



PROMOTION AND DEVELOPMENT LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS
JUNE 30TH 2019

STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
MRS000				
Assets				
Non-current assets				
Investment property	4,898,514	4,303,824	175,250	166,250
Investments in subsidiary companies	-	-	1,594,294	1,673,911
Investments in associates and jointly controlled entities	6,194,924	6,318,294	3,103,802	3,573,863
Investments in available-for-sale financial assets	-	2,271,270	-	2,271,270
Financial assets at fair value through other comprehensive income	2,701,530	-	2,697,362	-
Other non-current assets	450,280	340,190	88,972	90,028
	14,245,248	13,233,578	7,659,680	7,775,322
Current assets	237,954	267,593	192,087	174,601
Total assets	14,483,202	13,501,171	7,851,767	7,949,923
Equity and liabilities				
Capital and reserves				
Share capital	194,854	194,854	194,854	194,854
Other reserves	6,835,839	6,821,976	3,255,626	3,700,498
Retained earnings	3,963,824	3,671,418	3,159,665	2,934,541
	10,994,517	10,688,248	6,610,145	6,829,893
Less: Treasury shares	(371)	(104)	(371)	(104)
Equity attributable to owners of the parent	10,994,146	10,688,144	6,609,774	6,829,789
Non-controlling interests	1,200,881	1,162,901	-	-
Total equity	12,195,027	11,851,045	6,609,774	6,829,789
Liabilities				
Non-current liabilities				
Borrowings	1,170,000	650,000	650,000	650,000
Other non-current liabilities	258,466	218,439	8,476	20,354
	1,428,466	868,439	658,476	670,354
Current liabilities				
Borrowings	520,056	366,398	434,362	318,012
Dividend proposed	103,075	101,269	103,075	101,269
Other current liabilities	236,578	314,020	46,080	30,499
	859,709	781,687	583,517	449,780
Total liabilities	2,288,175	1,650,126	1,241,993	1,120,134
Total equity and liabilities	14,483,202	13,501,171	7,851,767	7,949,923
Net assets per share (MRs)	282.65	274.41	169.93	175.35
Number of shares	38,896,267	38,949,760	38,896,267	38,949,760

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Attributable to owners of the parent			Total	Non controlling interests	Total equity
		Treasury shares	Other reserves	Retained earnings			
MRS000							
THE GROUP							
At July 1st 2017	194,766	(107)	6,810,820	3,900,701	10,906,180	1,156,110	12,062,290
Issue of shares	88	(88)	-	-	-	-	-
Exercise of share options	-	91	1,632	-	1,723	-	1,723
Dividend	-	-	(140,219)	(140,219)	(23,504)	(163,723)	(163,723)
(Loss)/Profit for the year	-	-	(102,888)	(102,888)	30,433	(72,455)	(72,455)
Transfer	-	-	(878)	878	-	-	-
Other comprehensive income for the year	-	-	10,402	12,946	23,348	(138)	23,210
At June 30th 2018	194,854	(104)	6,821,976	3,671,418	10,688,144	1,162,901	11,851,045
At July 1st 2018 (as previously reported)	194,854	(104)	6,821,976	3,671,418	10,688,144	1,162,901	11,851,045
Adjustment on initial application of IFRS 9-Financial Instruments	-	-	-	(3,773)	(3,773)	(1,569)	(5,342)
At July 1st 2018 (as restated)	194,854	(104)	6,821,976	3,667,645	10,684,371	1,161,332	11,845,703
Shares held as treasury	-	(267)	(5,724)	-	(5,991)	-	(5,991)
Impact of change in shareholding in associates	-	-	-	(1,462)	(1,462)	-	(1,462)
Dividend	-	-	(147,867)	(147,867)	(23,504)	(171,371)	(171,371)
Profit for the year	-	-	306,372	306,372	64,275	370,647	370,647
Transfer	-	-	(138,990)	138,990	-	-	-
Other comprehensive income for the year	-	-	158,577	146	158,723	(1,222)	157,501
At June 30th 2019	194,854	(371)	6,835,839	3,963,824	10,994,146	1,200,881	12,195,027
THE COMPANY							
At July 1st 2017	194,766	(107)	3,371,852	2,888,450	6,454,961	-	6,454,961
Issue of shares	88	(88)	-	-	-	-	-
Exercise of share options	-	91	1,632	-	1,723	-	1,723
Dividend	-	-	(140,219)	(140,219)	(23,504)	(171,371)	(171,371)
Profit for the year	-	-	-	186,310	186,310	-	186,310
Other comprehensive income for the year	-	-	327,014	-	327,014	-	327,014
At June 30th 2018	194,854	(104)	3,700,498	2,934,541	6,829,789	-	6,829,789
At July 1st 2018	194,854	(104)	3,700,498	2,934,541	6,829,789	-	6,829,789
Shares held as treasury	-	(267)	(5,724)	-	(5,991)	-	(5,991)
Transfer	-	-	(10,481)	10,481	-	-	-
Dividend	-	-	(147,867)	(147,867)	(23,504)	(171,371)	(171,371)
Profit for the year	-	-	306,372	306,372	64,275	370,647	370,647
Other comprehensive income for the year	-	-	(428,667)	-	(428,667)	-	(428,667)
At June 30th 2019	194,854	(371)	3,255,626	3,159,665	6,609,774	-	6,609,774

STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
MRS000				
Net cash generated from operating activities	213,084	267,261	227,342	167,813
Net cash used in investing activities	(715,227)	(277,678)	(197,587)	(13,521)
Net cash flow before financing activities	(502,143)	(10,417)	29,755	154,222
Net cash generated from/(used in) financing activities	376,535	(159,060)	(119,961)	(275,135)
Decrease in cash and cash equivalents	(125,608)	(169,477)	(90,206)	(120,913)
Cash and cash equivalents at July 1st	(366,076)	(196,729)	(317,996)	(197,083)
Effect of foreign exchange rate changes	(28)	130	-	-
Cash and cash equivalents at June 30th	(491,712)	(366,076)	(408,202)	(317,996)
Analysis of cash and cash equivalents				
Bank and cash balances	2,244	322	60	16
Bank overdrafts	(493,956)	(366,398)	(408,262)	(318,012)
	(491,712)	(366,076)	(408,202)	(317,996)

The statement of direct and indirect interests of officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, upon request from the secretary, free of charge, at Promotion and Development Ltd, 8th Floor, Dias Pier, Le Caudan Waterfront, Port Louis.

These abridged audited financial statements were approved for issue by the Board of Directors on September 27th 2019.

By order of the board

MCB Group Corporate Services Ltd
Secretary

September 27th 2019

These abridged audited financial statements are issued pursuant to listing rule 12.14 and section 88 of the Securities Act 2005.

The Board of Directors of Promotion and Development Ltd accepts full responsibility for the accuracy of the information contained in these abridged audited financial statements.

Copies of the abridged and full audited financial statements are available, upon request from the secretary, free of charge, at Promotion and Development Ltd, 8th Floor, Dias Pier, Le Caudan Waterfront, Port Louis.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
MRS000				
Turnover	599,081	563,779	345,459	313,567
Operating expenses	(474,359)	(413,592)	(71,923)	(71,810)
	124,722	150,187	273,536	241,757
Net impairment on financial assets	(6,472)	6,024	-	-
Net finance costs	(81,702)	(52,654)	(60,447)	(55,392)
Net gain from fair value adjustment on investment property	225,864	16,504	14,700	1,550
Non-recurring items	-	-	136,866	-
Profit on disposal of associates	8,466	-	-	-
Impairment loss in associate	(678)	-	-	-
Gain on remeasurement of equity interests	3,708	-	-	-
Share of results of associates	136,491	(166,566)	-	-
Gain on bargain purchase	-	12,357	-	-
Profit/(loss) before taxation	410,399	(34,148)	364,655	187,915
Taxation	(39,752)	(38,307)	(2,145)	(1,605)
Profit/(loss) for the year	370,647	(72,455)	362,510	186,310

Other comprehensive income:

Items that will not be reclassified to profit or loss:

Remeasurement of retirement benefit obligations, net of deferred tax	(3,846)	(1,075)	466	(613)
Group's share of other comprehensive income of associates	36,669	(38,351)	-	-
Changes in fair value of financial assets through other comprehensive income	124,177	-	124,198	-
Changes in fair value of investments in subsidiaries	-	-	(79,617)	-
Changes in fair value of investments in associates	-	-	(473,714)	-

Items that may be reclassified subsequently to profit or loss:

Group's share of other comprehensive income of associates	348	45,086	-	-
Fair value gains on available-for-sale financial assets	-	17,557	-	17,557
Fair value gains on subsidiaries	-	-	-	49,693
Fair value gains on associates	-	-	-	260,377
Currency translation differences	153	(7)	-	-
Other comprehensive income for the year, net of tax	157,501	23,210	(428,667)	327,014

Total comprehensive income for the year

Profit/(loss) for the year attributable to:				
Owners of the parent	306,372	(102,888)	362,510	186,310
Non-controlling interests	64,275	30,433	-	-
	370,647	(72,455)	362,510	186,310

Total comprehensive income for the year attributable to:

Owners of the parent	465,095	(79,540)	(66,157)	513,324
Non-controlling interests	63,053	30,295	-	-
	528,148	(49,245)	(66,157)	513,324

MRs

Earnings/(loss) per share	7.87	(2.64)		
Adjusted earnings/(loss) per share	3.83	(1.20)		

Notes

The abridged financial statements have been audited by Messrs BDO & Co, Chartered Accountants and have been extracted from the audited financial statements for the year ended June 30th 2019 which have been prepared in compliance with the Companies Act 2001 and in accordance with International Financial Reporting Standards (IFRSs) effective for the year under review.

Net assets value (NAV)

Company NAV stood at MRs 169.93 at June 30th 2019 compared to MRs 175.35 at the start of the financial year, a decrease of 3.1% whilst group NAV increased by 3.0% to stand at MRs 282.65.

Adjusted earnings

Earnings adjusted to remove the effect of unusual revenue and expenses and one-time influences:

	THE GROUP		THE COMPANY	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
MRS000				
Profit/(loss) attributable to owners of the parent	306,372	(102,888)	362,510	186,310
Gain on remeasurement of equity interests	(2,619)	-	-	-
Other (gains)/losses-associates	(13,122)	64,790	(136,866)	-
Non-recurring items (Exceptional dividends from associate)	-	-	-	-
Net gain from fair value adjustment on investment property (net of non-controlling interests and deferred tax)	(141,342)	(8,617)	(14,583)	(1,506)
Adjusted earnings/(loss) attributable to owners of the parent	149,289	(46,715)	211,061	184,804

Earnings/(loss) per share for the year

Earnings/(loss) per share has been calculated based on:

	THE GROUP	
	30 Jun 19	30 Jun 18
MRS000		
Profit/(loss) attributable to owners of the parent	306,372	(102,888)

Weighted average number of shares in issue and ranking for dividends during the year

38,936,387 38,944,737

Results

The profit attributable to shareholders amounted to MRs 362.5m at company level, in comparison to MRs 186.3m last year whilst group profit amounted to MRs 306.4m (June 2018: loss of MRs 102.9m). At company level, our results were boosted by the dividend in specie declared by EUDCOS by way of distribution of some of its quoted investments. This adjustment, however, involves a redistribution of shares which are now held directly by PAD and does not have any impact on the cash flows of the company.

Our adjusted underlying company profit (excluding the non-recurring items and net gain from fair value adjustment on investment property) increased from MRs 184.8m to MRs 211.1m. This is mainly attributable to the improved dividend payouts by our main investee companies, offset, however, by the timing difference in respect of MFDG, which last year declared two dividends during the year ended June 30th 2018.

At group level, our results were enhanced by fair value gains registered on valuation of our property portfolio and a better performance from our associates. Our underlying profit amounted to MRs 149.3m vis a vis a loss of MRs 46.7m last year. Our associates posted a positive contribution of MRs 136.5m compared to a loss of MRs 166.6m last year, driven mainly by improved results of Medine with stronger realisations of property sales and improved operational efficiency. This was, however, offset to some extent by the reduced profit registered by our subsidiary, Caudan Development attributable to the start up of new activities, higher than expected levels of vacancy and the adverse impact of increased finance costs incurred.

Dividend

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