes for board meetings and circulating same together with any supporting documentation.

The position statements are in the process of being approved by the board and will be available for consultation on the website of the company in due course.

balance and diversity

The company's constitution provides that the board of the company shall consist of a minimum of 7 and a maximum of 14 directors. As at June 30th 2018, the board was made up of eleven directors as set out on page 6.

The board includes an appropriate combination of executive directors, non-independent non-executive directors and independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision taking. All the directors are citizens and residents of Mauritius. Taking into account the scope and nature of operations of the group, the board considers that the current board of 11 directors is commensurate with the sophistication and scale of the organization and appropriate to facilitate the effective decision making.

The directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the company.

The non-independent non-executive directors are directors of PaD, major shareholder of Caudan and as such they are not deemed to be independent. However, they are independent in both character and judgement and have wide experience and make important contributions to strategic issues and corporate governance.

There are 2 independent directors, proving a strong and independent element on the board. The objective is to facilitate the exercise of independent and objective judgement on corporate affairs, and to ensure that discussion and review of key issues take place in a critical yet constructive manner.

The board has considered that the following directors are regarded as independent directors of the company: Mrs Seedha Lutcheemee Nullatemby and Mr Antoine Seeyave.

For the period up to June 30th 2018, Mr Antoine Seeyave has been considered independent even though he has served on the board for more than nine consecutive years from the date of his first election. The board is of the opinion that Mr Antoine Seeyave, has been able to develop over time, increasing insights into the group's business and operations and is therefore able to provide a significant and valuable contribution to the board as a whole. The board takes the view that a director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging the management in the interests of the group as he performs his duties in good faith, are more decisive measures in ascertaining a director's independence than the number of years on the board. The board, which can have, according to the NCCG, "its own definition of independence", considered and noted that notwithstanding that Mr Antoine Seeyave has served on the board for more than nine years, his independence as director is not affected, as he continues to exercise independent judgement and demonstrates objectivity in his conduct and deliberations at board meetings.

With four female directors as board members, the board is also in line with the recommendation of the Code regarding the gender diversity.

All directors are expected to objectively discharge their duties and responsibilities in the interests of the company. All directors should make their best efforts to avoid conflicts of interests or situations where others might reasonably perceive such a conflict. The personal interest of a director, or persons closely associated with the director, must not take precedence over those of the company or its shareholders. Any director, who is directly or indirectly interested in a transaction or proposed transaction, is required to disclose the nature of his interest, at the meeting in which the transaction is discussed, and should not participate in the debate, vote or indicate how he would have voted on the matter.

balance

Independent non-executive directors	2
Executive directors	2
Non-independent non-executive directors	7

average age

‹ 50	2
51 - 60	6
61 - 70	1
› 70	2

gender diversity

Female	4
Male	7

The directors are required to carry out a self-appraisal of their individual and board evaluation and to report any shortcomings identified. The company acts where appropriate on feedbacks from board members on improvements. The board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes.

The directors' code of Conduct contains provisions to prevent insider dealing as well as any potential conflict of interest. An interest register is maintained and updated on a quarterly basis and is available for consultation upon written request to the Company Secretary.

director appointment procedures

In accordance with the constitution of the company, all directors shall retire from office and shall be eligible for re-election at each annual meeting of shareholders.

The Board of directors may at any time appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors up to a maximum number permitted by the Constitution until the next Annual Meeting of Shareholders where the director shall then retire and shall be eligible for appointment at that meeting. The appointment of Assad Abdullatiff and Stéphanie de la Hogue, who have been nominated by the board on the recommendation of the Remuneration, Corporate Governance and Ethics Committees, will be proposed at the forthcoming annual meeting in December 2018.

Newly appointed directors are briefed on key information relating to the group and the sector in which it operates. They are given the relevant governing documents of the company and meet executive management to familiarize with each of the group's business and operation, its strength and weaknesses. This process contributes to ensuring a well-informed and competent board.

The procedures and accountability for certain of the board matters are delegated under clearly defined conditions to board committees and executive management and information is supplied to the board in a manner that enables the board to act diligently and fulfill its responsibilities. The board monitors regularly the effectiveness of the policies and decisions, including the implementation and execution of its strategies.

board meetings

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. The dates of the meetings together with agenda items are scheduled up to one year in advance, with board meetings at least each quarter.

However, on occasion, in addition to the regular scheduled meetings, it may be necessary to convene ad-hoc meetings at short notice as and when circumstances warrant, which may preclude directors from attending. Besides physical meetings, the board and the board committees may also make decisions by way of written resolutions. Board meetings are chaired in Mauritius and participation by board members by means of teleconference or similar communication equipment is permitted.

Matters considered by the board in 2017-2018:

- The audited annual report for the year ended June 30th 2017;
- The abridged unaudited financial statements for the first, second and third quarters;
- Declaration of final dividend;
- The company's and group's budgets; and
- Investments of the company.

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. Directors are kept regularly informed of the up to date business position of the group.

The agenda of the board is prepared by the company secretary in consultation with the chairperson and the executive directors and circulated together with accompanying board papers in a timely manner.

attendance at board meetings

2018	board of directors
Jean-Pierre Montocchio	5
René Leclézio	6
Assad Abdullatiff *	2
Bertrand de Chazal	4
Catherine Fromet de Rosnay	6
Gilbert Gnany	2
Stéphanie de la Hogue *	1
Jocelyne Martin	6
Seedha Lutcheemee Nullatemby	6
Antoine Seeyave	3
Bernard Yen	4
total meetings held	6

** appointed in April 2018*

board committees

To assist the board in the discharge of its responsibilities, the board has delegated certain functions to the following committees, each of which has its own written terms of reference which deal clearly with their authorities and duties. Details of the most important committees are set out below:

The Remuneration, Corporate Governance and Ethics Committees ("RCGEC")

The main role of the RCGEC is to advise and make recommendations to the board in the discharge of its duties relating to

corporate governance matters and nomination of directors and senior executives of the company and to all remuneration aspects.

The company being a subsidiary of Promotion and Development Ltd (PaD) does not have a separate RCGEC. The members of the PaD RCGEC, all of whom are directors of Caudan, fulfil the above roles and responsibilities with regards to matters affecting Caudan, taking into account the nature and business of the company and the applicable legal requirements.

The committee makes recommendations to the board, in respect of issues relating to appointments of directors and the composition, size and structure of the board and generally on all corporate governance provisions to be adopted by the company and oversees their implementation. It also has responsibility for the compensation strategies, plans, policies and programs of the company and its subsidiaries and evaluating and approving the remuneration package and other terms and conditions of service applying to directors and senior executives.

The Committee is also responsible for updating from time to time, and as necessary, the company's Code of Ethics. It is also responsible for driving the process for the implementation of the National Code of Corporate Governance for Mauritius throughout the group. As such, it oversees that compliance to this Code is being monitored, with a view to ensuring that the importance of this document is continuously stressed within the Group, and that its core principles are embedded in the Group Corporate Culture.

Matters considered by the RCGEC in 2017-2018:
- Recommendations on the appointment of new directors;
- Review of key governance documents; and
- Approval of salary increases.

attendance of the Remuneration, Corporate governance and Ethics Committee

2018	
Jean-Pierre Montocchio	2
René Leclézio	2
Bertrand de Chazal	1
Catherine Fromet de Rosnay	2
Stéphanie de la Hogue *	n/a
total meetings held	2

* *appointed in April 2018*

The Audit and Risk Monitoring Committee

The committee is appointed by the board to assist in the discharge of duties relating to the overall control aspects of the company and its subsidiaries, including the safeguarding of assets, the monitoring of internal control processes, and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards. It also assists in setting up risk mitigation strategies and to assess and monitor the risk management process of the Group and to advise the Board on risk issues.

It comprises Mr Bertrand de Chazal, who chairs this committee and Messrs Assad Abdullatiff, Gilbert Gnany and Bernard Yen. All four members of the committee have the relevant financial experience. None of the members of the Audit and Risk Monitoring Committee were previous partners of or directors of the external auditors, namely BDO nor do they hold any financial interest therein.

In addition to its statutory functions, the Audit and Risk Monitoring Committee considers and reviews any other matters as may be agreed to by the Audit and Risk Monitoring Committee and the board. In particular, the committee assists the board in fulfilling its financial reporting responsibilities. It reviews the financial reporting process, and monitors compliance with laws and regulations. It monitors the quality, accuracy, reliability and integrity of the financial statements, and reviews interim financial reports and the annual financial statements prior to their submission to the board, and the application of the company's accounting policies. It reviews the audit process and assesses and recommends the appointment of internal and external auditors.

The committee reviews matters affecting the company's financial and internal controls, their adequacy and effectiveness and the management of financial risk. The committee also monitors risks identified and considered critical by management, including capital, market, reputational, strategic and operational risks; it reviews and monitors the development and implementation of the company's risk management programme. The Audit and Risk Monitoring Committee provides a forum through which the external auditors can report to the board and monitors their performance and independence. The board is satisfied that the Audit and Risk Monitoring Committee has adequately discharged its responsibilities in compliance with its terms of reference.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Attendance of the Audit and Risk Monitoring Committee

2018	
Assad Abdullatiff *	2
Bertrand de Chazal	4
Gilbert Gnany	5
Bernard Yen	4
number of meetings held	5

** appointed in April 2018*

Matters considered by the Audit and Risk Monitoring Committee in 2017-2018:

- Review the abridged quarterly financial statements for the first, second and third quarters;
- Review and recommend for approval to the board the abridged and annual financial statements for the year ended 30 June 2017;
- Review and recommend for approval to the board the budgets for the forthcoming years;
- Various audit reports submitted by the internal auditor; and
- Audit reports and findings of the external auditor.

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 chairperson having wider responsibilities should have higher remunerations;
- there should be committee fees for directors. The chairperson should have higher remuneration than members.

directors' remuneration

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

	THE COMPANY		SUBSIDIARIES	
MRs000	**2018**	2017	**2018**	2017
Full time executive directors	**60**	60	**-**	-
Non-executive directors	**425**	405	**60**	60
	485	465	**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.

risk governance and internal Control

The group's activities are exposed to a wide range of risks that could impact on its operational and financial performance. The directors are responsible for maintaining an effective system of internal control and risk management. Whilst these two functions are delegated to the Audit and Risk Monitoring Committee, the nature and governance of risk remain the ultimate responsibility of the board.

The responsibility of the board also includes:

- Ensuring that structures and processes are in place for risks management;
- Identifying the principal risks;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems are in place for implementing, maintaining and monitoring internal controls.

All risks have been documented in a risk register and this will be reviewed at least yearly to identify new and emerging risks.

Some of the operational risks to which the group 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 property segment is influenced mainly by economic growth in the country. The ability of commercial local businesses to rent properties depends on the former's financial performance, but with the increased competition due to new shopping malls across the country and a low economic growth, these businesses may struggle to stay operational. In addition, oversupply of rental property puts downward pressure on rentals.

The Caudan group is also exposed over the allocation of permits from the authorities for development projects. Delays in granting permits may be encountered.

To mitigate the above risks, the company has developed various policies, processes, systems and methods which are reviewed regularly to ensure that they are managed on a timely basis and in an effective manner. In June 2017, a Business Risk Identification and assessment exercise was carried across the group by MCB Consulting. Under their guidance, the group is putting in place a risk management framework and implementing the action plan to mitigate the business risks and/or to transform them into business opportunities.

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 board is also responsible for information governance within the company and its subsidiaries. The management of information technology and information security governance are delegated to the IT function. The existing policies are being reviewed and an IT governance model for the company is currently being developed. A list of the existing policies is detailed below:

- Email, internet and other acceptable use policy: Outline appropriate and inappropriate use of email systems and services and internet resources.
- System administrator policy: establish administrative and privileged access rights to the company's IT systems and confidential information.
- Logical access policy: limit access to information processing facilities and business processes of the group.
- Mobile code policy: protect integrity of software and information, provide instructions on measures to be taken to achieve effective malware detection and prevention.
- Information security & incident management policy: protect information assets, prevent security incidents and reduce their potential impact. Identify information security events and weaknesses and take timely corrective action.
- Back up policy: regular backup copies of information and software to protect against loss of data, maintain the integrity and availability of information and information processing facilities.
- Network security policy: protection of information in networks and of supporting infrastructure.
- Password policy: creating, protecting and changing passwords.
- Laptop policy: minimise information security risks that may affect laptops.

reporting with integrity

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. Company law requires the directors to prepare the financial statements in accordance with International Financial Reporting Standards.

The directors are also responsible for keeping adequate accounting records and for the preparation of accounts that fairly present the state of affairs of the company. The annual report and accounts are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the company's position, performance and outlook. The directors have also the duty to safeguard the assets of the company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Environment consciousness is among one of the most important business practices of the company and the group. The group wishes to go further in the strengthening and affirmation of the group'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 biodegradable detergents when it comes to the cleaning of the premises and recycling of used oils among others. The group has reduced paper consumption through the elimination of paper invoices by sending them electronically.

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

In the coming year, the group 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 will strengthen the group's commitment towards sustainable development, thus enabling us to meet international standards with regard to environmental consciousness.

audit

Audit and Risk Monitoring Committee

The mission of the Audit and Risk Monitoring committee is to establish formal and transparent arrangements regarding how to apply financial reporting and internal control principles and to maintain an appropriate relationship with the Company's auditors.

The Audit and Risk Monitoring Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

During the year under review, the Audit and Risk Monitoring Committee has continued to focus on its key objectives namely: overseeing financial reporting, internal controls, internal and external audit.

internal audit

The company has established an in-house internal audit function. The group internal auditor evaluates all aspects of internal control of the company and its subsidiaries and assists the Audit and Risk Monitoring Committee to ensure that the company maintains a sound system of internal controls. The internal auditor reports to the Audit and Risk Monitoring Committee chairperson, and to the executive management on administrative matters. The Audit and Risk Monitoring Committee approves the hiring and decides on the removal of the internal auditor and also ensures the adequacy and effectiveness of the internal audit function. The internal audit plan is established in consultation with, but independent of, Management, and is reviewed and approved by the Audit and Risk Monitoring Committee. The Audit and Risk Monitoring Committee and management review and discuss internal audit findings, recommendations and status of remediation at Audit and Risk Monitoring Committee meetings. The management also submitted an action plan for the various findings. The internal auditor has unfettered access to the group's documents, records, properties and personnel, including access to the Audit and Risk Monitoring Committee. During the year under review, the internal auditor reported to the Audit and Risk Monitoring Committee on factual findings with respect to purchasing, stock management and parking management.

external audit

Annual audit plans are presented in advance by the external auditors and reviewed by the Audit and Risk Monitoring Committee.

The Audit and Risk Monitoring Committee also reviews the external auditors' report and any recommendations for improvements in controls and procedures identified in the course of their work and ensures the proper follow up of previous recommendations.

Following the enactment of the Finance Act 2016 and a subsequent regulation Government Notice No 64 of 2017, listed companies are required to rotate their auditors every seven years. By virtue of the Regulation aforementioned, current auditors are allowed to continue in office until the financial year ending June 30th 2020.

relations with shareholders and other key stakeholders

At June 30th 2018, the capital structure of the company was MRs2,000,000,000, represented by 2,000,000,000 ordinary shares of MRe1.00 each and there were 3,194 shareholders on the registry.

shareholders holding more than 5% of the share capital of the company at June 30th 2018

shareholder	number of shares	% held
Promotion and Development	1,217,257,922	60.86
Ferryhill Enterprises	195,236,234	9.76
	1,412,494,156	70.62
Fincorp Investment	106,790,072	5.34

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

group structure as at June 30th 2018

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

size of shareholding	number of share-holders	number of shares owned	% holding
1-500 shares	351	62,355	0.003
501-1,000 shares	204	142,016	0.007
1,001-5,000 shares	920	2,150,309	0.11
5,001-10,000 shares	324	2,221,063	0.11
10,001-50,000 shares	766	17,182,124	0.86
50,001-100,000 shares	197	13,790,668	0.69
Above 100,000 shares	406	1,964,451,465	98.22
Total	**3,168**	**2,000,000,000**	**100.00**

category	number of shareholders	number of shares owned	% holding
Individuals	2,959	134,201,961	6.71
Insurance and Assurance Companies	5	39,743,074	1.99
Pensions and Provident Funds	33	111,237,439	5.56
Investment and Trust Companies	31	156,259,162	7.81
Other Corporate Bodies	140	1,558,558,364	77.93
Total	**3,168**	**2,000,000,000**	**100.00**

The number of shareholders given above is indicative, having been obtained by consolidation of multiple portfolios for reporting purposes.

The board places great importance on an open and transparent communication with all shareholders; and it endeavours to deliver to the shareholders and to the global investing community thorough and up to date information to support informed investment decisions and keep them informed on matters affecting the company, which could have a material impact on the company's share price.

The company communicates to its shareholders through its Annual Report, publication of unaudited quarterly and audited abridged financial statements of the group, dividend declaration, press announcements and the Annual Meeting of Shareholders to which all shareholders are encouraged to attend. All shareholders of the company are entitled to attend and vote at shareholders meetings in person or by proxy. The company is required to comply with the provisions of the Listing Rules on the continuous disclosure obligations. Results and annual reports are announced and issued within the specified period. All announcements are posted on the Company's website.

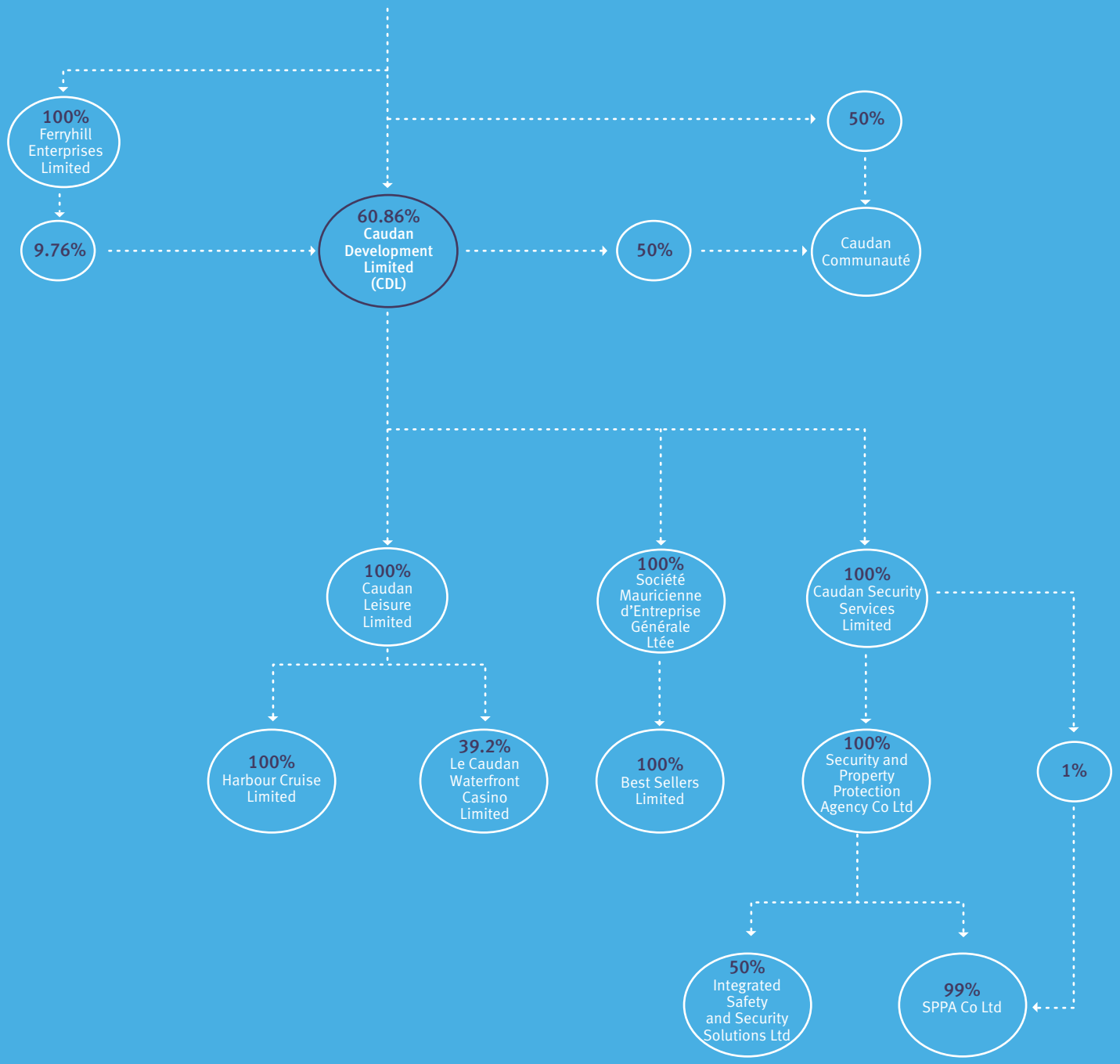
The company's website is also an important means of effectively communicating with all stakeholders, keeping them abreast of developments within the group.

shareholders' calendar

The company has planned the following forthcoming events:

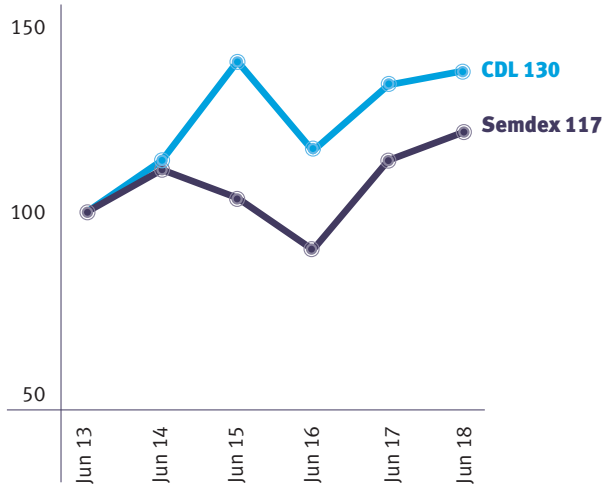
Mid-November 2018	release of first quarter results to September 30th 2018
December 2018	annual meeting of shareholders
Mid-February 2019	release of half-year results to December 31st 2018
Mid-May 2019	release of results for the nine month period to March 31st 2019
June 2019	declaration of final dividend
End-September 2019	release of full year results to June 30th 2019
Mid-November 2019	release of first quarter results to September 30th 2019
December 2019	annual meeting of shareholders

Promotion and Development Ltd (PaD)



share price information

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



the constitution

A copy of the constitution is available at the registered office of the company and on its website. There are no clauses of the constitution deemed material to be disclosed.

common directors

common directors within the holding structure of the company

at June 30th 2018	Promotion and Development
Jean-Pierre Montocchio	›
René Leclézio	›
Assad Abdullatiff	›
Bertrand de Chazal	›
Catherine Fromet de Rosnay	›
Gilbert Gnany	›
Stéphanie de la Hogue	›
Jocelyne Martin	›
Bernard Yen	›

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.

dividend policy

The company's objective is to provide value to its shareholders through optimum return on equity. The company does not currently have a formal dividend policy. The declaration amount and payment of future dividends depend on many factors, including level of profits realised, cash flow and financial condition, expansion and working capital requirements, commitments with regards to future projects and other factors deemed relevant by the board. The company however aims at achieving a reasonable return and regular income in the form of stable dividends and as far as possible, intends to maintain or grow the dividend each year.

The Audit and Risk Monitoring Committee and the board ensure that dividends are paid out only if the company, shall upon the distribution being made, satisfy the solvency test. Dividends are normally declared and paid once a year.

The board declared a final dividend of MRe0.04 per share in respect of the year ended June 30th 2018 (2017: MRe0.04 per share).

trend over the past five years

year	dividend per share cents
2018	**4.0**
2017	4.0
2016	-
2015	-
2014	-

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 judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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 26th 2018 and signed on its behalf by

René Leclézio
Director

Bertrand de Chazal
Director

statement of compliance

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT)

name of public interest entity ('P.I.E')

Caudan Development Limited

reporting period

Year ended June 30th 2018

We, the directors of Caudan Development Limited, confirm that to the best of our knowledge the P.I.E has not fully complied with the principles of the Code of Corporate Governance, for the reasons stated below.

	areas of non-application of the Code	explanation of non-application
Principle 1	Approval of Board Charter, Position Statements and Code of Ethics.	The Board Charter, Position Statements and Code of Ethics are in the process of being approved.
Principle 3	The Succession Plan has not been disclosed in the Corporate Governance Report.	The Succession Plan of the Company is in the process of being formalised.
Principle 4	The Board has not conducted an evaluation of the effectiveness of the Board, its Committees and its individual Directors.	A Board and Directors' independent evaluation will be conducted.
	Total remuneration on an individual basis not disclosed.	They have not been disclosed on an individual basis due to the sensitive nature of the information.
Principle 5	Whistle-blowing procedures.	The whistle-blowing procedures are in the process of being formalised.
Website	The website does not contain all the required disclosures.	The website is currently being redesigned to include a corporate governance section.

Approved by the board of directors on September 26th 2018 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 26th 2018

statutory disclosures

(SECTION 221 OF THE COMPANIES ACT 2001)

principal activities

The principal activities of the group continued throughout 2018 to be property development and investment and the provision of security services.

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 2018

number of shares	direct	indirect
Jean-Pierre Montocchio	-	319,698
Assad Abdullatiff	-	-
Bertrand de Chazal	-	-
Catherine Fromet de Rosnay	-	-
Gilbert Gnany	-	-
Stéphanie de la Hogue	-	-
René Leclézio	-	1,281,237
Jocelyne Martin	158,628	-
Seedha Lutcheemee Nullatemby	-	-
Antoine Seeyave	-	-
Bernard Yen	146,426	-

purchases/transfers (number of shares)	direct	indirect
René Leclézio	-	976,181

directors of subsidiaries

For directors of subsidiaries, please refer to page 80 of the financial statements.

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	**2018**	2017	**2018**	2017
Full time executive directors	**60**	60	**-**	-
Non-executive directors	**425**	405	**60**	60
	485	465	**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 2018

	THE GROUP		THE COMPANY	
MRs000	**2018**	2017	**2018**	2017
BDO & Co				
Audit services	**625**	611	**280**	277
Other services	**-**	200	**-**	200
	625	811	**280**	477

donations

	THE GROUP		THE COMPANY	
MRs000	**2018**	2017	**2018**	2017
Charitable	**-**	50	**-**	50
	-	50	**-**	50

No political donations were made during the year (2017: nil).

corporate social responsibility

CSR fund

Ever since inception, the company has always been committed in providing voluntary support to non-governmental organisations (NGOs) and sponsorship to individuals and associations for the promotion of education, arts and culture and sports 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 further 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 foundation (NCSRF).

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 programmes approved by the NCSRF.

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.

As from this financial year, 50 per cent of the CSR fund (representing 2 per cent of the chargeable income derived during the preceding year) must go directly to the Mauritius Revenue Authority (MRA). This measure has reduced the leeway for engaging with NGOs and social partners.

During the year ended June 30th 2018, an aggregate amount of around MRs576,000, representing 50 per cent of the CSR fund was entrusted by the Group to Caudan Communauté (2017: MRs200,000).

Highlights of the CSR programme during the year under review:

- child care centres' monthly costs for children of eligible employees;
- Action for Integral Human Development - project of 'Centre D'écoute' in colleges;
- 'Mouvement Civique Baie Du Tombeau' - Day care centre for the training of teenage/young single mothers and;
- 'Association pour l'accompagnement, la Réhabilitation et l'insértion Sociale des Enfants' - Educational Outreach project.

independent auditor's report

to the shareholders of
Caudan Development Limited

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Caudan Development Limited and its subsidiaries (the Group), and the Company's separate financial statements on pages 42 to 80 which comprise the statements of financial position as at June 30, 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 42 to 80 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

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

Valuation of investment property

Key Audit Matter

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The fair value as determined by the Directors reflects the present day market value arrived at based on the Sales Comparison approach, the Depreciated Replacement Cost approach and the Income Capitalisation approach as appropriate and as provided by independent valuers' valuation. The judgements and estimates used in these calculations resulted in the carrying value of the investment properties being a key area of focus for our audit.

Related Disclosures

Refer to note 2, note 1 accounting policies and note 1A critical accounting estimates of the accompanying financial statements.

Audit Response

Our audit procedures include testing of design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure existence, valuation and completeness of the investment properties. We tested the key inputs to the valuation of the investment properties as follows:

- Assessment and discussion of management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers.
- Obtained the external valuation reports and discussed with the external valuers about the results of their work on a sample of properties. We discussed and challenged the valuation process, performance of the portfolio, significant judgements and assumptions applied to the valuation model, including yields, occupancy rates and capitalisation rates. We benchmarked and challenged the key assumptions to external industry data and comparable property valuation where available.
- Testing the integrity of a sample of the data used by the external valuers. This included verifying a sample of information used by the external valuers to underlying documentation.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the financial highlights, performance summary, corporate information and chairperson's statement but does not include the financial statements and our auditor's report thereon. The chairperson's statement is expected to be made available to us after the date of this auditor's report.

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

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

When we read the chairperson's statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report 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.

Other matter

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co
Chartered Accountants

Ameenah Ramdin *FCCA, ACA*
licensed by FRC

September 26th 2018, Port-Louis, Mauritius

financial statements

statements of financial position

		THE GROUP		THE COMPANY	
MRs000	notes	**2018**	2017	**2018**	2017
Assets					
Non-current assets					
Investment property	2	**4,142,153**	3,834,800	**3,841,567**	3,465,944
Prepaid operating leases	3	**444**	451	**444**	451
Property, plant and equipment	4	**233,194**	171,697	**45,379**	49,799
Intangible assets	5	**2,236**	1,503	**37**	64
Investments in subsidiary companies	6	**-**	-	**14,247**	14,247
Investments in associate and jointly controlled entities	7,8	**-**	-	**-**	-
Deferred tax assets	15	**5,524**	5,553	**-**	-
Trade receivables	11	**2,571**	3,402	**-**	-
		4,386,122	4,017,406	**3,901,674**	3,530,505
Current assets					
Inventories	10	**9,227**	15,672	**1,844**	3,121
Trade and other receivables	11	**144,530**	282,854	**269,623**	428,971
Cash and cash equivalents		**280**	305	**147**	165
		154,037	298,831	**271,614**	432,257
Total assets		**4,540,159**	4,316,237	**4,173,288**	3,962,762
Equity and liabilities					
Capital and reserves attributable to owners of the parent					
Share capital	12	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Other reserves	18	**(172)**	(165)	**-**	-
Retained earnings	13	**1,958,312**	1,935,190	**1,501,646**	1,489,216
Total equity		**3,958,140**	3,935,025	**3,501,646**	3,489,216
Liabilities					
Non-current liabilities					
Deferred tax liabilities	15	**165,478**	142,512	**116,727**	101,890
Retirement benefit obligations	16	**23,549**	21,397	**8,197**	8,271
		189,027	163,909	**124,924**	110,161
Current liabilities					
Other payables	17	**261,226**	136,518	**409,944**	283,385
Current tax liabilities		**3,381**	785	**3,342**	-
Borrowings	14	**48,385**	-	**53,432**	-
Dividend proposed	24	**80,000**	80,000	**80,000**	80,000
		392,992	217,303	**546,718**	363,385
Total liabilities		**582,019**	381,212	**671,642**	473,546
Total equity and liabilities		**4,540,159**	4,316,237	**4,173,288**	3,962,762
MRs					
Net assets per share		**1.98**	1.97	**1.75**	1.74
Number of shares		**2,000,000,000**	2,000,000,000	**2,000,000,000**	2,000,000,000

These financial statements have been approved for issue by the board of directors on September 26th 2018 and are signed on its behalf by

René Leclezio *Director* Bertrand de Chazal *Director*

The notes on pages 46 to 80 form an integral part of these financial statements. The auditor's report is on pages 38 to 40.

statements of profit or loss and other comprehensive income

		THE GROUP		THE COMPANY	
MRs000	notes	**2018**	2017	**2018**	2017
Revenue	1	**481,870**	492,119	**196,370**	202,033
Net gain from fair value adjustment on investment property	2	**12,786**	3,161	**12,801**	4,031
Operating expenses		**(357,107)**	(374,998)	**(99,906)**	(121,064)
Operating profit	19	**137,549**	120,282	**109,265**	85,000
Non-recurring item	23	**-**	(14,996)	**-**	(14,996)
Finance costs	20	**(366)**	(22,530)	**(367)**	(22,522)
Finance income	20	**3,104**	11,547	**11,797**	21,490
Profit before income tax		**140,287**	94,303	**120,695**	68,972
Taxation	21	**(36,703)**	(18,166)	**(27,552)**	(13,498)
Profit for the year attributable to owners of the parent		**103,584**	76,137	**93,143**	55,474
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligations	16	**(557)**	(352)	**(859)**	(352)
Deferred tax on remeasurement of retirement benefit obligations	15	**95**	53	**146**	53
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translating foreign operations		**(7)**	(100)	**-**	-
Other comprehensive income for the year attributable to owners of the parent		**(469)**	(399)	**(713)**	(299)
Total comprehensive income for the year attributable to owners of the parent		**103,115**	75,738	**92,430**	55,175

MRe			
Earnings per share	22A	**0.052**	0.045
Adjusted earnings per share	22B	**0.048**	0.052

The notes on pages 46 to 80 form an integral part of these financial statements. The auditor's report is on pages 38 to 40.

statements of changes in equity

Attributable to owners of the parent MRs000	note	share capital	other reserves	retained earnings	total equity
					THE GROUP
At July 1st 2016		819,520	2,797	2,118,680	2,940,997
Bonus Issue		180,480	(2,862)	(177,618)	-
Rights Issue net of issue costs		1,000,000	-	(1,710)	998,290
Profit for the year		-	-	76,137	76,137
Dividends	24	-	-	(80,000)	(80,000)
Other comprehensive income		-	(100)	(299)	(399)
At June 30th 2017		2,000,000	(165)	1,935,190	3,935,025
At July 1st 2017		2,000,000	(165)	1,935,190	3,935,025
Profit for the year		-	-	103,584	103,584
Dividends	24	-	-	(80,000)	(80,000)
Other comprehensive income		-	(7)	(462)	(469)
At June 30th 2018		**2,000,000**	**(172)**	**1,958,312**	**3,958,140**
					THE COMPANY
At July 1st 2016		819,520	2,862	1,693,369	2,515,751
Bonus Issue		180,480	(2,862)	(177,618)	-
Rights Issue net of issue costs		1,000,000	-	(1,710)	998,290
Profit for the year		-	-	55,474	55,474
Dividends	24	-	-	(80,000)	(80,000)
Other comprehensive income		-	-	(299)	(299)
At June 30th 2017		2,000,000	-	1,489,216	3,489,216
At July 1st 2017		2,000,000	-	1,489,216	3,489,216
Profit for the year		-	-	93,143	93,143
Dividends	24	-	-	(80,000)	(80,000)
Other comprehensive income		-	-	(713)	(713)
At June 30th 2018		**2,000,000**	**-**	**1,501,646**	**3,501,646**

The notes on pages 46 to 80 form an integral part of these financial statements. The auditor's report is on pages 38 to 40.

statements of cash flows

MRs000	note	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Cash flows from operating activities					
Cash received from tenants		**264,345**	245,315	**212,350**	199,201
Security fees received		**241,137**	241,589	**-**	-
Cash payments net of other operating receipts		**(335,739)**	(353,301)	**(97,606)**	(122,372)
Cash generated from operations		**169,743**	133,603	**114,744**	76,829
Interest paid		**(363)**	(22,639)	**(324)**	(22,654)
Interest received		**2,987**	11,300	**11,732**	21,243
Net income tax paid		**(10,645)**	(2,766)	**(8,669)**	(1,694)
Net cash generated from operating activities		**161,722**	119,498	**117,483**	73,724
Cash flows from investing activities					
Purchase of property, plant and equipment		**(9,756)**	(15,004)	**(2,582)**	(3,085)
Purchase of intangible assets		**(2,011)**	(173)	**-**	(17)
Payments in respect of investment property		**(257,018)**	(114,331)	**(257,018)**	(112,514)
Net amount refunded from subsidiary companies		**-**	-	**41,475**	13,405
Amount paid on behalf of joint venture		**(1,958)**	(589)	**-**	-
Proceeds from disposals of property, plant and equipment		**1,198**	607	**222**	16
Other cash outflows		**(298)**	(2,222)	**(119)**	(1,472)
Net cash used in investing activities		**(269,843)**	(131,712)	**(218,022)**	(103,667)
Cash flows from financing activities					
Repayments of bank borrowings		**-**	(636,500)	**-**	(636,500)
Net loan refunded to parent		**-**	(178,000)	**-**	(178,000)
Net loan refunded by/(granted to) holding company		**141,079**	(141,079)	**127,008**	(127,008)
Net loan granted from subsidiary companies		**-**	-	**5,050**	-
Net loan granted to joint venture		**(1,500)**	-	**-**	-
Dividends paid to Company's shareholders		**(80,000)**	-	**(80,000)**	-
Proceeds from Rights Issue		**-**	1,000,000	**-**	1,000,000
Transaction costs in respect of Rights Issue		**-**	(1,710)	**-**	(1,710)
Net cash generated from financing activities		**59,579**	42,711	**52,058**	56,782
Net (decrease)/increase in cash and cash equivalents		**(48,542)**	30,497	**(48,481)**	26,839
Cash and cash equivalents at beginning of the year		**305**	(30,261)	**165**	(26,744)
Effect of foreign exchange rate changes		**132**	69	**81**	70
Cash and cash equivalents at end of the year		**(48,105)**	305	**(48,235)**	165
Analysis of cash and cash equivalents disclosed above					
Bank and cash balances		**280**	305	**147**	165
Bank overdrafts	14	**(48,385)**	-	**(48,382)**	-
		(48,105)	305	**(48,235)**	165

The notes on pages 46 to 80 form an integral part of these financial statements. The auditor's report is on pages 38 to 40.

notes to the financial statements

general information

Caudan Development Limited is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is Promotion and Development Ltd, 8th Floor, Dias Pier, Le Caudan Waterfront, 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 26th 2018 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 (MRs000), 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.

The Group and the Company had net current liabilities of MRs239m and MRs275m respectively at June 30th 2018. The board is satisfied that the group and the company have the resources to meet their liabilities in foreseeable future. Furthermore, the board is not aware of any uncertainties that may cast significant doubt upon the group's and the company's ability to continue on as a going concern. The financial statements are prepared on a going concern basis.

Amendments to published Standards effective in the reporting period

(Amendments to IAS 12)

Recognition of Deferred Tax Assets for Unrealised Losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment has no impact on the Group's financial statements.

(Amendments to IAS 7)

Disclosure Initiative. The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (e.g., drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences.

Annual Improvements to IFRSs 2014–2016 cycle

IFRS 12

Disclosure of Interests in Other Entities. The amendments clarify that entities are not exempt from all of the disclosure requirements in IFRS 12 when entities have been classified as held for sale or as discontinued operations. The amendment has no impact on the Group's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1st 2018 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
IFRS 15	Revenue from Contract with Customers
(Amendments to IFRS 10 and IAS 28)	Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 16	Leases
Clarifications to IFRS 15	Revenue from Contracts with Customers
(Amendments to IFRS 2)	Classification and Measurement of Share-based Payment Transactions
(Amendments to IFRS 4)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Annual Improvements to IFRSs 2014–2016 Cycle	
IFRIC 22	Foreign Currency Transactions and Advance Consideration
(Amendments to IAS 40)	Transfers of Investment Property
IFRS 17	Insurance Contracts
IFRIC 23	Uncertainty over Income Tax Treatments
(Amendments to IFRS 9)	Prepayment Features with negative compensation
(Amendments to IAS 28)	Long-term Interests in Associates and Joint Ventures
Annual Improvements to IFRSs 2015–2017 Cycle	
(Amendments to IAS 19)	Plan Amendment, Curtailment or Settlement

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

Effective for annual periods beginning on or after January 1st 2018:

IFRS 9

Financial instruments (effective for annual periods beginning on or after January 1st 2018).

Financial instruments - effective January 1st 2018.

In July 2014, the IASB issued IFRS 9 'Financial Instruments', which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). In many instances, the classification and measurement outcomes will be similar to IAS 39, although differences may arise. The combined effect of the application of the business model and the contractual cash flow characteristics tests may result in some differences in the population of financial assets measured at amortised cost or fair value compared with IAS 39. The classification of financial liabilities is essentially unchanged. For certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are to be included in other comprehensive income.

Impairment

The impairment requirements apply to financial assets measured at amortised cost, lease receivables and certain loan commitments and financial guarantee contracts.

At initial recognition, allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default or otherwise credit impaired are in 'stage 3'.

The assessment of whether credit risk has increased significantly since initial recognition is performed at the end of each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument, rather than by considering an increase in ECL.

At the level of Group, the simplified model will be applied.

An entity measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions that are within the scope of IFRS 15 and that do not contain a significant financing component in accordance to IFRS 15. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Hedge accounting

The general hedge accounting requirements aim to simplify hedge accounting, creating a stronger link between it and risk management strategy and permitting the former to be applied to a greater variety of hedging instruments and risks. The standards does not explicitly address macro hedge accounting strategies, which are being considered in a separate project. To remove the risk of any conflict existing macro hedge accounting practise and the new general hedge accounting requirement, IFRS 9 includes accounting policy choice to remain with IAS 39 hedge accounting.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationship might be eligible for hedge accounting as the Standard introduces a more principles-based approach.

Transitional impact

The requirements of IFRS 9 'Financial Instruments' will be adopted by the Group from July 1st 2018. The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening balance sheet at the date of initial application, with no requirement to restate comparative periods. The Group does not intend to restate comparatives.

The Group does not expect changes in the classification and measurement of its financial assets as compared to IAS 39.

The adoption of IFRS 9 is not expected to affect significantly the net assets at July 1st 2018.

These estimates are based on accounting policies, assumptions, judgements and estimation technique that remain subject to change until the Group finalises its financial statements for the year ending June 30th 2019.

IFRS 15

Revenue from Contracts with Customers (effective for annual periods beginning on or after January 1st 2018).

IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g., IFRS 9, and IFRS 16 Leases). IFRS 15 provides a single, principle based five-step model to be applied to all contracts with customers and revenue under will need to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard will also specify a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows with customers. The Group has assessed the impact of IFRS 15 and is not expecting that there will be a significant impact on the net assets as at July 1st 2018.

IFRS 16

Leases - effective January 1st 2019.

Adoption of IFRS 16 will result in the Group recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. Instead of recognising an operating expense for its operating lease payments, the Group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. IFRS 16 is effective for annual periods beginning on or after January 1st 2019. The Group is still assessing the impact of the standard on 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 represents the value of the customer portfolio and is being amortised over a period of two years. The customer portfolio was previously tested for impairment annually.

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.

A full valuation is carried out every five years by external independent valuers. Each year the values are reviewed and updated by the valuers so as to identify if there is any material fluctuation in the fair value of the investment properties. Where after consultation with the independent valuers, the directors are satisfied that the book values of the investment properties reflect their fair values, no adjustment is made to the carrying values of investment properties during the period in between.

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 borrowing 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 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 and includes corporate social responsibility charge.

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 25.

Transfer pricing

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

Non-recurring items

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

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 2018, 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 for the group and the company would not have been impacted significantly due to surplus funds available throughout most of the year under review (2017: MRs1.5m for the group and the company).

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
2018				at June 30th
Borrowings	**48,385**	**-**	**-**	**-**
Other payables	**261,226**	**-**	**-**	**-**
2017				
Borrowings	-	-	-	-
Other payables	136,518	-	-	-
MRs000				THE COMPANY
2018				at June 30th
Borrowings	**53,432**	**-**	**-**	**-**
Other payables	**409,944**	**-**	**-**	**-**
2017				
Borrowings	-	-	-	-
Other payables	283,385	-	-	-

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	THE GROUP		THE COMPANY	
at June 30th	**2018**	2017	**2018**	2017
Total debt	**-**	-	**5,050**	-
Cash and cash equivalents	**48,105**	(305)	**48,235**	(165)
Net debt/(cash)	**48,105**	(305)	**53,285**	(165)
Total equity	**3,958,140**	3,935,025	**3,501,646**	3,489,216
Debt to adjusted capital ratio	**0.01**	(0.00)	**0.02**	(0.00)

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 2018, the sales comparison approach, depreciated replacement cost approach and income capitalization approach have been used.

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	Le Caudan Waterfront	Le Caudan Waterfront buildings in progress	land & other buildings	freehold buildings in progress	level 2 long leasehold buildings	**total 2018**	total 2017
Fair value							
At July 1st	**3,465,999**	**119,169**	**103,000**	**1,932**	**144,700**	**3,834,800**	3,710,005
Additions	**-**	**360,318**	**-**	**2,504**	**-**	**362,822**	121,634
Transfer to property, plant and equipment (note 4)	**(68,255)**	**-**	**-**	**-**	**-**	**(68,255)**	-
Transfer	**-**	**-**	**4,436**	**(4,436)**	**-**	**-**	-
Net gain from fair value adjustment on investment property	**12,424**	**-**	**362**	**-**	**-**	**12,786**	3,161
At June 30th	**3,410,168**	**479,487**	**107,798**	**-**	**144,700**	**4,142,153**	3,834,800
THE COMPANY							
Fair value							
At July 1st	**2,993,141**	**119,169**	**207,002**	**1,932**	**144,700**	**3,465,944**	3,340,529
Additions	**-**	**360,318**	**-**	**2,504**	**-**	**362,822**	121,384
Transfer	**-**	**-**	**4,436**	**(4,436)**	**-**	**-**	-
Net gain from fair value adjustment on investment property	**12,339**	**-**	**462**	**-**	**-**	**12,801**	4,031
At June 30th	**3,005,480**	**479,487**	**211,900**	**-**	**144,700**	**3,841,567**	3,465,944

Basis of valuation

› Investment property comprises a number of offices, commercial and industrial properties rented to third parties.

› Investment property is measured at fair value in the group's statement of financial position and categorised as level 2 in the fair value hierarchy as it has been valued using observable market data. › It is the group's policy to engage independent external valuers to determine the market value of its investment property at June 30th. The group provides information to the valuers, including current lease and tenant data along with asset-specific business plans. The valuers use this and other inputs including market transactions for similar properties to produce valuations. These valuations and the assumptions they have made are then discussed and reviewed with the management team and directors. › Valuation fees are a fixed amount agreed between the group and the valuers in advance of the valuation and are not linked to the valuation output.

› An independent valuation of the properties was carried out at June 30th 2018 by Broll Indian Ocean Ltd, chartered valuers, using the sales comparison approach, depreciated replacement cost approach and income capitalization approach. The group's land and buildings have been revalued at their fair value. In the case of Le Caudan Waterfront, the value determined by the valuer has been based on the assumption that the property is sold as a bulk. › Assets not valued externally held at cost relate to building in progress. › The building in progress relates to the Caudan Arts Centre which is of a similar nature and share characteristics and risks as Le Caudan Waterfront. These amounts have been reviewed internally and it has been concluded that the cost is the appropriate carrying value and so no valuation adjustment is needed. After completion of construction, the property will be valued by independent external valuers. › Transfers into and out of investment property are recognised on the date of the event or change in circumstances that caused the transfer.

› Bank borrowings are secured by floating charges on the assets of the borrowing companies including investment property (note 14).

› Rental income from investment property amounted to MRs237.8m (2017: MRs249.2m) for the group and MRs196.4m (2017: MRs202.0m) for the company. Direct operating expenses arising on the income generating investment property in the year amounted to MRs67.6m (2017: MRs68.7m) for the group and MRs74.4m (2017: MRs74.4m) 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 2018	2017
Cost		
At July 1st and June 30th	**602**	602
Amortisation		
At July 1st	**152**	145
Charge for the year	**6**	6
At June 30th	**158**	151
Net book values		
At June 30th	**444**	451

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

4 property, plant and equipment

THE GROUP MRs000	note	land and buildings	furniture and equipment	motor vehicles	total
Cost					
At July 1st 2016		146,159	112,600	42,656	301,415
Additions		105	6,592	10,206	16,903
Disposal/amount written off		-	(10,821)	(4,485)	(15,306)
At June 30th 2017		146,264	108,371	48,377	303,012
At July 1st 2017		146,264	108,371	48,377	303,012
Additions		458	4,842	4,529	9,829
Transfer from investment property	2	68,255	-	-	68,255
Disposal/amount written off		-	(220)	(3,455)	(3,675)
At June 30th 2018		**214,977**	**112,993**	**49,451**	**377,421**
Depreciation					
At July 1st 2016		10,157	87,201	30,056	127,414
Charge for the year		1,624	11,596	4,274	17,494
Disposal/amount written off adjustment		-	(10,383)	(3,210)	(13,593)
At June 30th 2017		11,781	88,414	31,120	131,315
At July 1st 2017		11,781	88,414	31,120	131,315
Charge for the year		1,625	9,880	4,388	15,893
Disposal/amount written off adjustment		-	(220)	(2,761)	(2,981)
At June 30th 2018		**13,406**	**98,074**	**32,747**	**144,227**
Net book values					
At June 30th 2018		**201,571**	**14,919**	**16,704**	**233,194**
At June 30th 2017		134,483	19,957	17,257	171,697

4 property, plant and equipment *continued*

THE COMPANY MRs000	buildings	furniture and equipment	motor vehicles	total
Cost				
At July 1st 2016	45,004	25,743	5,437	76,184
Additions	105	2,319	2,791	5,215
Disposal/amount written off	-	(97)	(2,355)	(2,452)
At June 30th 2017	**45,109**	**27,965**	**5,873**	**78,947**
At July 1st 2017	45,109	27,965	5,873	78,947
Additions	-	396	-	396
Disposal/amount written off	-	(28)	(485)	(513)
At June 30th 2018	**45,109**	**28,333**	**5,388**	**78,830**
Depreciation				
At July 1st 2016	5,899	17,559	2,647	26,105
Charge for the year	923	2,819	475	4,217
Disposal/amount written off adjustment	-	(74)	(1,100)	(1,174)
At June 30th 2017	6,822	20,304	2,022	29,148
At July 1st 2017	6,822	20,304	2,022	29,148
Charge for the year	924	3,203	415	4,542
Disposal/amount written off adjustment	-	(27)	(212)	(239)
At June 30th 2018	**7,746**	**23,480**	**2,225**	**33,451**
Net book values				
At June 30th 2018	**37,363**	**4,853**	**3,163**	**45,379**
At June 30th 2017	38,287	7,661	3,851	49,799

› Bank borrowings are secured by floating charges on the assets of the group including property, plant and equipment (note 14). › Depreciation charge of MRs15.893m for the group (2017: MRs17.494m) and MRs4.542m for the company (2017: MRs4.217m) has been included in operating expenses.

5 intangible assets

THE GROUP MRs000	computer software	other	total
Cost			
At July 1st 2016	3,718	2,105	5,823
Additions	173	-	173
At June 30th 2017	3,891	2,105	5,996
At July 1st 2017	3,891	2,105	5,996
Additions	2,036	-	2,036
Disposal	(104)	-	(104)
At June 30th 2018	**5,823**	**2,105**	**7,928**
Amortisation			
At July 1st 2016	3,119	-	3,119
Amortisation charge	321	1,053	1,374
At June 30th 2017	3,440	1,053	4,493
At July 1st 2017	3,440	1,053	4,493
Amortisation charge	175	1,052	1,227
Disposal adjustments	(28)	-	(28)
At June 30th 2018	**3,587**	**2,105**	**5,692**
Net book values			
At June 30th 2018	**2,236**	**-**	**2,236**
At June 30th 2017	451	1,052	1,503

THE COMPANY	
Cost	
At July 1st 2016	496
Additions	17
At June 30th 2017	513
At July 1st 2017 and June 30th 2018	**513**
Amortisation	
At July 1st 2016	413
Amortisation charge	36
At June 30th 2017	449
At July 1st 2017	449
Amortisation charge	27
At June 30th 2018	**476**
Net book values	
At June 30th 2018	**37**
At June 30th 2017	64

› Other intangible assets relate to consideration paid in respect of the acquisition of a customer list purchased in September 2005. › Amortisation charge of MRs1.227m (2017: MRs1.374m) for the group and MRs0.027m (2017: MRs0.036m) for the company are included in operating expenses.

6 investments in subsidiary companies

THE COMPANY

MRs000	**2018**	2017
Cost		
At July 1st and June 30th	**14,247**	14,247

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 Ltd	ordinary	June	1,000	100	-	leisure & property
Caudan Security Services Limited	ordinary	June	10,000	100	-	security
Harbour Cruise Ltd	ordinary	June	300	-	100	dormant
Security & Property Protection Agency Co Ltd	ordinary	June	10,000	-	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 Ltd 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.

7 investments in associate

A

THE GROUP

MRs000	**2018**	2017
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 and 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 %
2018 and 2017							
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 2018. › The investment has been reduced to nil given that the entity's share of losses exceeded its interests. The group will resume recognising its share of profit only after it will equal the share of losses not recognised.

C Summarised financial information

Summarised financial information in respect of the associate

MRs000	current assets	non current assets	current liabilities	non current liabilities	revenue	profit/ (loss) for the year	other compre-hensive income for the year	total compre-hensive income for the year
2018								
Le Caudan Waterfront Casino Limited	**36,461**	**18,473**	**71,823**	**55,981**	**154,741**	**3,210**	**3,890**	**7,100**
2017								
Le Caudan Waterfront Casino Limited	40,905	23,839	51,389	93,325	160,413	(12,881)	-	(12,881)

› 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	profit/ (loss) for the year	other compre-hensive income for the year	closing net assets	unrecog-nised losses and other comprehen-sive income	ownership interest	share of unrecog-nised losses and other comprehen-sive income	interest in associates	goodwill	carrying value
2018										
Le Caudan Waterfront Casino Limited	**(79,970)**	**3,210**	**3,890**	**(72,870)**	**(49,841)**	**39.2%**	**(19,538)**	**-**	**-**	**-**
2017										
Le Caudan Waterfront Casino Limited	(67,089)	(12,881)	-	(79,970)	(56,946)	39.2%	(22,323)	-	-	-

8 investments in joint venture

A

THE GROUP MRs000	2018	2017
Share of net assets	-	-
Cost		
At July 1st and June 30th	10	10
Share of post acquisition reserves		
At July 1st and June 30th	(10)	(10)
At June 30th	-	-

B Details of the joint venture

Details of the joint venture 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 indirect %
2018 and 2017						
Integrated Safety and Security Solutions Ltd	ordinary	June	security	Mauritius	Mauritius	50.00

› Integrated Safety and Security Solutions Ltd was incorporated in 2015 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 Ltd, a company incorporated in Mauritius as a GBL Category 1 company. It is accounted for using the equity method. › The investment has been reduced to nil given that the entity's share of losses exceeded its interests.

C Summarised financial information

Summarised financial information in respect of the joint venture

MRs000	current assets	non current assets	current liabilities	non current liabilities	revenue	profit/ (loss) for the year	other comprehensive income for the year	total comprehensive income for the year
2018								
Integrated Safety and Security Solutions Ltd	**5,593**	**615**	**8,438**	**14**	**19,056**	**145**	**-**	**145**
2017								
Integrated Safety and Security Solutions Ltd	5,086	604	8,079	-	3,990	(2,268)	-	(2,268)

› 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	profit/ (loss) for the year	other comprehensive income for the year	closing net assets	unrecognised losses	ownership interest	share of unrecognised losses	interest in joint venture
2018								
Integrated Safety and Security Solutions Ltd	**(2,389)**	**145**	**-**	**(2,244)**	**(2,244)**	**50.0%**	**(1,122)**	**-**
2017								
Integrated Safety and Security Solutions Ltd	(121)	(2,268)	-	(2,389)	(2,389)	50.0%	(1,195)	-

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.

9 financial instruments by category

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

THE GROUP

MRs000	**2018**	2017
Assets as per statements of financial position		
Trade receivables	**90,436**	127,887
Loan receivable from holding company	**-**	141,079
Receivables from joint venture	**4,298**	826
Cash and cash equivalents	**280**	305
	95,014	270,097

MRs000	**2018**	2017
Liabilities as per statements of financial position		
Borrowings	**48,385**	-
Other payables	**261,226**	136,518
	309,611	136,518

THE COMPANY

MRs000	**2018**	2017
Assets as per statements of financial position		
Trade receivables	**27,660**	46,000
Loan receivable from holding company	**-**	127,008
Receivables from subsidiary companies	**72,844**	114,550
Loan to subsidiary company receivable at call	**100,000**	100,000
Cash and cash equivalents	**147**	165
	200,651	387,723

MRs000	**2018**	2017
Liabilities as per statements of financial position		
Borrowings	**53,432**	-
Other payables	**409,944**	283,385
	463,376	283,385

10 inventories

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Spares and accessories	**1,844**	3,121	**1,844**	3,121
Consumables	**1,308**	1,652	**-**	-
Work in progress	**1,112**	3,838	**-**	-
Goods for resale	**4,963**	7,061	**-**	-
	9,227	15,672	**1,844**	3,121
Costs of inventories recognised as expense and included in				
Cost of sales	**15,263**	16,836	**-**	-
Operating expenses	**5,995**	6,569	**2,285**	2,839

› The bank borrowings are secured by floating charges over the assets of the group including inventories (note 14).

11 trade and other receivables

A

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Trade receivables	**90,436**	127,887	**27,660**	46,000
Less provision for impairment of receivables	**(43,497)**	(65,891)	**(21,104)**	(34,970)
Trade receivables - net	**46,939**	61,996	**6,556**	11,030
Prepayments	**2,293**	2,058	**702**	475
Payments made on account	**65,091**	42,127	**64,223**	42,080
Loan receivable from holding company	**-**	141,079	**-**	127,008
Receivables from subsidiary companies	**-**	-	**72,844**	114,550
Receivables from joint venture	**4,298**	826	**13**	-
Loan to subsidiary company receivable at call	**-**	-	**100,000**	100,000
Income tax receivable	**1,888**	2,399	**-**	671
Other receivables	**26,592**	35,771	**25,285**	33,157
	147,101	286,256	**269,623**	428,971
Less non-current portion				
Trade receivables	**(2,571)**	(3,402)	**-**	-
	144,530	282,854	**269,623**	428,971

› Included within other receivables are tenant lease incentives of MRs8.9m (2017: MRs12.4m) for the group and the company. › 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 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Current	**21,872**	25,101	**4,896**	5,835
1 to 3 months	**20,073**	27,268	**943**	5,560
4 to 6 months	**3,727**	8,817	**429**	2,072
Over 6 months	**44,764**	66,701	**21,392**	32,533
	90,436	127,887	**27,660**	46,000

11 trade and other receivables *continued*

c Trade receivables past due but not impaired

› At June 30th 2018, trade receivables of MRs16.761m (2017: MRs16.361m) for the group and MRs0.943m (2017: MRs3.461m) 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

	THE GROUP		THE COMPANY	
MRs000	**2018**	2017	**2018**	2017
1 to 3 months	**16,761**	16,361	**943**	3,461
Fair value of collateral				
1 to 3 months	**622**	3,547	**469**	3,309

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

D Trade receivables past due and impaired

› As of June 30th 2018, trade receivables of MRs51.803m (2017: MRs86.425m) for the group and MRs21.821m (2017: MRs36.704m) for the company were impaired. The amount of the provision was MRs43.497m (2017: MRs65.891m) for the group and MRs21.104m (2017: MRs34.970m) for the company. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables

	THE GROUP		THE COMPANY	
MRs000	**2018**	2017	**2018**	2017
1 to 3 months	**3,312**	10,907	**-**	2,099
4 to 6 months	**3,727**	8,817	**429**	2,072
Over 6 months	**44,764**	66,701	**21,392**	32,533
	51,803	86,425	**21,821**	36,704
Fair value of collateral				
1 to 3 months	**-**	285	**-**	193
4 to 6 months	**-**	84	**-**	84
Over 6 months	**88**	311	**80**	300
	88	680	**80**	577

Movement in the provision for impairment of trade receivables

	THE GROUP		THE COMPANY	
MRs000	**2018**	2017	**2018**	2017
At July 1st	**65,891**	67,848	**34,970**	34,814
Net provision for impairment	**(5,270)**	7,915	**(5,654)**	4,933
Receivables written off during the year as uncollectible	**(17,124)**	(9,872)	**(8,212)**	(4,777)
At June 30th	**43,497**	65,891	**21,104**	34,970

› 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	2018	2017
Issued and fully paid		
At July 1st	**2,000,000**	819,520
Bonus Issue	**-**	180,480
Rights Issue	**-**	1,000,000
At June 30th	**2,000,000**	2,000,000

› At June 30th 2018, the share capital stood at MRs2bn (2017: MRs2bn). The company issued to its shareholders on August 31st 2016, 180,480,000 bonus shares in the proportion of 0.220226474 share for each share held at that date and thereafter a proposed Rights Issue of one new ordinary share for each ordinary share held after the Bonus Issue at an issue price of MRe1.00 each, totalling 1,000,000,000 new ordinary shares and resulting in an overall total issue of 1,180,480,000 new ordinary shares.

13 retained earnings

MRs000	the company	subsidiaries	associates	consolidation adjustment	the group
At July 1st 2017	1,489,216	496,796	(19,076)	(31,746)	1,935,190
Profit attributable to shareholders	93,143	14,637	-	(4,196)	103,584
Dividends	(80,000)	-	-	-	(80,000)
Other comprehensive income for the year	(713)	251	-	-	(462)
At June 30th 2018	**1,501,646**	**511,684**	**(19,076)**	**(35,942)**	**1,958,312**

14 borrowings

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Current				
Bank overdrafts	**48,385**	-	**48,382**	-
Loan from subsidiary companies at call	**-**	-	**5,050**	-
	48,385	-	**53,432**	-

Bank overdrafts

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

The group's borrowings are denominated in mauritian rupee. The carrying amounts of borrowings were 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 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Within one year	**48,385**	-	**53,432**	-

15 deferred tax

Deferred tax liability/(asset)

MRs000	at July 1st 2017	charge/ (credit) to statement of profit or loss	credit to statement of other comprehensive income	**at June 30th 2018**
THE GROUP				
Accelerated capital allowances	956	(157)	-	**799**
Provisions	(6,509)	186	-	**(6,323)**
Deferred tax assets	(5,553)	29	-	**(5,524)**
Accelerated capital allowances	50,146	38,918	-	**89,064**
Provisions	(8,137)	4,193	(95)	**(4,039)**
Fair value gains	102,469	(22,016)	-	**80,453**
Tax losses	(1,966)	1,966	-	**-**
Deferred tax liabilities	142,512	23,061	(95)	**165,478**
Net deferred tax	136,959	23,090	(95)	**159,954**

Deferred tax liabilities

THE COMPANY				
Accelerated capital allowances	49,576	12,634	-	**62,210**
Provisions	(7,154)	1,058	(146)	**(6,242)**
Fair value gains	59,468	1,291	-	**60,759**
	101,890	14,983	(146)	**116,727**

› 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 **2018**	THE GROUP 2017	THE COMPANY **2018**	THE COMPANY 2017
Deferred tax assets	**(10,362)**	(16,612)	**(6,242)**	(7,154)
Deferred tax liabilities	**170,316**	153,571	**122,969**	109,044
	159,954	136,959	**116,727**	101,890

› Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2017: 15%).

15 deferred tax *continued*

MRs000	note	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
The movement in the deferred income tax account					
At July 1st		**136,959**	126,855	**101,890**	94,942
Charge to profit or loss	21	**23,090**	10,157	**14,983**	7,001
Credit to other comprehensive income		**(95)**	(53)	**(146)**	(53)
At June 30th		**159,954**	136,959	**116,727**	101,890

16 retirement benefit obligations

MRs000	note	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Amounts recognised in the statements of financial position					
Other post retirement benefits (gratuity on retirement)		**23,549**	21,397	**8,197**	8,271
Amounts recognised in the statements of profit or loss and other comprehensive income					
Release in respect of leavers		**(1,494)**	(966)	**-**	(183)
Provision for the year		**4,691**	4,922	**569**	1,251
Total included in employee benefit expense	19A	**3,197**	3,956	**569**	1,068
Movement in the liability recognised in the statements of financial position					
At July 1st		**21,397**	17,973	**8,271**	7,688
Gratuity on retirement paid		**(867)**	(149)	**(767)**	(102)
Benefits paid		**(735)**	(735)	**(735)**	(735)
Amount charged to other comprehensive income		**557**	352	**859**	352
Expense for the year		**3,197**	3,956	**569**	1,068
At June 30th		**23,549**	21,397	**8,197**	8,271

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

17 other payables

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Amounts owed to parent	**4,593**	2,542	**3,921**	2,124
Amounts owed to subsidiary companies	**-**	-	**179,219**	181,531
Social security and other taxes	**4,257**	4,652	**466**	635
Defined contribution plan	**821**	802	**174**	187
Advance monies	**32,282**	33,597	**26,745**	27,865
Other payables and accrued expenses: construction costs	**173,435**	47,934	**173,435**	47,934
Other payables and accrued expenses	**45,838**	46,991	**25,984**	23,109
	261,226	136,518	**409,944**	283,385

› 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

THE GROUP

MRs000	share premium	translation reserve	total
At July 1st 2016	2,862	(65)	2,797
Currency translation differences	-	(100)	(100)
Bonus Issue	(2,862)	-	(2,862)
At June 30th 2017	-	(165)	(165)
At July 1st 2017	-	(165)	(165)
Currency translation differences	-	(7)	(7)
At June 30th 2018	**-**	**(172)**	**(172)**

Share premium
The share premium account includes the difference between the value of shares issued and their nominal value. The share premium was used to issue bonus shares.

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 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Operating profit is arrived at after crediting					
Rental income		**237,799**	249,234	**196,370**	202,033
Sale of goods		**18,418**	18,595	**-**	-
Sale of services		**225,654**	224,290	**-**	-
Profit on disposal of property, plant and equipment		**557**	570	**-**	-
and after charging					
Depreciation on property, plant and equipment	4	**15,893**	17,494	**4,542**	4,217
Amortisation of intangible assets	5	**1,227**	1,374	**27**	36
Amortisation of prepaid operating lease payments	3	**6**	6	**6**	6
Operating lease rentals		**8,316**	8,248	**4,772**	4,382
Property, plant and equipment written off		**-**	419	**-**	-
Loss on disposal of property, plant and equipment		**51**	162	**51**	162
Employee benefit expense		**215,158**	219,193	**30,311**	37,178

A Analysis of employee benefit expense

MRs000	note	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Wages and salaries		**192,566**	196,383	**26,632**	33,158
Social security costs		**10,078**	10,364	**1,199**	1,294
Pension costs					
Defined contribution plan		**9,317**	8,490	**1,911**	1,658
Other post retirement benefits	16	**3,197**	3,956	**569**	1,068
		215,158	219,193	**30,311**	37,178

20 finance (income) and costs

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Finance costs				
Interest expense				
Bank overdrafts	**364**	357	**289**	308
Bank loan	**-**	18,969	**-**	18,969
Other loans at call	**-**	3,102	**78**	3,166
Foreign exchange loss	**2**	23	**-**	-
Other	**-**	79	**-**	79
	366	22,530	**367**	22,522
Finance income				
Interest income	**(2,986)**	(11,299)	**(11,731)**	(21,242)
Foreign exchange gain	**(118)**	(248)	**(66)**	(248)
	(3,104)	(11,547)	**(11,797)**	(21,490)
Net finance (income)/costs	**(2,738)**	10,983	**(11,430)**	1,032

21 income tax expense

MRs000	note	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Based on the profit for the year, as adjusted for tax purposes, at 15%		**10,202**	7,786	**9,424**	6,424
Underprovision/(overprovision) of tax in previous year		**899**	7	**908**	(1)
Deferred income tax movement for the year	15	**23,090**	10,157	**14,983**	7,001
Corporate social responsibility contribution		**2,512**	216	**2,237**	74
Charge to statement of profit or loss		**36,703**	18,166	**27,552**	13,498
Deferred income tax charge/(credit)					
Accelerated capital allowances		**38,761**	6,193	**12,634**	6,610
Provisions		**4,379**	(277)	**1,058**	(214)
Fair value gains		**(22,016)**	475	**1,291**	605
Tax losses		**1,966**	3,766	**-**	-
		23,090	10,157	**14,983**	7,001

› Reconciliation between the applicable income tax rate of 15.0% for the group and the company and the effective rate of income tax of the group of 26.2% (2017: 19.1%) and the company of 22.8% (2017: 19.5%).

21 income tax expense *continued*

As a percentage of profit before income tax

%	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Income tax rate	**15.0**	15.0	**15.0**	15.0
Impact of				
Disallowable items	**1.3**	4.5	**1.0**	4.9
Income not subject to tax	**(0.1)**	(0.1)	**-**	-
Other differences	**(3.7)**	(0.3)	**(7.3)**	(0.4)
Balancing charge/(allowance)	**0.1**	(0.1)	**0.1**	0.1
Unrecognised deferred tax assets in previous year	**-**	(0.1)	**-**	(0.1)
Underprovision of deferred tax in previous year	**11.1**	-	**11.3**	-
Effect of different tax rates	**(0.1)**	0.1	**-**	-
Unutilised tax losses	**0.1**	0.1	**-**	-
Underprovision of tax in previous year	**0.7**	-	**0.8**	-
Corporate social responsibility contribution	**1.8**	0.0	**1.9**	0.0
Average effective income tax rate	**26.2**	19.1	**22.8**	19.5

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	2018	2017
Profit attributable to owners of the parent	**103,584**	76,137
Weighted average number of shares in issue during the year (thousands)	**2,000,000**	1,701,370

B

› Adjusted earnings per share is calculated on the basis of the group profit for the year excluding non-recurring item and net gain from fair value adjustment on investment property divided by the number of shares in issue and ranking for dividends.

THE GROUP

MRs000	2018	2017
Profit attributable to owners of the parent	**103,584**	76,137
Net gain from fair value adjustment on investment property (net of deferred tax)	**(7,000)**	(2,687)
Non-recurring item	**-**	14,996
Adjusted earnings attributable to owners of the parent	**96,584**	88,446
Weighted average number of shares in issue during the year (thousands)	**2,000,000**	1,701,370

23 non-recurring item

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Project capital costs written off	-	14,996	-	14,996

24 dividend proposed

MRs000	GROUP AND COMPANY 2018
Final ordinary dividend of MRe0.04 per share paid in August 2018 (2017: MRs80m)	**80,000**

› On June 28th 2018, the directors declared a final dividend of MRe0.04 per share in respect of the year ended June 30th 2018.

25 segment information

2018

MRs000	property	security	eliminations	total
Revenues				
External sales	237,798	244,072	-	481,870
Intersegment sales	4,800	18,151	(22,951)	-
Total revenue	242,598	262,223	(22,951)	481,870
Direct operating expenses	(85,596)	(216,805)	18,151	(284,250)
Administrative expenses	(32,381)	(45,276)	4,800	(72,857)
Total expenses	(117,977)	(262,081)	22,951	(357,107)
Net gain from fair value adjustment on investment property	12,786	-	-	12,786
Segment result	137,407	142	-	137,549
Finance income	2,034	1,070	-	3,104
Finance costs	(363)	(3)	-	(366)
Profit before income tax	139,078	1,209	-	140,287
Taxation	(32,832)	(3,871)	-	(36,703)
Profit attributable to owners of the parent	106,246	(2,662)	-	103,584
Segment assets	4,462,379	77,780	-	4,540,159
Segment liabilities	462,917	35,721		498,638
Current tax liabilities	1,508	1,873	-	3,381
Dividend proposed	80,000	-	-	80,000
	544,425	37,594	-	582,019
Capital expenditure	363,655	11,033	-	374,688
Depreciation and amortisation	5,604	11,522	-	17,126

25 segment information *continued*

2017

MRs000	property	security	eliminations	total
Revenues				
External sales	249,234	242,885	-	492,119
Intersegment sales	4,800	19,924	(24,724)	-
Total revenue	254,034	262,809	(24,724)	492,119
Direct operating expenses	(86,704)	(213,073)	19,924	(279,853)
Administrative expenses	(52,498)	(47,447)	4,800	(95,145)
Total expenses	(139,202)	(260,520)	24,724	(374,998)
Net gain from fair value adjustment on investment property	3,161	-	-	3,161
Segment result	117,993	2,289	-	120,282
Non-recurring item	(14,996)	-	-	(14,996)
Finance income	10,953	594	-	11,547
Finance costs	(22,517)	(13)	-	(22,530)
Profit before income tax	91,433	2,870	-	94,303
Taxation	(17,045)	(1,121)	-	(18,166)
Profit attributable to owners of the parent	74,388	1,749	-	76,137
Segment assets	4,226,341	89,896		4,316,237
Segment liabilities	263,921	36,506		300,427
Current tax liabilities	-	785		785
Dividend proposed	80,000	-		80,000
	343,921	37,291		381,212
Capital expenditure	126,862	11,848		138,710
Depreciation and amortisation	5,334	13,540		18,874

› 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 IFRS 8 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.

26 commitments and contingencies

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Capital				
Commitment in respect of future capital expenditure authorised by the directors and not provided in the financial statements	**519,587**	800,793	**506,303**	800,793

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Future minimum lease payments under non-cancellable operating leases				
Not later than 1 year	**3,932**	3,932	**3,932**	3,932
Later than 1 year and not later than 2 years	**3,932**	3,932	**3,932**	3,932
Later than 2 years and not later than 5 years	**11,796**	11,796	**11,796**	11,796
	19,660	19,660	**19,660**	19,660

› The lease is in respect of land at Riche Terre which expires on May 31st 2031 and is renewable for another period of twenty years and a further period of thirty nine years. › Rental income derived from rental of industrial building at Riche Terre amounts to MRs11.012m (2017: MRs10.936m).

Operating leases

MRs000	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Future minimum lease payments receivable under non-cancellable operating leases				
Not later than 1 year	**151,859**	158,716	**118,202**	122,767
Later than 1 year and not later than 5 years	**219,670**	199,307	**144,231**	185,236
Later than 5 years	**66,927**	74,574	**81,102**	87,492
	438,456	432,597	**343,535**	395,495

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

Contingencies

THE GROUP MRs000	2018	2017
Contingent liabilities		
Bank guarantees to third parties	**3,500**	3,500
Bank guarantees to third parties on behalf of joint venture	**283**	1,698
	3,783	5,198

27 parent and ultimate parent

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

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

THE GROUP

MRs000	**2018**	2017	2016
Statements of profit and loss and other comprehensive income			
Turnover	**481,870**	492,119	461,486
Profit before income tax	**140,287**	94,303	13,848
Taxation	**(36,703)**	(18,166)	(3,051)
Profit attributable to owners of the parent	**103,584**	76,137	10,797
Other comprehensive income for the year	**(469)**	(399)	(196)
Adjusted profit attributable to owners of the parent	**96,584**	88,446	10,797
Total comprehensive income attributable to owners of the parent	**103,115**	75,738	10,601
Net assets value per share	**1.98**	1.97	2.94
Rate of dividend (%)	**4%**	4%	-
Dividend per share (MRe)	**0.04**	0.04	-
Earnings per share (MRe)	**0.052**	0.045	0.011
Adjusted earnings per share (MRe)	**0.048**	0.052	0.011

THE GROUP

MRs000	**2018**	2017	2016
Statements of financial position			
Non-current assets	**4,386,122**	4,017,406	3,896,453
Current assets	**154,037**	298,831	138,726
Total assets	**4,540,159**	4,316,237	4,035,179
Total equity	**3,958,140**	3,935,025	2,940,997
Non-current liabilities	**189,027**	163,909	749,460
Current liabilities	**392,992**	217,303	344,722
Total equity and liabilities	**4,540,159**	4,316,237	4,035,179

29 related party transactions

Transactions carried out by the group with related parties

2018 MRs000	(sale)/ purchase of property plant & equipment	rental/ other income	payment in respect of invest-ment property	operating expenses	manage-ment fees expense/ (income)	net interest expense/ (income)	net loan received from/ (repaid to)	net loan (given to)/ repaid from	emolu-ments and benefits
Parent	**-**	**97**	**8,035**	**3,932**	**12,172**	**(2,148)**	**-**	**141,079**	**-**
Associate	**-**	**15,963**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**-**	**19,737**	**551**	**1,674**	**-**	**-**	**-**	**-**	**-**
Joint venture in which the group is a venturer	**-**	**5,257**	**-**	**997**	**(216)**	**146**	**-**	**(1,500)**	**-**
Shareholders with significant influence	**-**	**11,961**	**-**	**4,099**	**-**	**358**	**-**	**-**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**2,374**	**-**	**37**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**-**	**257**	**-**	**-**	**-**	**-**	**-**	**-**	**11,022**

2017									
Parent	(5)	152	1,883	3,932	14,935	(7,659)	(178,000)	(141,079)	-
Associate	-	19,263	-	-	-	-	-	-	-
Associate of parent	-	18,936	1,428	1,568	-	-	-	-	-
Joint venture in which the group is a venturer	-	1,509	-	337	(606)	(63)	-	(520)	-
Shareholders with significant influence	-	10,471	-	5,249	-	19,326	(636,500)	-	-
Enterprises in which directors/key management personnel (and close families) have significant interest	-	2,190	-	283	-	-	-	-	-
Key management personnel and directors	-	398	-	-	-	-	-	-	10,743

Key management personnel compensation

MRs000	THE GROUP **2018**	THE GROUP 2017	THE COMPANY **2018**	THE COMPANY 2017
Remuneration and other benefits relating to key management personnel, including directors				
Salaries and short term employee benefits	**9,967**	10,145	**5,794**	6,184
Post employments benefits	**1,055**	598	**489**	220
	11,022	10,743	**6,283**	6,404

Transactions carried out by the company with related parties

2018 MRs000	(sale)/ purchase of property, plant & equipment	rental/ other income	payment in respect of invest-ment property	operating expenses	manage-ment fees expense	net interest expense/ (income)	net loan received from/ (repaid to)	net loan (given to)/ repaid from	emolu-ments and benefits
Parent	**-**	**89**	**8,028**	**3,932**	**9,122**	**(1,238)**	**-**	**127,008**	**-**
Associate	**-**	**363**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**-**	**-**	**551**	**353**	**-**	**-**	**-**	**-**	**-**
Joint venture in which the group is a venturer	**-**	**-**	**-**	**997**	**-**	**-**	**-**	**-**	**-**
Subsidiary companies	**155**	**6,893**	**-**	**11,928**	**-**	**(10,343)**	**5,050**	**-**	**-**
Shareholders with significant influence	**-**	**2,584**	**-**	**555**	**-**	**284**	**-**	**-**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**2,374**	**-**	**37**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,283**

2017									
Parent	(5)	143	1,883	3,932	11,161	(7,379)	(178,000)	(127,008)	-
Associate	-	363	-	-	-	-	-	-	-
Associate of parent	-	-	1,428	414	-	-	-	-	-
Joint venture in which the group is a venturer	-	-	-	337	-	-	-	-	-
Subsidiary companies	1,827	6,279	-	12,412	-	(10,677)	-	-	-
Shareholders with significant influence	-	2,483	-	1,383	-	19,277	(636,500)	-	-
Enterprises in which directors/key management personnel (and close families) have significant interest	-	2,190	-	283	-	-	-	-	-
Key management personnel and directors	-	-	-	-	-	-	-	-	6,404

› 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 Ltd (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 1 months' basic rental on securing new tenants, half 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. › For the year ended June 30th 2018, the group has not recorded any impairment of receivables relating to amounts owed by related parties (2017: 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.

29 related party transactions *continued*

THE GROUP

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

2018	receivables from related companies	borrowings payable to related companies	payables to related companies
MRs000			
Parent	**-**	**-**	**4,593**
Associate of parent	**7,995**	**-**	**73**
Joint venture in which the group is a venturer	**4,297**	**-**	**-**
Shareholders with significant influence	**4,692**	**48,385**	**146**
Key management personnel and directors	**45**	**-**	**-**
2017			
Parent	141,079	-	2,542
Associate	10,350	-	-
Associate of parent	8,303	-	4
Joint venture in which the group is a venturer	826	-	6
Shareholders with significant influence	3,065	-	500
Enterprises in which directors/key management personnel (and close families) have significant interest	-	-	11
Key management personnel and directors	239	-	-

30 currency

The financial statements are presented in thousands of Mauritian Rupees.

directors of subsidiaries

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

Caudan Leisure Ltd
René Leclézio
Jocelyne Martin

Caudan Security Services Limited
René Leclézio
Jocelyne Martin
Mooroogassen Soopramanien

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

SPPA CO Ltd
Deepak K. Lakhabhay
Mooroogassen Soopramanien

Harbour Cruise Ltd
René Leclézio

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

Caudan Communauté
René Leclézio
Jocelyne Martin

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