



PROMOTION AND DEVELOPMENT LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS
JUNE 30th 2017

STATEMENTS OF FINANCIAL POSITION

| | THE GROUP | | THE COMPANY | |
|---|-------------------|-------------------|-------------------|------------------|
| | Restated | Restated | Restated | Restated |
| | 30 Jun 17 | 30 Jun 16 | July 1, 2015 | 30 Jun 17 |
| MRs000 | | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Investment property | 3,995,563 | 3,856,544 | 3,816,635 | 164,700 |
| Investments in subsidiary companies | - | - | - | 1,624,218 |
| Investments in associates and jointly controlled entities | 6,607,085 | 6,626,018 | 3,784,095 | 3,303,754 |
| Investments in available-for-sale financial assets | 2,253,713 | 1,754,486 | 2,145,865 | 2,253,713 |
| Other non-current assets | 273,277 | 277,939 | 285,368 | 93,592 |
| | 13,129,638 | 12,514,987 | 10,031,963 | 7,439,977 |
| Current assets | 248,283 | 212,568 | 240,651 | 149,508 |
| | 13,377,921 | 12,727,555 | 10,272,614 | 7,589,485 |
| Equity and liabilities | | | | |
| Capital and reserves | | | | |
| Share capital | 194,766 | 194,678 | 194,667 | 194,766 |
| Other reserves | 6,810,820 | 6,307,221 | 3,938,631 | 3,371,852 |
| Retained earnings | 3,900,701 | 3,729,925 | 3,168,360 | 2,888,450 |
| | 10,906,287 | 10,231,824 | 7,301,658 | 6,455,068 |
| Less: Treasury shares | (107) | (117) | (106) | (107) |
| Equity attributable to owners of the parent | 10,906,180 | 10,231,707 | 7,301,552 | 6,454,961 |
| Non-controlling interests | 1,156,110 | 1,091,111 | 1,087,178 | - |
| | 12,062,290 | 11,322,818 | 8,388,730 | 6,454,961 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Borrowings | 650,000 | 823,500 | 893,167 | 650,000 |
| Other non-current liabilities | 183,125 | 178,448 | 174,901 | 19,216 |
| | 833,125 | 1,001,948 | 1,068,068 | 669,216 |
| Current liabilities | | | | |
| Borrowings | 197,099 | 180,846 | 582,141 | 338,178 |
| Other current liabilities | 285,407 | 221,943 | 233,675 | 127,130 |
| | 482,506 | 402,789 | 815,816 | 465,308 |
| | 1,315,631 | 1,404,737 | 1,883,884 | 1,134,524 |
| | 13,377,921 | 12,727,555 | 10,272,614 | 7,589,485 |
| Net assets per share (MRs) | 280.14 | 262.94 | 187.64 | 165.80 |
| Number of shares | 38,931,866 | 38,912,207 | 38,912,192 | 38,931,866 |

STATEMENTS OF CHANGES IN EQUITY

| MRs000 | Attributable to owners of the parent | | | | | Non controlling interest | Total equity |
|--|--------------------------------------|-----------------|----------------|-------------------|------------|--------------------------|--------------|
| | Share capital | Treasury shares | Other reserves | Retained earnings | Total | | |
| THE GROUP | | | | | | | |
| At July 1st 2015 | | | | | | | |
| As previously reported | 194,667 | (106) | 3,938,631 | 3,162,875 | 7,296,067 | 1,083,943 | 8,380,010 |
| Prior year adjustment | - | - | - | 5,485 | 5,485 | 3,235 | 8,720 |
| As restated | 194,667 | (106) | 3,938,631 | 3,168,360 | 7,301,552 | 1,087,178 | 8,388,730 |
| Issue of shares | 11 | (11) | - | - | - | - | - |
| Exercise of share options | - | - | 1 | - | 1 | - | 1 |
| Dividend | - | - | - | (116,737) | (116,737) | - | (116,737) |
| Profit for the year - restated | - | - | - | 797,225 | 797,225 | 4,006 | 801,231 |
| Transfer | - | - | (11,956) | 11,956 | - | - | - |
| Transfer on winding up of associate | - | - | - | 142,496 | (142,496) | - | - |
| Other comprehensive income for the year | - | - | - | 2,238,049 | 11,617 | (73) | 2,249,593 |
| At June 30th 2016 | 194,678 | (117) | 6,307,221 | 3,729,925 | 10,231,707 | 1,091,111 | 11,322,818 |
| At July 1st 2016 | | | | | | | |
| As previously reported | 194,678 | (117) | 6,307,221 | 3,725,522 | 10,227,304 | 1,088,514 | 11,315,818 |
| Prior year adjustment | - | - | - | 4,403 | 4,403 | 2,597 | 7,000 |
| As restated | 194,678 | (117) | 6,307,221 | 3,729,925 | 10,231,707 | 1,091,111 | 11,322,818 |
| Issue of shares net of issue costs | 88 | (88) | - | (1,208) | (1,208) | 215,970 | 214,762 |
| Exercise of share options | - | 98 | 1,752 | - | 1,850 | - | 1,850 |
| Changes in ownership interests in subsidiary that do not result in loss of control | - | - | (5) | 150,741 | 150,736 | (150,736) | - |
| Dividend | - | - | - | (126,529) | (126,529) | (23,504) | (150,033) |
| Profit for the year | - | - | - | 142,850 | 142,850 | 23,386 | 166,236 |
| Transfer | - | - | (22,235) | 22,235 | - | - | - |
| Other comprehensive income for the year | - | - | - | 524,087 | (17,313) | (117) | 506,657 |
| At June 30th 2017 | 194,766 | (107) | 6,810,820 | 3,900,701 | 10,906,180 | 1,156,110 | 12,062,290 |
| THE COMPANY | | | | | | | |
| At July 1st 2015 | | | | | | | |
| Issue of shares | 194,667 | (106) | 3,076,531 | 2,467,982 | 5,739,074 | - | - |
| Exercise of share options | 11 | (11) | - | - | - | - | - |
| Dividend | - | - | 1 | - | 1 | - | - |
| Profit for the year | - | - | - | (116,737) | (116,737) | - | - |
| Other comprehensive income for the year | - | - | (582,179) | - | (582,179) | - | - |
| At June 30th 2016 | 194,678 | (117) | 2,494,353 | 2,835,903 | 5,524,817 | - | - |
| At July 1st 2016 | | | | | | | |
| Issue of shares | 194,678 | (117) | 2,494,353 | 2,835,903 | 5,524,817 | - | - |
| Exercise of share options | 88 | (88) | - | - | - | - | - |
| Dividend | - | - | 1,752 | - | 1,850 | - | - |
| Profit for the year | - | - | - | (126,529) | (126,529) | - | - |
| Other comprehensive income for the year | - | - | - | 179,076 | 179,076 | - | - |
| At June 30th 2017 | 194,766 | (107) | 3,371,852 | 2,888,450 | 6,454,961 | - | - |

STATEMENTS OF CASH FLOWS

| | THE GROUP | | THE COMPANY | |
|--|------------------|------------------|------------------|-----------------|
| | 30 Jun 17 | 30 Jun 16 | 30 Jun 17 | 30 Jun 16 |
| MRs000 | | | | |
| Net cash generated from operating activities | 207,192 | 123,745 | 89,718 | 92,358 |
| Net cash (used in)/generated from investing activities | (140,622) | 442,833 | (794,499) | 506,963 |
| Net cash flow before financing activities | 66,570 | 566,578 | (704,781) | 599,321 |
| Net cash (used in)/generated from financing activities | (157,201) | (151,609) | 583,616 | (292,446) |
| (Decrease)/increase in cash and cash equivalents | (90,631) | 414,969 | (121,165) | 306,875 |
| Cash and cash equivalents at beginning of the year | (106,165) | (520,967) | (75,918) | (382,791) |
| Effect of foreign exchange rate changes | 67 | (167) | - | (2) |
| Cash and cash equivalents at end of the year | (196,729) | (106,165) | (197,083) | (75,918) |
| Analysis of cash and cash equivalents | | | | |
| Bank and cash balances | 370 | 348 | 16 | 16 |
| Bank overdrafts | (197,099) | (106,513) | (197,099) | (75,934) |
| | (196,729) | (106,165) | (197,083) | (75,918) |

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | THE GROUP | | THE COMPANY | |
|--|-----------|-----------|-------------|-----------|
| | Restated | Restated | Restated | Restated |
| | 30 Jun 17 | 30 Jun 16 | 30 Jun 17 | 30 Jun 16 |
| MRs000 | | | | |
| Turnover | 571,065 | 548,726 | 272,036 | 187,030 |
| Operating expenses | (422,606) | (433,032) | (66,290) | (59,843) |
| | 148,459 | 115,694 | 205,746 | 127,187 |
| Profit on disposal of shares | - | 367,989 | - | 367,989 |
| Net finance costs | (53,425) | (90,766) | (42,454) | (35,697) |
| Net gain from fair value adjustment on investment property | 19,268 | - | 16,107 | - |
| Non-recurring items | (14,048) | 22,635 | 948 | 26,539 |
| Share of results of associates | 85,203 | 300,521 | - | - |
| Gain on remeasurement of equity interests | - | 89,240 | - | - |
| Profit before taxation | 185,457 | 805,313 | 180,347 | 486,018 |
| Taxation | (19,221) | (4,082) | (1,271) | (1,360) |
| Profit for the year | 166,236 | 801,231 | 179,076 | 484,658 |

Other comprehensive income:

Items that will not be reclassified to profit or loss:

| | | | | |
|--|----------|-----------|-------|---------|
| Remeasurement of retirement benefit obligations, net of deferred tax | 7,811 | (5,627) | 8,110 | (5,484) |
| Group's share of other comprehensive income of associates | (23,586) | 2,509,615 | - | - |

Items that may be reclassified subsequently to profit or loss:

| | | | | |
|---|---------|-----------|---------|-----------|
| Group's share of other comprehensive income of associates | 33,305 | (15,770) | - | - |
| Release to profit or loss | - | (64,468) | - | - |
| Release on winding up of associates | - | - | - | (21,936) |
| Release on disposal of investments | - | (266,886) | - | (266,886) |
| Fair value gains/(losses) on investments | 489,227 | 92,782 | 867,637 | (287,873) |
| Currency translation differences | (100) | (53) | - | - |
| Other comprehensive income for the year, net of tax | 506,657 | 2,249,593 | 875,747 | (582,179) |

Total comprehensive income for the year

Profit for the year attributable to:

| | | | | |
|--------------------------|----------------|----------------|----------------|----------------|
| Owners of the parent | 142,850 | 797,225 | 179,076 | 484,658 |
| Non-controlling interest | 23,386 | 4,006 | - | - |
| | 166,236 | 801,231 | 179,076 | 484,658 |

Total comprehensive income for the year attributable to:

| | | | | |
|--------------------------|----------------|------------------|------------------|-----------------|
| Owners of the parent | 649,624 | 3,046,891 | 1,054,823 | (97,521) |
| Non-controlling interest | 23,269 | 3,933 | - | - |
| | 672,893 | 3,050,824 | 1,054,823 | (97,521) |

MRs

Earnings per share

| | | |
|--|------|-------|
| | 3.67 | 20.49 |
|--|------|-------|

Adjusted earnings per share

| | | |
|--|------|------|
| | 2.99 | 2.54 |
|--|------|------|

Notes

The abridged financial statements were audited by Messrs BDO & Co, Chartered Accountants and have been extracted from the audited financial statements for the year ended June 30th 2017 which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Net Assets Value (NAV)

Company NAV stood at MRs165.80 at June 30th 2017, an increase of 16.8% whilst group NAV increased by 6.5% to stand at MRs280.14.

Adjusted profit

| | THE GROUP | | THE COMPANY | |
|---|-----------|-----------|-------------|-----------|
| | 30 Jun 17 | 30 Jun 16 | 30 Jun 17 | 30 Jun 16 |
| MRs000 | | | | |
| Profit attributable to owners of the parent | 142,850 | 797,225 | 179,076 | 484,658 |
| Profit on disposal of shares | - | (367,989) | - | (367,989) |
| Non-recurring items (net of controlling interests) | 9,642 | (22,635) | (948) | (26,539) |
| Gain on remeasurement of equity interests | - | (89,240) | - | - |
| Net gain from fair value adjustment on investment property (net of controlling interests and deferred income tax) | (17,821) | - | (15,924) | - |
| Net gain from fair value adjustment on investment property by associates | (18,375) | (218,406) | - | - |
| Adjusted profit attributable to owners of the parent | 116,296 | 98,955 | 162,204 | 90,130 |

Dividend

Dividend payout for the year increased by 8.3% from MRs3.00 per share to MRs3.25 per share. An interim dividend of MR0.75 per share was declared in December 2016 and paid in February 2017 while a final dividend of MR2.50 per share was declared in June 2017 and paid in August 2017.

Investment in Caudan Development

In October 2016, Caudan raised MRs1bn by way of a Rights Issue of 1 billion new ordinary shares at an issue price of MR1.00 per share. PAD directly and via its 100% subsidiary, Ferryhill Enterprises Ltd subscribed to a total of 783,528,167 shares, thereby increasing its effective stake in Caudan from 62.9% to 70.6%.

Prior year adjustment

Following an actuarial valuation at June 30th 2017, Caudan and its subsidiary have adjusted for an overprovision in respect of other post retirement benefits (gratuity on retirement). The adjustment and its corresponding impact on deferred tax have now been recognised with retrospective effect and comparative figures have been restated accordingly.

Segment Reporting

| | Property | Shares | Security | Other | Eliminations | Total |
|----------------------|----------|---------|----------|--------|--------------|---------|
| MRs000 | | | | | | |
| June 2017 | | | | | | |
| External sales | 251,347 | 74,609 | 242,875 | 2,234 | - | 571,065 |
| Intersegment sales | 4,800 | 185,239 | 19,933 | 16,807 | (226,779) | - |
| Total revenues | 256,147 | 259,848 | 262,808 | 19,041 | (226,779) | 571,065 |
| Segment result | 105,834 | 227,600 | 2,147 | - | (187,122) | 148,459 |
| June 2016 - restated | | | | | | |
| External sales | 221,908 | 82,382 | 241,529 | 2,907 | - | 548,726 |
| Intersegment sales | 4,800 | 82,946 | 19,109 | 16,853 | (123,708) | - |
| Total revenues | 226,708 | 165,328 | 260,638 | 19,760 | (123,708) | 548,726 |
| Segment result | 66,075 | 135,336 | (1,666) | - | (84,051) | 115,694 |

Earnings for the year

The earnings per share has been calculated as follows: