PROMOTION AND DEVELOPMENT

ANNUAL REPORT 2019

Financial statements

statements of financial position

		THE GROUP		THE COMPANY	
MRs000	notes	2019	2018	2019	2018
Assets					
Non-current assets					
Property, plant and equipment	2	**407,193**	319,761	**87,660**	88,988
Investment property	3	**4,898,514**	4,303,824	**175,250**	166,250
Intangible assets	4	**15,229**	3,275	**1,312**	1,040
Investments in subsidiary companies	5	**-**	-	**1,594,294**	1,673,911
Investments in associates and jointly controlled entity	6,7	**6,194,924**	6,318,294	**3,103,802**	3,573,863
Financial assets at fair value through other comprehensive income	8	**2,701,530**	-	**2,697,362**	-
Investments in available-for-sale financial assets	8A	**-**	2,271,270	**-**	2,271,270
Trade receivables	10	**1,653**	2,571	**-**	-
Deferred tax assets	14	**26,205**	14,583	**-**	-
		14,245,248	13,233,578	**7,659,680**	7,775,322
Current assets					
Inventories	9	**12,412**	9,228	**-**	-
Trade and other receivables	10	**175,724**	258,043	**174,141**	174,585
Other financial assets at amortised cost	10A	**30,698**	-	**16,377**	-
Other assets	10B	**16,876**	-	**1,509**	-
Cash and cash equivalents		**2,244**	322	**60**	16
		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	11	**194,854**	194,854	**194,854**	194,854
Other reserves	12	**6,835,839**	6,821,976	**3,255,626**	3,700,498
Retained earnings	23	**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	11	**(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	13	**1,170,000**	650,000	**650,000**	650,000
Deferred tax liabilities	14	**223,977**	179,643	**5,682**	5,107
Retirement benefit obligations	15	**34,489**	38,796	**2,794**	15,247
		1,428,466	868,439	**658,476**	670,354
Current liabilities					
Trade and other payables	16	**232,169**	310,132	**44,820**	29,992
Contract liabilities	16A	**1,687**	-	**-**	-
Current tax liabilities		**2,722**	3,888	**1,260**	507
Borrowings	13	**520,056**	366,398	**434,362**	318,012
Dividend proposed	17	**103,075**	101,269	**103,075**	101,269
		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

These financial statements have been approved for issue by the board of directors on September 27th 2019.

Jean-Philippe Coulier Chairperson

René Leclézio Managing Director

The notes on pages 54 to 108 form an integral part of these financial statements. The auditor's report is on pages 44 to 47.

statements of profit or loss and other comprehensive income

MRs000	notes	THE GROUP 2019	2018	THE COMPANY 2019	2018
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	**-**	-
Finance income	18	**933**	1,019	**1,862**	63
Finance costs	18	**(82,635)**	(53,673)	**(62,309)**	(55,455)
Net gain from fair value adjustment on investment property	3	**225,864**	16,504	**14,700**	1,550
Non-recurring items	24	**-**	-	**136,866**	-
Profit on disposal of associates		**8,466**	-	**-**	-
Impairment loss in associate	6	**(678)**	-	**-**	-
Gain on remeasurement of equity interests	29	**3,708**	-	**-**	-
Share of results of associates	6	**136,491**	(166,566)	**-**	-
Gain on bargain purchase		**-**	12,357	**-**	-
Profit/(loss) before taxation		**410,399**	(34,148)	**364,655**	187,915
Taxation	20	**(39,752)**	(38,307)	**(2,145)**	(1,605)
Profit/(loss) for the year		**370,647**	(72,455)	**362,510**	186,310
Other comprehensive income	21				
Items that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligations		**(4,634)**	(1,296)	**561**	(739)
Deferred tax on remeasurement of retirement benefit obligations		**788**	221	**(95)**	126
Group's share of other comprehensive income of associates	6	**36,669**	(38,351)	**-**	-
Changes in fair value of financial assets through other comprehensive income	8	**124,177**	-	**124,198**	-
Changes in fair value of investments in subsidiaries	5	**-**	-	**(79,617)**	-
Changes in fair value of investments in associates	6	**-**	-	**(473,714)**	-
Items that may be reclassified subsequently to profit or loss					
Group's share of other comprehensive income of associates	6	**348**	45,086	**-**	-
Fair value gains on available-for-sale financial assets	8A	**-**	17,557	**-**	17,557
Fair value gains on subsidiaries	5	**-**	-	**-**	49,693
Fair value gains on associates	6	**-**	-	**-**	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		**528,148**	(49,245)	**(66,157)**	513,324
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
Earnings/(loss) per share MRs	22A	**7.87**	(2.64)		
Adjusted earnings/(loss) per share MRs	22B	**3.83**	(1.20)		

The notes on pages 54 to 108 form an integral part of these financial statements. The auditor's report is on pages 44 to 47.

statements of changes in equity

THE GROUP					attributable to owners of the parent		non controlling interests	total equity
MRs000	notes	share capital	treasury shares	other reserves	retained earnings	total		
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	17	-	-	-	(140,219)	(140,219)	(23,504)	(163,723)
(Loss)/profit for the year		-	-	-	(102,888)	(102,888)	30,433	(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	30	-	-	-	(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	11	-	(267)	(5,724)	-	(5,991)	-	(5,991)
Impact of change in shareholding in associates		-	-	-	(1,462)	(1,462)	-	(1,462)
Dividend	17	-	-	-	(147,867)	(147,867)	(23,504)	(171,371)
Profit for the year		-	-	-	306,372	306,372	64,275	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						
MRs000	notes	share capital	treasury shares	other reserves	retained earnings	total
At July 1st 2017		194,766	(107)	3,371,852	2,888,450	6,454,961
Issue of shares		88	(88)	-	-	-
Exercise of share options		-	91	1,632	-	1,723
Dividend	17	-	-	-	(140,219)	(140,219)
Profit for the year		-	-	-	186,310	186,310
Other comprehensive income for the year		-	-	327,014	-	327,014
At June 30th 2018		**194,854**	**(104)**	**3,700,498**	**2,934,541**	**6,829,789**
At July 1st 2018		194,854	(104)	3,700,498	2,934,541	6,829,789
Shares held as treasury (notes 11 and 12)		-	(267)	(5,724)	-	(5,991)
Transfer		-	-	(10,481)	10,481	-
Dividend	17	-	-	-	(147,867)	(147,867)
Profit for the year		-	-	-	362,510	362,510
Other comprehensive income for the year		-	-	(428,667)	-	(428,667)
At June 30th 2019		**194,854**	**(371)**	**3,255,626**	**3,159,665**	**6,609,774**

The notes on pages 54 to 108 form an integral part of these financial statements. The auditor's report is on pages 44 to 47.

statements of cash flows

MRs000	note	THE GROUP 2019	THE GROUP 2018	THE COMPANY 2019	THE COMPANY 2018
Cash flows from operating activities					
Cash received from investments		**265,962**	207,364	**322,403**	263,848
Cash received from tenants		**226,305**	265,757	**5,098**	5,344
Security fees		**244,288**	241,129	**-**	-
Cash received from other operating activities		**18,987**	1,910	**27,149**	20,226
Operating cash payments		**(448,939)**	(385,381)	**(66,931)**	(66,108)
Cash generated from operating activities		**306,603**	330,779	**287,719**	223,310
Interest paid		**(81,048)**	(53,577)	**(61,017)**	(55,362)
Interest income		**586**	841	**1,553**	2
Net income tax paid		**(13,057)**	(10,782)	**(913)**	(137)
Net cash generated from operating activities		**213,084**	267,261	**227,342**	167,813
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**1,979**	1,198	**130**	-
Purchase of property, plant and equipment		**(59,053)**	(12,198)	**(2,238)**	(2,442)
Purchase of intangible assets		**(1,966)**	(2,993)	**(387)**	(982)
Investment in subsidiary, net of cash acquired	29	**(1,777)**	-	**-**	-
Purchase of associates		**(16,023)**	(9,732)	**(16,023)**	(9,732)
Proceeds from disposal of associates		**11,444**	-	**11,444**	-
Purchase of financial assets at fair value through other comprehensive income		**(187,348)**	-	**(187,348)**	-
Payments in respect of investment property		**(502,850)**	(251,262)	**-**	-
Proceeds from disposal of investment property		**36,827**	-	**1,200**	-
Amounts paid on behalf of joint venture		**(2,807)**	(1,958)	**-**	-
Other cash inflows/(outflows)		**6,347**	(733)	**(4,365)**	(435)
Net cash used in investing activities		**(715,227)**	(277,678)	**(197,587)**	(13,591)
Net cash flow before financing activities		**(502,143)**	(10,417)	**29,755**	154,222
Cash flows from financing activities					
Net loan received from associates		**26,100**	500	**26,100**	500
Net loan refunded to subsidiaries		**-**	-	**-**	(141,079)
Net loan granted to related companies		**-**	(1,500)	**-**	-
Proceeds from bank borrowings		**520,000**	-	**-**	-
Dividends paid to company's shareholders		**(146,061)**	(136,279)	**(146,061)**	(136,279)
Dividends paid to non-controlling interests		**(23,504)**	(23,504)	**-**	-
Employee share options exercised		**-**	1,723	**-**	1,723
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	13	**(493,956)**	(366,398)	**(408,262)**	(318,012)
		(491,712)	(366,076)	**(408,202)**	(317,996)

The notes on pages 54 to 108 form an integral part of these financial statements. The auditor's report is on pages 44 to 47.

notes TO THE FINANCIAL STATEMENTS

general information

Promotion and Development Ltd is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is 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 27th 2019 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 Promotion and Development Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRSs).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 to changes in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- investment properties are stated at fair value;
- certain class of property, plant and equipment namely agricultural land, factory building and other specific assets held through associates are carried at revalued amounts/deemed costs;
- relevant financial assets and financial liabilities are stated at their value; and
- relevant financial assets and financial liabilities are carried at amortised cost.

The preparation of financial statements in conformity with IFRSs 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 MRs622m (2018: MRs514m) and MRs391m (2018: MRs275m) respectively at June 30th 2019. 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.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from July 1st 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. The Group has elected to apply the exemption in IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of initial application of the standard. The Group has chosen to adopt the simplified expected credit loss model for trade receivables in accordance with IFRS 9 paragraph 5.5.15.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The Group has adopted IFRS 15 Revenue from Contracts with Customers from July 1st 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. In accordance with the transition provisions in IFRS 15, the Group has not restated comparatives for the 2018 financial year.

(Amendments to IFRS 2)

Classification and Measurement of Share-based Payment Transactions

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Group's financial statements.

(Amendments to IFRS 4)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The amendment has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2014-2016 cycle

IFRS 11

Deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.

IFRS 28

Clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Group's financial statements.

(Amendments to IFRIC 22)

Foreign Currency Transactions and Advance Consideration
The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Group's financial statements.

(Amendments to IAS 40)

Transfers of Investment Property
The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. 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 July 1st 2019 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:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 16	Leases
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
(Amendments to IFRS 3)	Definition of a Business
(Amendments to IAS 1 and IAS 8)	Definition of Material

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

IFRS 16

Leases - effective July 01st 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. The Group is assessing the impact of this new standard and will adopt the standard when it becomes effective.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within operating expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset (refer to note 10A).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand and for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Fair value through other comprehensive income

The Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company/Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company/Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

Financial liabilities

The Group classifies its financial liabilities into the following category.

Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Investments in subsidiary companies

Separate financial statements of the company

In the separate financial statements of the company, investments in subsidiary companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments. Changes in fair value are recognised in other comprehensive income.

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 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 the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with 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.

Disposal of subsidiaries

When the group ceases to have control or significant influence, 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 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

Separate financial statements of the company

In the separate financial statements of the company, investments in associated companies are carried at fair value. Changes in fair value are recognised in other comprehensive income.

The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the group has significant influence but no control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the group's share of the associate's profit or loss. 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 profits and losses are eliminated to the extent of the group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the group.

If the ownership interest in an associate is reduced but 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.

Intangible assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Computer software

Acquired computer software licenses 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 has been 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.

Property, plant and equipment

All plant and equipment, including property, which is occupied by the group, are 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.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity: all other decreases are charged to profit or loss.

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 including professional fees and for qualifying assets, borrowing 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:

Property	1%
Equipment, furniture and fittings	5–33 $^1/_3$%
Motor vehicles	11–12%
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 are 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 are 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.

Other borrowing costs are expensed in the period in which they are incurred.

Impairment of non-financial 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

Lease of assets

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.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

Treasury shares

Where any group company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders as equity shares until they are cancelled. When such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

Current and deferred income tax

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

Current tax

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

Deferred income 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.

Corporate Social Responsibility (CSR)

Every Mauritian company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year and the company should remit 75% of the fund respectively to the Mauritian Tax Authorities. This practice is being interpreted and CSR is classified as taxation.

Retirement benefit obligations

Defined contribution plans

A defined contribution plan is a pension plan under which the subsidiaries pay fixed contributions into a separate entity. The subsidiaries have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitles them to the contributions.
Certain subsidiaries also operate a defined contribution retirement benefit plan for qualifying employees.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

As of July 1st 2016, the company has introduced a Defined Contribution Cash Balanced scheme (DCCB) for its employees. With the introduction of DCCB, new employees automatically join the DCCB section, whilst existing employees has a one-time opportunity to choose from one of the options listed below:

- option A: To stay in the Defined Benefit (DB) section for all service;
- option B: To keep the accrued past pension benefits until June 30th 2016 in the DB section and join the DCCB section as from July 1st 2016;
- option C: To join the DCCB section as from July 1st 2016 and transfer the total accrued benefits as as June 30th 2016 from the DB section into the DCCB section.

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, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. 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; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

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 and investment income, commissions, income from security activities and management fees receivable.

Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The Group has identified three main business segments namely property, investment holding and security services which contribute in generating most of its revenue from contracts with customers. Revenue from customers includes both sales of goods and sales of services made to customers. The property segment is highly involved in the rental of properties. The investment holding segment consists of investment in shares. The security services segment is involved in the provision of guarding services, installation and monitoring of alarm systems, cash in transit, armed sentry and rental of alarm systems.

The majority of the revenue generated from the sale of goods and sale of services defined above are recognised at a point in time when the control of the goods or services rendered is actually transferred to the customer. This is generally when the goods or services are delivered to the customer.

Revenue from property segment

Rental income from operating leases is recognised on a straight line basis over the lease term. It is recognised in the accounting period in which the property is occupied by the tenant. Revenue is measured based on the consideration specified in the different contracts with customers and net of value-added tax, rebates and discounts.

Revenue from security services

The revenue is derived from providing provision of guarding services, monitoring of alarm systems, cash in transit, armed sentry and rental of alarm systems with revenue recognised at a point in time when control has transferred to the customer. This is generally when the goods are delivered and/or services rendered to the customer. However, for sales and installation of alarm system, control is transferred only upon commissioning of the alarm system and user acceptance, at which point the Group will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Revenue from investment holdings

Dividend income is recognised when the shareholder's right to receive payment is established except for the cumulative portion of dividends on preference shares which is accounted for on the accruals basis unless receipt is in doubt.

Determining transactions price

The transaction price of the Group's revenue streams is mostly derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold or services rendered, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately). For contracts which are recognised typically on an over time basis, the revenue is only recognise on commissioning of goods and user acceptance.

Costs of obtaining long-term contracts and costs of fulfilling contracts

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, revenue is recognised over time by reference to upon commissioning of the alarm system and user acceptance at which point the Group will have a present right to payment and retains none of the significant risks and rewards of the goods in question. Consequently, no asset for work in progress is recognised.

(b) Other revenues earned by the Group are recognised on the following bases:

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Management fees - Recognise variable consideration as revenue when it is highly probable that a significant reversal of the cumulative amount of revenue recognised will not occur (recognises management fee income only when key financial metrics, on which the management fees computed, are met).
- Revenue from sale of food and beverages - Recognises revenue when a customer takes possession of the food and beverage ordered. The transaction price is specified on the price list provided on the menus.
- Revenue from conferencing - The revenue is recognised when we have provided a conference facility to the customer as per their request.

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 Managing Director 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 group's overall risk management programme 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 the 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 profits are insignificant since the group holds small amounts of foreign currency denominated cash balances.

Currency

	THE GROUP		THE COMPANY	
	financial assets	financial liabilities	financial assets	financial liabilities
2019				MRs000
MUR	8,906,760	2,008,773	7,386,036	1,214,043
EURO	2	-	-	-
HKD	3	-	-	-
SGD	8	-	-	-
USD	13	-	-	-
ZAR	200,000	-	200,000	-
Total	**9,106,786**	**2,008,773**	**7,586,036**	**1,214,043**
2018				
MUR	8,780,888	1,419,837	7,691,435	1,091,311
EURO	8	-	-	-
HKD	3	-	-	-
SGD	8	-	-	-
Total	**8,780,907**	**1,419,837**	**7,691,435**	**1,091,311**

Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash inflows 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 2019, if interest rates on borrowings had been 50 basis points higher/lower during the year with all other variables held constant, post-tax profit for the year would have been MRs4.6m (2018: MRs3.9m) lower/higher for the group and MRs4.6m (2018: MRs4.0m) lower/higher for the company, mainly as a result of higher/lower interest expense on floating rate borrowings.

Price risk

The group is exposed to equity securities price risk because of investments held by the group in subsidiary companies, associated companies and others classified as available-for-sale. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of its portfolio is done in accordance with the limits set by the group.

Sensitivity analysis

The impact of increases/decreases in the fair value of investments on the group's and company's equity is shown below. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	THE GROUP		THE COMPANY	
MRs000	**2019**	2018	**2019**	2018
Investments in subsidiary companies	**-**	-	**79,715**	83,696
Investments in associates	**-**	-	**155,190**	178,693
Available-for-sale financial assets	**-**	113,564	**-**	113,564
Other financial assets at fair value through other comprehensive income	**135,077**	-	**134,868**	-

Credit risk

Credit risks arises from cash and cash equivalents as well as credit exposure to customers, including outstanding receivables.

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

The Company has no significant concentration of credit risk with a financial institution.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. 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 debts.

Analysis of the group's non derivative 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
at June 30th				MRs000
THE GROUP				
2019				
Bank borrowings	**493,956**	**36,000**	**363,500**	**770,500**
Loan from associate	**26,100**	**-**	**-**	**-**
Trade and other payables	**232,169**	**-**	**-**	**-**
Contract liabilities	**1,687**	**-**	**-**	**-**
2018				
Bank borrowings	366,398	-	130,000	520,000
Trade and other payables	310,132	-	-	-
THE COMPANY				
2019				
Bank borrowings	**408,262**	**-**	**195,000**	**455,000**
Loan from associate	**26,100**	**-**	**-**	**-**
Trade and other payables	**44,820**	**-**	**-**	**-**
2018				
Bank borrowings	318,012	-	130,000	520,000
Trade and other payables	29,992	-	-	-

Fair value estimation

The fair value of available-for-sale financial assets 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 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.

Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value, and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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.

Debt-to-adjusted capital ratios

	THE GROUP		THE COMPANY	
at June 30th MRs000	**2019**	2018	**2019**	2018
Total debt	**1,196,100**	650,000	**676,100**	650,000
Cash and cash equivalents	**491,712**	366,076	**408,202**	317,996
Net debt	**1,687,812**	1,016,076	**1,084,302**	967,996
Total equity	**12,195,027**	11,851,045	**6,609,774**	6,829,780
Debt to adjusted capital ratio	**0.14**	0.09	**0.16**	0.14

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

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 group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The fair value of financial assets at fair value through other comprehensive income and investment property may therefore increase or decrease, based on prevailing economic conditions.

Pension benefits

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market 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 2019, the sales comparison approach and depreciated replacement cost approach have been used.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The group would exercise judgment and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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.

Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. 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.

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 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 property, plant and equipment

THE GROUP

MRs000	notes	land & building	equipment, furniture & fittings	motor vehicles	total
Cost					
At July 1st 2018		297,705	148,116	60,005	505,826
Acquisition through business combination	29	-	213	-	213
Transfer from investment property	3	42,400	-	-	42,400
Additions		13,784	46,967	10,098	70,849
Disposal/amount written off		-	(524)	(8,058)	(8,582)
At June 30th 2019		**353,889**	**194,772**	**62,045**	**610,706**
Depreciation					
At July 1st 2018		20,832	128,953	36,280	186,065
Acquisition through business combination	29	-	86	-	86
Charge for the year		2,716	16,372	5,973	25,061
Disposal/amount written off		-	(524)	(7,175)	(7,699)
At June 30th 2019		**23,548**	**144,887**	**35,078**	**203,513**
Net book values					
At June 30th 2019		**330,341**	**49,885**	**26,967**	**407,193**
Cost					
At July 1st 2017		228,992	143,758	58,324	431,074
Transfer from investment property	3	68,255	-	-	68,255
Additions		458	4,842	5,135	10,435
Disposal/amount written off		-	(484)	(3,454)	(3,938)
At June 30th 2018		**297,705**	**148,116**	**60,005**	**505,826**
Depreciation					
At July 1st 2017		18,359	116,422	33,510	168,291
Charge for the year		2,473	13,015	5,531	21,019
Disposal/amount written off		-	(484)	(2,761)	(3,245)
At June 30th 2018		**20,832**	**128,953**	**36,280**	**186,065**
Net book values					
At June 30th 2018		**276,873**	**19,163**	**23,725**	**319,761**

2 property, plant and equipment *continued*

THE COMPANY

MRs000	property	equipment, furniture & fittings	motor vehicles	total
Cost				
At July 1st 2018	84,817	34,455	10,554	129,826
Additions	-	4,074	-	4,074
Disposal/amount written off	-	(524)	(895)	(1,419)
At June 30th 2019	**84,817**	**38,005**	**9,659**	**132,481**
Depreciation				
At July 1st 2018	7,424	29,881	3,533	40,838
Charge for the year	848	3,246	1,174	5,268
Disposal/amount written off	-	(524)	(761)	(1,285)
At June 30th 2019	**8,272**	**32,603**	**3,946**	**44,821**
Net book values				
At June 30th 2019	**76,545**	**5,402**	**5,713**	**87,660**
Cost				
At July 1st 2017	84,817	34,719	9,948	129,484
Additions	-	-	606	606
Disposal/amount written off	-	(264)	-	(264)
At June 30th 2018	**84,817**	**34,455**	**10,554**	**129,826**
Depreciation				
At July 1st 2017	6,576	27,010	2,390	35,976
Charge for the year	848	3,135	1,143	5,126
Disposal/amount written off	-	(264)	-	(264)
At June 30th 2018	**7,424**	**29,881**	**3,533**	**40,838**
Net book values				
At June 30th 2018	**77,393**	**4,574**	**7,021**	**88,988**

› Bank borrowings are secured by floating charges on the assets of the borrowing companies including property, plant and equipment (note 13). › Depreciation charge of MRs25.061m for the group (2018: MRs21.019m) and MRs5.268m for the company (2018: MRs5.126m) has been included in operating expenses.

3 investment property

THE GROUP		level 2					
		freehold			long leasehold	total	total
MRs000	note	Le Caudan Waterfront	buildings in progress Le Caudan Waterfront	other land and buildings	buildings	**2019**	2018
Fair value model							
At July 1st		**3,410,178**	**474,898**	**274,048**	**144,700**	**4,303,824**	3,995,563
Additions		**-**	**452,553**	**-**	**-**	**452,553**	360,012
Disposals		**(35,627)**	**-**	**(5,700)**	**-**	**(41,327)**	-
Transfer		**885,051**	**(885,051)**	**-**	**-**	**-**	-
Transfer to property, plant and equipment	2	**-**	**(42,400)**	**-**	**-**	**(42,400)**	(68,255)
Net gain from fair value adjustment on investment property		**242,991**	**-**	**16,501**	**(33,628)**	**225,864**	16,504
At June 30th		**4,502,593**	**-**	**284,849**	**111,072**	**4,898,514**	4,303,824

THE COMPANY	level 2 freehold land and buildings	
MRs000	**2019**	2018
Fair value model		
At July 1st	**166,250**	164,700
Disposals	**(5,700)**	-
Net gain from fair value adjustment on investment property	**14,700**	1,550
At June 30th	**175,250**	166,250

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 2019 by Ricardo Ramiah Isabel, Sworn Surveyor and Real Estate Appraiser to determine their Open Market Value, using the Direct Market ('sales') Approach and the Depreciated Replacement Cost 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. › 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 13).

Amounts recognised in the statements of profit or loss and other comprehensive income

	THE GROUP		THE COMPANY	
MRs000	**2019**	2018	**2019**	2018
Rental income	**240,499**	238,994	**5,098**	5,126
Direct operating expenses arising from investment property that generates rental income	**71,482**	52,284	**80**	256
Direct operating expenses arising from investment property that did not generate rental income	**-**	68	**-**	68

4 intangible assets

THE GROUP MRs000	note	computer software	goowill	customer list	total
Cost					
At July 1st 2018		9,788	-	2,105	11,893
Acquisition through business combination	29	54	-	-	54
Additions		1,966	10,435	-	12,401
Disposal		(54)	-	-	(54)
At June 30th 2019		**11,754**	**10,435**	**2,105**	**24,294**
Amortisation					
At July 1st 2018		6,513	-	2,105	8,618
Acquisition through business combination	29	28	-	-	28
Amortisation charges		473	-	-	473
Disposal		(54)	-	-	(54)
At June 30th 2019		**6,960**	**-**	**2,105**	**9,065**
Net book values					
At June 30th 2019		**4,794**	**10,435**	**-**	**15,229**
Cost					
At July 1st 2017		6,874	-	2,105	8,979
Additions		3,018	-	-	3,018
Disposal		(104)	-	-	(104)
At June 30th 2018		**9,788**	**-**	**2,105**	**11,893**
Amortisation					
At July 1st 2017		6,386	-	1,053	7,439
Amortisation charges		155	-	1,052	1,207
Disposal		(28)	-	-	(28)
At June 30th 2018		**6,513**	**-**	**2,105**	**8,618**
Net book values					
At June 30th 2018		**3,275**	**-**	**-**	**3,275**

› The addition in goodwill during the year is in respect of the acquisition of the additional 50% stake in Integrated Safety and Security Solutions Ltd.

THE COMPANY MRs000	computer software **2019**	 2018
Cost		
At July 1st	2,052	1,070
Additions	387	982
Disposal	(54)	-
At June 30th	**2,385**	2,052
Amortisation		
At July 1st	1,012	986
Amortisation charges	115	26
Disposal	(54)	-
At June 30th	**1,073**	1,012
Net book values		
At June 30th	**1,312**	1,040

› Amortisation charges of MRs0.473m for the group (2018: MRs1.207m) and MRs0.115m for the company (2018: MRs0.026m) has been included in operating expenses.

5 investments in subsidiary companies

THE COMPANY MRs000	level 1 listed	level 3 unquoted	total 2019	total 2018
Valuation				
At July 1st	**1,314,639**	**359,272**	**1,673,911**	1,624,218
(Decrease)/increase in fair value	**(60,863)**	**(18,754)**	**(79,617)**	49,693
At June 30th	**1,253,776**	**340,518**	**1,594,294**	1,673,911

› Listed subsidiaries have been valued at their market prices at the reporting date or if not quoted on that day, the last preceding market price. › The directors have valued the unquoted subsidiaries on the net assets basis.

A The list of the group's subsidiaries

June 2019	class of shares	cost of investment	nominal value of investment	stated capital	direct holding	effective holding	non-controlling interests	main business
					proportion of ownership interest			
		MRs000	MRs000	MRs000	%	%	%	
Best Sellers Limited	ordinary	-	-	25	-	70.62	29.38	dormant
Caudan Communauté	limited by guarantee	0.50	0.50	1	50.00	50.00	50.00	Management of CSR fund (not consolidated)
Caudan Development Limited	ordinary	977,846	1,217,258	2,000,000	60.86	70.62	29.38	property
Caudan Leisure Ltd	ordinary	-	-	1,000	-	70.62	29.38	leisure&property
Caudan Performances Limited (note 1)	ordinary	25	25	25	-	70.62	29.38	creative, arts and entertainment activities
Caudan Security Services Limited	ordinary	-	-	10,000	-	70.62	29.38	security
Commercial Holding Limited	ordinary	154,809	600	600	100.00	100.00	-	investment
Ferryhill Enterprises Ltd	ordinary	177,618	143,332	143,332	100.00	100.00	-	investment
Harbour Cruise Ltd	ordinary	-	-	300	-	70.62	29.38	dormant
Integrated Safety and Security Solutions Ltd (note 2)	ordinary	3,718	20	20	-	70.62	29.38	security
Security & Property Protection Agency Co Ltd	ordinary	-	-	10,000	-	70.62	29.38	security
SPPA CO Ltd	ordinary	-	-	26	-	70.62	29.38	security
Société Mauricienne d'Entreprise Générale Ltée	ordinary	-	-	3,000	-	70.62	29.38	dormant

Note 1 Caudan Performances Limited was incorporated during the year.

Note 2 During the year, Security & Property Protection Agency Co Ltd acquired the remaining 50% holding from FS Systems International, thereby increasing its stake to 100%.

5 investments in subsidiary companies *continued*

June 2018	class of shares	cost of investment	nominal value of investment	stated capital	direct holding	effective holding	non-controlling interests	main business
					proportion of ownership interest			
		MRs000	MRs000	MRs000	%	%	%	
Best Sellers Limited	ordinary	-	-	25	-	70.62	29.38	dormant
Caudan Communauté	limited by guarantee	0.50	0.50	1	50.00	50.00	50.00	Management of CSR fund (not consolidated)
Caudan Development Limited	ordinary	977,846	1,217,258	2,000,000	60.86	70.62	29.38	property
Caudan Leisure Ltd	ordinary	-	-	1,000	-	70.62	29.38	leisure&property
Caudan Security Services Limited	ordinary	-	-	10,000	-	70.62	29.38	security
Commercial Holding Limited	ordinary	154,809	600	600	100.00	100.00	-	investment
Ferryhill Enterprises Ltd	ordinary	177,618	143,332	143,332	100.00	100.00	-	investment
Harbour Cruise Ltd	ordinary	-	-	300	-	70.62	29.38	dormant
Security & Property Protection Agency Co Ltd	ordinary	-	-	10,000	-	70.62	29.38	security
SPPA CO Ltd	ordinary	-	-	26	-	70.62	29.38	security
Société Mauricienne d'Entreprise Générale Ltée	ordinary	-	-	3,000	-	70.62	29.38	dormant

› All the above subsidiaries are incorporated and operate in Mauritius except for SPPA CO Ltd which is incorporated and operates in Seychelles. › All the above companies have June 30th as their financial year end except for Caudan Communauté which is December 31st. None of the subsidiaries have debt securities.

B Subsidiaries with non-controlling interests

Details for subsidiaries that have non-controlling interests

MRs000

	profit allocated to non-controlling interests during the year	accumulated non-controlling interests at June 30th
2019		
Caudan Development Limited (Group)	**64,275**	**1,200,881**
2018		
Caudan Development Limited (Group)	30,433	1,162,901

C Summarised financial information on subsidiaries with non-controlling interests

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income

MRs000

2019	current assets	non-current assets	current liabilities	non-current liabilities	revenue	profit for the year	other comprehensive income for the year	total comprehensive income for the year
Caudan Development Limited (Group)	**105,933**	**5,083,922**	**336,296**	**766,148**	**503,309**	**218,772**	**(4,159)**	**214,613**
2018								
Caudan Development Limited (Group)	154,037	4,390,960	392,992	193,865	481,870	103,584	(469)	103,115

(ii) Summarised cash flow information

MRs000

2019	operating activities	investing activities	financing activities	net decrease in cash and cash equivalents
Caudan Development Limited (Group)	**56,057**	**(531,499)**	**440,000**	**(35,442)**
2018				
Caudan Development Limited (Group)	161,722	(269,843)	59,579	(48,542)

The summarised financial information above is the amount before intra-group eliminations.

6 investments in associates

A

THE GROUP

MRs000	2019	2018
Share of net assets	**6,040,671**	6,155,014
Goodwill	**154,253**	163,280
At June 30th	**6,194,924**	6,318,294

	note	share of net assets	goodwill	total	total
At July 1st		**6,155,014**	**163,280**	**6,318,294**	6,607,085
Dividend in specie		**317**	**-**	**317**	-
Additions during the year		**16,023**	**-**	**16,023**	9,732
Disposals during the year		**(4,211)**	**-**	**(4,211)**	-
Impairment loss	23	**(678)**	**-**	**(678)**	-
Gain on bargain purchase		**-**	**-**	**-**	12,357
Share of profit/(loss) after tax for the year		**136,491**	**-**	**136,491**	(166,566)
Dividends received		**(306,869)**	**-**	**(306,869)**	(151,049)
Reclassification		**9,027**	**(9,027)**	**-**	-
Other equity movements		**35,557**	**-**	**35,557**	6,735
At June 30th		**6,040,671**	**154,253**	**6,194,924**	6,318,294

B Associates of Promotion and Development

			percentage held		
			ownership interest		
			& voting power		nature of
June 2019	year end	class of shares	direct*	effective	business
Cathedral Development Limited	June	ordinary	20.00	20.00	property holding
Compagnie Mauricienne de Commerce Limitée	June	ordinary	10.46	29.24	wholesale/retail & property holding
Enterprise Data Services Ltd	December	ordinary	20.00	20.00	communication & technology
Excelsior United Development Companies Limited	June	ordinary	20.97	20.97	tourism, commerce & property development
Le Caudan Waterfront Casino Ltd	December	ordinary	-	27.68	leisure
MFD Group Limited	December	ordinary	30.55	30.55	warehousing & distribution facilities
Medine Limited	June	ordinary	35.10	35.10	agriculture, property, education, leisure & hospitality
Mer Rouge Trading	December	ordinary	24.55	24.55	trading in the freeport
Properties 8502 Ltd	June	ordinary	33.33	33.33	property holding
Rey and Lenferna Limited	December	ordinary	20.00	20.00	engineering/contracting

Associates of Promotion and Development

June 2018	year end	class of shares	percentage held ownership interest & voting power direct*	effective	nature of business
Cathedral Development Limited	June	ordinary	20.00	20.00	property holding
Compagnie Mauricienne de Commerce Limitée	June	ordinary	10.46	29.24	wholesale/retail & property holding
Enterprise Data Services Ltd	December	ordinary	20.00	20.00	communication & technology
Excelsior United Development Companies Limited	June	ordinary	20.97	20.97	tourism, commerce & property development
Industrial and Hotel Equipment Manufacturers Ltd	March	ordinary	33.33	33.33	manufacturing
Le Caudan Waterfront Casino Ltd	December	ordinary	-	27.68	leisure
MFD Group Limited	December	ordinary	30.53	30.53	warehousing & distribution facilities
Medine Limited	June	ordinary	35.10	35.10	agriculture, property, education, leisure & hospitality
Mer Rouge Trading	December	ordinary	24.55	24.55	trading in the freeport
Metinox Ltd	March	ordinary	33.33	33.33	manufacturing
Mill N Turn Services Ltd	March	ordinary	33.33	33.33	manufacturing
Rey and Lenferna Limited	December	ordinary	20.00	20.00	engineering/contracting

- All the above associates are accounted for using the equity method.
- All the above named companies are incorporated in Mauritius.
- For those associates having different reporting dates, management accounts have been prepared as at June 30th 2019 or at a date not more than three months preceding June 30th 2019.

* Direct holding includes PaD and its 100% owned subsidiary, Commercial Holding Limited.

6 investments in associates *continued*

C Summarised financial information

Summarised financial information in respect of each of the material associates

MRs000	current assets	non-current assets
2019		
Compagnie Mauricienne de Commerce Limitée	**12,238**	**360,637**
Excelsior United Development Companies Limited	**191,517**	**1,394,961**
MFD Group Limited	**241,743**	**2,332,541**
Medine Limited	**940,681**	**21,636,782**
Rey and Lenferna Limited	**1,208,195**	**669,359**
2018		
Compagnie Mauricienne de Commerce Limitée	58,882	408,088
Excelsior United Development Companies Limited	495,207	2,026,166
MFD Group Limited	283,242	2,344,083
Medine Limited	963,791	21,021,942
Rey and Lenferna Limited	1,075,660	756,384

› The summarised financial information above represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted where necessary, to exclude the non-controlling interests' share and 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 recognised in the financial statements

MRs000
2019
Compagnie Mauricienne de Commerce Limitée
Excelsior United Development Companies Limited
MFD Group Limited
Medine Limited
Rey and Lenferna Limited
2018
Compagnie Mauricienne de Commerce Limitée
Excelsior United Development Companies Limited
MFD Group Limited
Medine Limited
Rey and Lenferna Limited

assets classified as held for sale	current liabilities	non-current liabilities	liabilites classified as held for sale	revenue	profit/(loss) for the year	other comprehensive income for the year	total comprehensive income for the year	dividends paid during the year	share of dividends received during the year
-	**12,163**	**10,772**	**-**	**144,659**	**(26,985)**	**-**	**(26,985)**	**-**	**-**
63,925	**127,343**	**29,044**	**52,052**	**366,811**	**105,703**	**(50,829)**	**54,874**	**772,113**	**161,912**
-	**479,465**	**720,457**	**-**	**834,070**	**78,031**	**-**	**78,031**	**48,000**	**14,664**
145,512	**1,729,142**	**5,990,209**	**346,569**	**1,747,151**	**265,700**	**95,805**	**361,505**	**309,750**	**108,722**
-	**1,189,375**	**181,942**	**-**	**1,883,688**	**(8,508)**	**24,916**	**16,407**	**20,012**	**4,002**
-	55,564	34,481	-	144,985	5,987	4,882	10,869	-	-
-	292,064	70,105	-	620,148	208,847	219,915	428,762	109,308	22,919
-	714,826	568,168	-	738,626	161,962	43,180	205,142	82,500	25,187
-	4,324,374	3,052,000	-	1,542,100	(756,700)	(146,400)	(903,100)	278,300	97,683
-	1,061,439	260,765	-	1,810,810	(7,404)	(7,320)	(14,724)	-	-

opening net assets July 1st	profit/(loss) for the year	other comprehensive income for the year	impact of change in shareholding by associates	dividends paid during the year	closing net assets	direct ownership Interest	interest in associates	goodwill	carrying Value
376,925	**(26,985)**	**-**	**-**	**-**	**349,940**	**10.46%**	**36,604**	**-**	**36,604**
2,159,203	**105,703**	**(50,829)**	**-**	**(772,113)**	**1,441,964**	**20.97%**	**302,380**	**408**	**302,788**
1,344,331	**78,031**	**-**		**(48,000)**	**1,374,362**	**30.55%**	**419,868**	**117,086**	**536,954**
14,596,546	**265,700**	**95,805**	**(4,076)**	**(309,750)**	**14,644,225**	**35.10%**	**5,140,123**	**5,187**	**5,145,310**
509,840	**(8,508)**	**24,916**	**-**	**(20,012)**	**506,236**	**20.00%**	**101,247**	**31,572**	**132,819**
366,056	5,987	4,882	-	-	376,925	10.46%	39,426	-	39,426
1,839,749	208,847	219,915	-	(109,308)	2,159,203	20.97%	452,785	408	453,193
1,221,689	161,962	43,180	-	(82,500)	1,344,331	30.53%	410,424	117,086	527,510
15,777,946	(756,700)	(146,400)	-	(278,300)	14,596,546	35.10%	5,123,388	5,187	5,128,575
524,564	(7,404)	(7,320)	-	-	509,840	20.00%	101,968	31,572	133,540

6 investments in associates *continued*

E Aggregate information of associates that are not individually material

MRs000	2019	2018
Opening carrying amount of interests	**36,050**	34,890
Additions during the year	**16,023**	-
Disposals during the year	**(4,211)**	-
	47,862	34,890
Share of profit for the year	**1,760**	6,649
Share of other comprehensive income	**8,997**	(229)
Share of total comprehensive income	**10,757**	6,420
Impairment losses	**(678)**	-
Dividend received during the year	**(17,491)**	(5,260)
Closing carrying amount of interests	**40,450**	36,050

THE COMPANY MRs000	level 1 DEM quoted	level 3 unquoted	total 2019	total 2018
Valuation				
At July 1st	**3,345,720**	**228,143**	**3,573,863**	3,303,754
Additions	**-**	**16,023**	**16,023**	9,732
Dividend in specie	**307**	**-**	**307**	-
Disposals	**-**	**(12,677)**	**(12,677)**	-
(Decrease)/increase in fair value	**(469,138)**	**(4,576)**	**(473,714)**	260,377
At June 30th	**2,876,889**	**226,913**	**3,103,802**	3,573,863

› Associates quoted on the DEM market have been valued at their market prices at the reporting date or if not quoted on that day, the last preceding market price. The group has valued the unquoted associates classified as level 3,on an earnings, dividend yield, net assets or cost basis as appropriate.

The fair value of the investments in associates, based on DEM quoted prices at the close of business on June 30th

MRs000	class of shares	level 1 2019	2018
Excelsior United Development Companies Limited	ordinary	**325,613**	545,555
MFD Group Limited	ordinary	**417,059**	577,095
Medine Limited	ordinary	**2,134,217**	2,223,070
		2,876,889	3,345,720

7 investments in joint venture

A

THE GROUP

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

› The investment in joint venture has been reduced to nil given that the entity's share of losses exceeded its interests.

B Details of the joint venture at the end of the reporting period

2018	class of shares	year end	nature of business	country of incorporation and place of business	proportion of interest and voting rights held
Integrated Safety and Security Solutions Ltd	ordinary	June	security	Mauritius	50%

› In 2018, Integrated Safety and Security Solutions Ltd was a jointly controlled entity by our subsidiary Security and Property Protection Agency Co Ltd (SPPA) and FS Systems International Ltd, a company incorporated in Mauritius as a GBL Category 1 company. It was accounted for using the equity method. › During the year, Security & Property Protection Agency Co Ltd acquired the remaining 50% holding from FS Systems International, thereby increasing its stake to 100%. › The existing stake was remeasured at the acquisition date and a gain on remeasurement amounting to MRs3.708m was booked (note 29).

C Summarised financial information

› The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

MRs000

2018	non-current assets	current assets	current liabilites	non-current liabilites	revenue	profit for the year	other comprehensive income for the year	total comprehensive income for the year
Integrated Safety and Security Solutions Ltd	615	5,593	8,438	14	19,056	145	-	145

7 investments in joint venture *continued*

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 for the year	other comprehensive income for the year	closing net assets	unrecognised losses	ownership interest	interest in joint venture	cummulative share of unrecognised losses
2018								
Integrated Safety and Security Solutions Ltd	(2,389)	145	-	(2,244)	(2,244)	50%	-	(1,122)

8 financial assets at fair value through other comprehensive income

(I) Equity investments at fair value through other comprehensive income

MRs000	THE GROUP	THE COMPANY
2019		
At July 1st	**2,271,270**	**2,271,270**
Dividend in specie	**118,735**	**114,546**
Additions	**187,348**	**187,348**
Change in fair value recognised in other comprehensive income	**124,177**	**124,198**
At June 30th	**2,701,530**	**2,697,362**

(II) Financial assets at fair value through other comprehensive income include the following:

MRs000	THE GROUP	THE COMPANY
2019		
Quoted		
Equity securities – [Mauritius]	**2,363,066**	**2,358,898**
Equity securities – [South Africa]	**200,000**	**200,000**
Unquoted		
Equity securities – [Mauritius]	**138,464**	**138,464**
	2,701,530	**2,697,362**

(III) Financial assets measured at fair value through other comprehensive income include the Group's and the Company's strategic equity investments not held for trading. The Group and the Company made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments. The current portion relates to those assets the Group and the Company expect to sell within the next 12 months. In 2018, the Group and the Company had designated the investments as available-for-sale where management intended to hold them for the medium to long-term. See note 8A.

(IV) In assessing the fair value of unquoted financial assets at fair value through other comprehensive income, the group uses a variety of methods and makes assumptions that are based on market conditions existing at the reporting date. The fair value of unquoted financial assets at fair value through other comprehensive income is based on the earnings, dividend yield and net asset basis as appropriate. The fair value of quoted securities is based on published market prices at the end of the reporting period or if not quoted on that day, the last preceding market price.

8 financial assets at fair value through other comprehensive income *continued*

(v) Fair value through other comprehensive income financial assets include the following:

MRs000 **2019**	THE GROUP	THE COMPANY
Quoted (Listed and DEM): Equity Securities (Mauritius)		
MCB Group Limited	**2,041,719**	**2,039,247**
New Mauritius Hotels Limited - Ordinary	**10,633**	**10,258**
New Mauritius Hotels Limited - Preference	**2,329**	**2,247**
Plastic Industry (Mtius) Ltd	**20,727**	**20,727**
Innodis Ltd	**17,634**	**17,011**
The United Basalt Products Ltd	**10,365**	**9,999**
United Docks Ltd	**865**	**865**
Swan Life Ltd	**34,658**	**34,658**
Tropical Paradise Co Ltd - Ordinary	**104,994**	**104,994**
Tropical Paradise Co Ltd - Preference	**55,500**	**55,500**
Phoenix Investment Company Ltd	**26,469**	**26,469**
Compagnie Immobiliere Limitée	**16,245**	**16,245**
C-Care (Mauritius) Ltd	**7,057**	**7,057**
Livestock Feed Ltd - Ordinary	**7,003**	**6,756**
Livestock Feed Ltd - Preference	**79**	**76**
Forges Tardieu Ltd	**6,789**	**6,789**
At June 30th	**2,363,066**	**2,358,898**
Quoted: Equity Securities (South Africa)		
Brainworks Limited	**200,000**	**200,000**
Unquoted: Equity securities (Mauritius)	**138,464**	**138,464**
Total	**2,701,530**	**2,697,362**

(vi) Financial assets at fair value through other comprehensive income are denominated in the following currencies:

MRs000 **2019**	THE GROUP	THE COMPANY
Mauritian Rupees	**2,501,530**	**2,497,362**
South African Rand	**200,000**	**200,000**
	2,701,530	**2,697,362**

8 A investments in financial assets

(a) The movement in investments in financial assets may be summarised as follows:

THE GROUP AND THE COMPANY

	available-for-sale financial assets		total
	level 1	level 3	
MRs000	Listed and DEM quoted	unquoted	2018
Valuation			
At July 1st 2017	2,142,602	111,111	2,253,713
Increase in fair value	9,652	7,905	17,557
At June 30th 2018	2,152,254	119,016	2,271,270

(b) Available-for-sale financial assets include the following:

MRs000	2018
Equity securities-at fair value:	
- Listed and DEM quoted	2,152,254
- Unlisted	119,016
Total available-for-sale financial assets	2,271,270

› All available-for-sale financial assets are denominated in mauritian rupees.

(c) The table below shows the changes in level 3 instruments:

MRs000	2018
Available-for-sale equity securities	
Opening balance	111,111
Gains recognised in	
- other comprehensive income	7,905
Closing balance	119,016

9 inventories

THE GROUP

MRs000	**2019**	2018
Spares and accessories	**1,163**	1,844
Operating equipment	**1,072**	-
Food and Beverages	**816**	-
Consumables	**2,083**	1,308
Work in progess	**1,476**	1,112
Goods for resale	**5,802**	4,964
	12,412	9,228
Cost of inventories recognised as expense in profit or loss		
Cost of sales	**22,646**	15,263
Operating expenses	**4,251**	5,995

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

10 trade and other receivables

	THE GROUP		THE COMPANY	
MRs000	**2019**	2018	**2019**	2018
Trade receivables	**156,197**	121,922	**40,868**	31,486
Dividend receivable from subsidiary companies	**-**	-	**59,830**	59,830
Dividend receivable from associates	**76,889**	79,663	**73,644**	76,294
Less: provision for impairment on trade receivables	**(55,709)**	(43,698)	**(201)**	(201)
Trade receivables - net	**177,377**	157,887	**174,141**	167,409
Amounts owed by subsidiary companies	**-**	-	**-**	4,607
Amounts owed by joint venture/associates	**-**	4,557	**-**	259
Prepayments	**-**	2,666	**-**	374
Payments on account	**-**	66,927	**-**	1,836
Income tax receivable	**-**	1,888	**-**	-
Other receivables	**-**	26,689	**-**	100
	177,377	260,614	**174,141**	174,585
Less non-current portion:				
Trade receivables	**(1,653)**	(2,571)	**-**	-
Current portion	**175,724**	258,043	**174,141**	174,585

› The carrying amounts of trade and other receivables approximate their fair values.

(i) Impairment of trade receivables

› The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

› To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

› The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30th 2019 or July 1st 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

› On that basis, the loss allowance as at June 30th 2019 and July 1st 2018 (on adoption of IFRS 9) was determined by applying the different expected loss rates calculated for each age bucket, including the amount receivable for the current month, to the gross carrying amount of trade receivables, net of collaterals.

› The expected loss rates of the different age buckets vary between 3% to 97% and the closing loss allowance amounted to MRs15.295m (2018: MRs23.492m) for the Group.

› There has been no impact for the Company's retained earnings and equity.

10 trade and other receivables *continued*

The closing loss allowances (including specific loss allowance) for trade receivables as at June 30th 2019 reconcile to the opening loss allowances as follows:

MRs000	THE GROUP 2019	2018	THE COMPANY 2019	2018
At June 30th 2018 (IAS 39)	**43,698**	66,092	**201**	201
Adjustment on initial application of IFRS 9 - Financial Instruments	**6,204**	-	**-**	-
Loss allowance as at July 1st 2018 (IFRS 9)	**49,902**	66,092	**201**	201
Net loss allowance recognised in profit or loss during the year	**5,807**	(5,270)	**-**	-
Receivables written off during the year as uncollectible	**-**	(17,124)	**-**	-
At June 30th 2019	**55,709**	43,698	**201**	201

In 2018, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

(ii) The carrying amounts of the trade and other receivables are denominated in the following currencies:

MRs000	THE GROUP 2019	2018	THE COMPANY 2019	2018
Rupee	**175,625**	258,043	**174,141**	174,585
US Dollar	**99**	-	**-**	-
	175,724	258,043	**174,141**	174,585

(iii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group holds collaterals, which include cash deposits and bank guarantees from tenants.

(iv) In 2018, trade receivables were 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 was established when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of receivables.

10A other financial assets at amortised cost

(a)

MRs000 **2019**	THE GROUP	THE COMPANY
Amounts owed by subsidiary companies	**-**	**3,612**
Amounts owed by associates	**2,734**	**2,734**
Payments on account	**2,351**	**-**
Other receivables	**29,659**	**10,031**
	34,744	**16,377**
Less: Loss allowance	**(4,046)**	**-**
	30,698	**16,377**

› These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(b) **Impairment and risk exposure**

(i) The loss allowance (including specific loss allowance) for other financial assets at amortised cost as at June 30th 2018 reconciles to the opening loss allowance on July 1st 2018 and to the closing loss allowance as at June 30th 2019 as follows:

MRs000	THE GROUP
Loss allowance at June 30th 2018 (IAS 39)	3,148
Adjustment on initial application of IFRS 9 - Financial Instruments	233
Loss allowance at July 1st 2018 (IFRS 9)	3,381
Allowance recognised in profit or loss during the year	665
Loss allowance at June 30th 2019	**4,046**

› The Group and the Company has related party transactions, carried at arm's length, with its subsidiaries and associates. Based on these entities' previous repayment behaviours, the Group and the Company does not expect any default from them and is certain of their ability to pay their debts as they become due in the normal course of business and/or in any adverse economic and business conditions. Consequently, these entities have not been included in the expected credit losses calculation.

(ii) All of the financial assets at amortised cost are denominated in Mauritian Rupees. As a result, there is no exposure to foreign currency risk.

10B other assets

MRs000 **2019**	THE GROUP	THE COMPANY
Prepayments	**7,676**	**1,509**
Income tax receivable	**9,200**	**-**
	16,876	**1,509**

11 share capital

THE GROUP AND THE COMPANY MRs000	share capital	treasury shares	2019	2018
At July 1st	**194,854**	**(104)**	**194,750**	194,659
Shares held as treasury	**-**	**(267)**	**(267)**	-
Exercise of share options	**-**	**-**	**-**	91
At June 30th	**194,854**	**(371)**	**194,483**	194,750

Number				
At July 1st	**38,970,645**	**(20,885)**	**38,949,760**	38,931,866
Shares held as treasury	**-**	**(53,493)**	**(53,493)**	-
Exercise of share options	**-**	**-**	**-**	17,894
At June 30th	**38,970,645**	**(74,378)**	**38,896,267**	38,949,760

› The total authorised number of ordinary shares is 42,500,000 shares (2018: 42,500,000) with a par value of MRs5 per share (2018: MRs5 per share). All issued shares are fully paid. › No share options were exercised during the year. › The options outstanding at June 30th 2019 under ESOS have an exercise price in the range of MRs98.00 to MRs109.00 and a weighted average contractual life of 3 1/2 months. › During the year, 53,493 PaD own shares were received from EUDCOS following a distribution of some of its investments. These shares were held as treasury shares.

12 other reserves

THE GROUP MRs000	share premium	fair value reserve	fair value through other comprehensive income reserve	translation reserve	capital reserves	actuarial loss	total
At July 1st 2018	175,289	1,621,813	-	(122)	5,028,894	(3,898)	**6,821,976**
Dividend in specie held as treasury	(5,724)	-	-	-	-	-	**(5,724)**
Remeasurement of defined benefit obligations	-	-	-	-	-	(2,579)	**(2,579)**
Group's share of movement in reserves of associates	-	-	-	-	36,871	-	**36,871**
Transfer	-	(1,621,813)	1,621,813	-	(138,990)	-	**(138,990)**
Changes in fair value of financial assets through other comprehensive income	-	-	124,177	-	-	-	**124,177**
Currency translation differences	-	-	-	108	-	-	**108**
At June 30th 2019	**169,565**	**-**	**1,745,990**	**(14)**	**4,926,775**	**(6,477)**	**6,835,839**

THE COMPANY MRs000	share premium	fair value through other comprehensive income reserve	fair value	actuarial gain	total
At July 1st 2018	175,289	-	3,524,943	266	**3,700,498**
Dividend in specie held as treasury	(5,724)	-	-	-	**(5,724)**
Transfer	-	1,621,813	(1,632,294)	-	**(10,481)**
Decrease in fair value of subsidiaries	-	-	(79,617)	-	**(79,617)**
Decrease in fair value of associates	-	-	(473,714)	-	**(473,714)**
Remeasurement of defined benefit obligations	-	-	-	466	**466**
Changes in fair value of financial assets through other comprehensive income	-	124,198	-	-	**124,198**
At June 30th 2019	**169,565**	**1,746,011**	**1,339,318**	**732**	**3,255,626**

12 other reserves *continued*

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

Fair value reserves
Fair value reserves comprise the cumulative net change in fair value of investments in subsidiaries and associates that have been recognised in other comprehensive income until the investments are derecognised or impaired.

Fair value through other comprehensive income reserves
The fair value through other comprehensive income reserves comprise the cumulative net change in fair value of financial assets through other comprehensive income until the financial assets are derecognised or impaired.

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

Capital reserves
Capital reserves comprise of all the movement arising in the reserves of associates.

Actuarial loss
The actuarial loss reserve represents the cumulative remeasurement of retirement benefit obligation recognised.

13 borrowings

A

MRs000	note	THE GROUP 2019	THE GROUP 2018	THE COMPANY 2019	THE COMPANY 2018
Bank overdrafts	(a)	**493,956**	366,398	**408,262**	318,012
Loan from associates		**26,100**	-	**26,100**	-
Bank loans		**1,170,000**	650,000	**650,000**	650,000
		1,690,056	1,016,398	**1,084,362**	968,012
Current					
Bank overdrafts		**493,956**	366,398	**408,262**	318,012
Loan from associates		**26,100**	-	**26,100**	-
		520,056	366,398	**434,362**	318,012
Non-current					
Bank loan	(b)	**1,170,000**	650,000	**650,000**	650,000
Total borrowings		**1,690,056**	1,016,398	**1,084,362**	968,012

(a) **Bank overdrafts**
The bank overdrafts are secured by floating charges over the assets of the borrowing companies.

(b) **The maturity of non-current borrowings**

MRs000	THE GROUP 2019	THE GROUP 2018	THE COMPANY 2019	THE COMPANY 2018
Between one year and two years	**36,000**	-	**-**	-
Between two years and three years	**113,000**	-	**65,000**	-
Between three years and five years	**250,500**	130,000	**130,000**	130,000
After five years	**770,500**	520,000	**455,000**	520,000
	1,170,000	650,000	**650,000**	650,000

› The bank loans are secured by floating charges over the assets of the borrowing companies.

13 borrowings *continued*

B The exposure of the borrowings to interest-rate changes and the contractual repricing dates

MRs000	THE GROUP 2019	2018	THE COMPANY 2019	2018
6 months or less	**520,056**	366,398	**434,362**	318,012
1-5 years	**399,500**	130,000	**195,000**	130,000
Over 5 years	**770,500**	520,000	**455,000**	520,000
	1,690,056	1,016,398	**1,084,362**	968,012

C The effective interest rates at the reporting date were

%	THE GROUP 2019	2018	THE COMPANY 2019	2018
Bank overdrafts	**5.75**	5.75	**5.75**	5.75
Bank borrowings	**5.75**	5.75	**5.75**	5.75

D The carrying amounts of borrowings are not materially different from their fair values.

14 deferred tax

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.

Deferred tax assets and liabilities, deferred tax (credit)/charge in the statements of profit or loss and other comprehensive income are attributable to the following items

THE GROUP MRs000	balance as at July 1st 2018 (as previously reported)	adjustment on initial application of IFRS 9 - Financial Instruments	balance as at July 1st 2018 (as restated)	acquisition through business combination	(credit)/ charge to profit or loss	(credit)/ charge to other comprehensive income	**balance as at June 30th 2019**
Deferred tax assets							
Provisions	(14,583)	(1,095)	(15,678)	10	(1,482)	(788)	**(17,938)**
Tax losses	-	-	-	(605)	(7,662)	-	**(8,267)**
	(14,583)	(1,095)	(15,678)	(595)	(9,144)	(788)	**(26,205)**
Deferred tax liabilities							
Accelerated capital allowances	94,667	-	94,667	18	9,536	-	**104,221**
Fair value gains	84,976	-	84,976	-	34,780	-	**119,756**
	179,643	-	179,643	18	44,316	-	**223,977**
Net deferred tax	165,060	(1,095)	163,965	(577)	35,172	(788)	**197,772**

14 deferred tax *continued*

THE COMPANY

MRs000	balance as at July 1st 2018 (as restated)	acquisition through business combination	charge/ (credit) to profit or loss	(credit)/ charge to other comprehensive income	**balance as at June 30th 2019**
Deferred tax liabilities					
Accelerated capital allowances	4,804	-	249	-	**5,053**
Provisions	(4,221)	-	284	95	**(3,842)**
Fair value gains	4,524	-	(53)	-	**4,471**
	5,107	-	480	95	**5,682**

	THE GROUP		THE COMPANY	
MRs000	**2019**	2018	**2019**	2018
Deferred tax assets	**(26,205)**	(14,583)	**-**	-
Deferred tax liabilities	**223,977**	179,643	**5,682**	5,107
	197,772	165,060	**5,682**	5,107

› Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2018: 17%).

Movement in the deferred income tax account

		THE GROUP		THE COMPANY	
MRs000	notes	**2019**	2018	**2019**	2018
At July 1st - As previously reported		**165,060**	141,380	**5,107**	4,420
Adjustment on initial application of IFRS 9 - Financial Instruments	30	**(1,095)**	-	**-**	-
At July 1st - As restated		**163,965**	141,380	**5,107**	4,420
Acquisition through business combination	29	**(577)**	-	**-**	-
Charge to profit or loss	20	**35,172**	23,901	**480**	813
(Credit)/charge to other comprehensive income		**(788)**	(221)	**95**	(126)
At June 30th		**197,772**	165,060	**5,682**	5,107

15 retirement benefit obligations

MRs000	notes	THE GROUP 2019	2018	THE COMPANY 2019	2018
Amounts recognised in the statements of financial position					
Pension benefits	15A	**21,683**	22,790	**20,840**	21,969
Other post retirement benefits (gratuity on retirement)	15B	**31,863**	24,789	**168**	1,240
		53,546	47,579	**21,008**	23,209
Analysed as follows					
Current liabilities	16	**19,057**	8,783	**18,214**	7,962
Non-current liabilities		**34,489**	38,796	**2,794**	15,247
		53,546	47,579	**21,008**	23,209
Amounts charged to profit or loss					
Pension benefits	15(V)	**16,142**	15,313	**6,553**	5,997
Other post retirement benefits (gratuity on retirement)	15B	**4,709**	4,437	**160**	1,240
Total included in employee benefit expense		**20,851**	19,750	**6,713**	7,237
Amounts charged/(credited) to other comprehensive income					
Remeasurement of defined benefit obligations	15(vi)	**671**	739	**671**	739
Remeasurement of other post retirement benefit obligations	15B	**3,963**	557	**(1,232)**	-
		4,634	1,296	**(561)**	739

A Pension benefits

(i) The group contributes to a defined benefit pension. The plan is a final salary plan,which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The assets of the fund are held independently and administered by a superannuation fund.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30th 2019, by AON Hewitt Ltd. The present value of the defined benefit obligations, and the related current service cost and the past service cost, were measured using the Projected Unit Credit Method.

MRs000	THE GROUP 2019	2018	THE COMPANY 2019	2018
Amounts recognised in the statements of financial position				
Present value of funded obligations	**109,130**	100,161	**109,130**	100,161
Fair value of plan assets	**(90,136)**	(80,068)	**(90,136)**	(80,068)
Deficit of funded plans	**18,994**	20,093	**18,994**	20,093
Present value of unfunded obligations	**1,846**	1,876	**1,846**	1,876
Total deficit of defined benefit pension plans	**20,840**	21,969	**20,840**	21,969
Defined contributions outstanding	**843**	821	**-**	-
Liability in the statements of financial position	**21,683**	22,790	**20,840**	21,969

(ii) Reconciliation of the opening balances to the closing balances

MRs000	THE GROUP 2019	2018	THE COMPANY 2019	2018
Balance as at July 1st	**22,790**	24,054	**21,969**	23,252
Amount recognised to profit or loss	**16,142**	15,313	**6,553**	5,997
Amount recognised to other comprehensive income	**671**	739	**671**	739
Employer contribution	**(17,920)**	(17,316)	**(8,353)**	(8,019)
At June 30th	**21,683**	22,790	**20,840**	21,969

(iii) Movement in the defined benefit obligations over the year

MRs000	THE GROUP AND THE COMPANY 2019	2018
At July 1st	**102,037**	91,430
Current service cost	**4,639**	4,048
Interest expense	**6,419**	5,933
Other benefits paid	**(315)**	(300)
Liability experience (gain)/loss	**(4,383)**	1,701
Liability experience gain due to change in demographic assumptions	**-**	(735)
Liability loss/(gain) due to change in financial assumptions	**2,579**	(40)
At June 30th	**110,976**	102,037

(iv) Movement in the fair value of plan assets over the year

MRs000	THE GROUP AND THE COMPANY 2019	2018
At July 1st	**80,068**	68,178
Interest income	**5,251**	4,638
Employer contributions	**7,334**	7,098
Benefits paid	**(43)**	(33)
Return on plan assets excluding interest income	**(2,474)**	187
At June 30th	**90,136**	80,068

(v) Amounts recognised in profit or loss

	THE GROUP		THE COMPANY	
MRs000	**2019**	2018	**2019**	2018
Current service costs	**14,974**	14,018	**5,385**	4,702
Net interest on net defined benefit liability	**1,168**	1,295	**1,168**	1,295
Total included in employee benefit expense	**16,142**	15,313	**6,553**	5,997

› The service cost and the net interest expenses for the year is included in the operating expenses in profit or loss.

MRs000	**2019**	2018
Actual return on plan assets	**2,777**	4,825

(vi) Amounts recognised in other comprehensive income

MRs000	THE GROUP AND THE COMPANY 2019	2018
Return on plan assets above interest cost	**2,474**	(187)
Liability experience (gain)/loss	**(4,383)**	1,701
Liability experience gain due to change in demographic assumptions	**-**	(735)
Liability loss/(gain) due to change in financial assumptions	**2,580**	(40)
Components of amount recognised in other comprehensive income	**671**	739

› The actuarial (gain)/loss on retirement benefit obligations is included in other comprehensive income.

15 retirement benefit obligations *continued*

(vii) Fair value of the plan assets at the end of the reporting period for each category

	THE GROUP AND THE COMPANY	
%	**2019**	2018
The assets in the plan		
Equity - local	**33.0**	32.0
Debt - overseas	**2.0**	3.0
Debt - local	**22.0**	17.0
Property - local	**5.0**	3.0
Investment funds	**25.0**	32.0
Other	**13.0**	13.0
Total	**100.0**	100.0

› Pension plan assets include the company's ordinary shares with a fair value of MRs0.77m (2018: MRs0.80m). › The assets of the plan are invested in shares, bonds (foreign and local) and property. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. › Expected yields on fixed interest investments are based on gross redemption yields at the end of the reporting period.
› Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

(viii) Principal actuarial assumptions used for accounting purposes

	2019	2018
Discount rate (%)	**6.0**	6.3
Future salary increases (%)	**4.5**	4.8
Future pension increases (%)	**3.3**	3.3
Average retirement age (ARA) (years)	**63.0**	63.0
Average life expectancy:		
-Male at ARA (years)	**17.3**	17.3
-Female at ARA (years)	**21.7**	21.7

(ix) Sensitivity analysis on defined benefit obligation at the end of the reporting period

MRs000	**2019**	2018
Increase in benefit obligation at the end of period resulting from a 1% decrease in discount rate	**13,695**	13,280
Decrease in benefit obligation at the end of period resulting from a 1% increase in discount rate	**11,124**	10,808

› The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of the reporting period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation. › The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the group to actuarial risks, such as longevity risk, interest rate risk, investment risk and salary risk.

Longevity risk
The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

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

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

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

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

(xii) The group expects to pay MRs18.214m in contributions to its post-employment benefit plans for the year ending June 30th 2020.

(xiii) The weighted average duration of the defined benefit obligation is 11 years at the end of the reporting period (2018: 12 years).

B Other post retirement benefits (gratuity on retirement)

Other post retirement benefits comprise severance allowances payable under the Employment Rights Act 2008 (as amended).

	THE GROUP	
MRs000	**2019**	2018
Movement in the severance allowances		
At July 1st	**24,789**	21,397
Gratuity on retirement paid	**(863)**	(867)
Benefits paid	**(735)**	(735)
Amount charged to profit or loss	**4,709**	4,437
Amount charged to other comprehensive income	**3,963**	557
At June 30th	**31,863**	24,789

	THE COMPANY	
MRs000	**2019**	2018
Movement in the severance allowances		
At July 1st	**1,240**	-
Amount charged to profit or loss	**160**	1,240
Amount credited to other comprehensive income	**(1,232)**	-
At June 30th	**168**	1,240

16 trade and other payables

		THE GROUP		THE COMPANY	
MRs000	note	**2019**	2018	**2019**	2018
Dividend payable to non controlling interests		**23,504**	23,504	**-**	-
Social security and other taxes		**4,317**	4,937	**402**	680
Retirement benefit obligations	15	**19,057**	8,783	**18,214**	7,962
Advance monies		**34,711**	32,402	**402**	120
Other payables - construction costs		**78,433**	173,435	**-**	-
Other payables		**72,147**	67,071	**25,802**	21,230
Total trade and other payables		**232,169**	310,132	**44,820**	29,992

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

16A contract liabilities

THE GROUP	
MRs000	**2019**
Opening balance restated - transfer from trade and other payables	**1,524**
Amount included in contract liabilities that was recognised as revenue during the year	**(1,919)**
Cash received (or rights to cash) in advance of performance and not recognised as revenue during the year	**2,082**
	1,687

› Contract liabilities arise from sales and installation of alarm system, whereby control is transferred only upon commissioning of the alarm system and user acceptance, at which point the Group will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question and cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

› No prior year adjustments have been made to the balance of contract liabilities as upon adoption of IFRS 15, there have been no change in the way of recognising deferred income.

17 dividend paid and proposed

MRs000	**2019**	2018
Interim ordinary dividend of MRe1.15 per share paid in February 2019 (2018:MRe1.00)	**44,792**	38,950
Interim ordinary dividend of MRs2.65 per share paid in August 2019	**103,075**	-
Final dividend of MRs2.60 per share paid in August 2018	**-**	101,269
Total ordinary dividend of MRs3.80 per share (2018: MRs3.60)	**147,867**	140,219

› On June 28th 2019, the Directors declared an interim dividend of MRs2.65 per share in respect of the year ended June 30th 2019. › During the year, there has been a change in the dividend policy payout whereby the dividend proposed in June is now considered to be an interim distribution. › A final dividend will be declared following approval of the financial statements.

18 finance income and costs

MRs000	THE GROUP 2019	2018	THE COMPANY 2019	2018
Finance costs				
Bank overdrafts	**31,241**	15,758	**22,044**	15,394
Bank and other loans repayable by instalments	**50,378**	37,913	**39,303**	40,061
Foreign exchange transaction loss	**1,016**	2	**962**	-
Total finance costs	**82,635**	53,673	**62,309**	55,455
Foreign exchange transaction gain	**(163)**	(178)	**-**	(61)
Finance income	**(770)**	(841)	**(1,862)**	(2)
Total finance income	**(933)**	(1,019)	**(1,862)**	(63)
Net finance costs	**81,702**	52,654	**60,447**	55,392

19 profit before taxation

MRs000	notes	THE GROUP 2019	2018	THE COMPANY 2019	2018
Profit before taxation is arrived at after crediting					
Rent from properties	3	**240,499**	238,994	**5,098**	5,126
Sale of goods		**24,353**	18,418	**-**	-
Sale of services		**231,266**	225,654	**-**	-
Dividend income					
- listed		**78,762**	67,132	**127,377**	115,823
- DEM quoted		**7,378**	6,762	**160,461**	146,407
- unquoted		**4,662**	4,592	**25,274**	23,767
Profit on disposal of property, plant and equipment		**1,208**	557	**-**	-
and charging					
Loss on disposal of property, plant and equipment		**111**	52	**4**	-
Depreciation on property, plant and equipment	2	**25,061**	21,019	**5,268**	5,126
Operating lease rentals		**5,951**	4,384	**1,660**	-
Amortisation of intangibles	4	**473**	1,207	**115**	26
Employee benefit expense		**278,999**	260,117	**46,185**	44,960

A Analysis of employee benefit expense

MRs000	THE GROUP 2019	2018	THE COMPANY 2019	2018
Wages and salaries	**246,916**	229,568	**38,714**	37,002
Social security costs	**11,232**	10,799	**758**	721
Retirement benefits	**20,851**	19,750	**6,713**	7,237
	278,999	260,117	**46,185**	44,960

20 taxation

		THE GROUP		THE COMPANY	
MRs000	note	**2019**	2018	**2019**	2018
Based on the profit for the year, as adjusted for tax purposes, at 15%		**4,101**	10,841	**1,465**	639
(Overprovision)/underprovision of tax in previous year		**(68)**	899	**5**	-
Corporate social responsibility		**547**	2,666	**195**	153
Deferred tax charge	14	**35,172**	23,901	**480**	813
Charge to profit or loss		**39,752**	38,307	**2,145**	1,605

	THE GROUP		THE COMPANY	
%	**2019**	2018	**2019**	2018
Applicable income tax rate	**15.00**	15.00	**15.00**	15.00
Impact of				
Expenses not allowable	**4.32**	(51.01)	**4.61**	8.37
Balancing allowance	**-**	(0.20)	**-**	-
Other differences	**(2.94)**	13.70	**0.01**	0.01
Exempt income	**(3.63)**	34.48	**(18.48)**	(22.83)
Income not subject to tax	**(1.06)**	1.77	**(0.60)**	(0.10)
Associates' results reported net of tax	**(4.99)**	(67.74)	**-**	-
Deferred tax rate differential on CSR tax	**1.16**	-	**-**	-
Underprovision of tax in previous year	**-**	(2.64)	**-**	-
Unrecognised deferred tax liability	**-**	(47.48)	**-**	0.32
Unutilised tax losses	**1.68**	(0.25)	**-**	-
Corporate social responsibility	**0.13**	(7.81)	**0.05**	0.08
Actual income tax rate	**9.69**	(112.18)	**0.59**	0.85

21 other comprehensive income

› Other comprehensive income comprises movement in the fair value reserves, fair value through other comprehensive income reserves, translation reserves, capital reserves of associates and the actuarial loss reserves.

22 A earnings/(loss) per share

› Earnings/(loss) per share is calculated on the basis of the group (loss)/profit for the year divided by the weighted average number of shares in issue and ranking for dividends.

THE GROUP		
MRs000	**2019**	2018
Profit/(loss) attributable to owners of the parent	**306,372**	(102,888)
Weighted average number of shares in issue during the year	**38,936,387**	38,944,737

22 B adjusted earnings/(loss) per share

› Adjusted earnings/(loss) per share is calculated on the adjusted earnings/(loss) (to remove the effect of unusual revenue and expenses and one-time influences) divided by the number of shares in issue and ranking for dividends.

MRs000	**2019**	2018
Profit/(loss) attributable to owners of the parent	**306,372**	(102,888)
Gain on remeasurement of equity interests	**(2,619)**	-
Profit on disposal of associates	**(8,466)**	-
Impairment loss in associate	**678**	-
Gain on bargain purchase	**-**	(12,357)
Share of profit from discontinued operations by associates	**(518)**	(7,902)
Impairment losses by associates	**-**	141,479
Compensation from customer by associate	**-**	(44,779)
Gain on disposal of investment in subsidiary by associates	**(6,389)**	(3,127)
Net gain from fair value adjustment on investment property (net of non- controlling interests and deferred tax)	**(141,342)**	(8,617)
Net gain from fair value adjustment on investment property by associates	**1,573**	(8,524)
Adjusted earnings/(loss) attributable to owners of the parent	**149,289**	(46,715)
Weighted average number of shares in issue during the year	**38,936,387**	38,944,737

23 retained earnings

MRs000	holding company	subsidiary companies	associated companies	consolidation adjustment*	the group
At July 1st 2018 (as previously reported)	2,934,541	1,251,579	360,458	(875,160)	**3,671,418**
Adjustment on initial application of IFRS 9 - Financial Instruments	-	(3,773)	-	-	**(3,773)**
At July 1st 2018 (as restated)	2,934,541	1,247,806	360,458	(875,160)	**3,667,645**
Profit for the year	362,510	102,195	(170,378)	4,257	**298,584**
Profit on disposal of associates	-	-	-	8,466	**8,466**
Impairment loss	-	-	(678)	-	**(678)**
Dividend	(147,867)	-	-	-	**(147,867)**
Group's share of movement of associates	-	-	146	-	**146**
Impact of change in shareholding	-	-	(1,462)		**(1,462)**
Transfer	10,481	-	138,990	(10,481)	**138,990**
At June 30th 2019	**3,159,665**	**1,350,001**	**327,076**	**(872,918)**	**3,963,824**

* The consolidation adjustment is mainly in respect of the release of fair value on dissolution, impairment of associates, gain on remeasurement of equity interests and changes in ownership in subsidiary that do not result in loss of control.

24 non-recurring items

	THE GROUP		THE COMPANY	
MRs000	**2019**	2018	**2019**	2018
Exceptional dividend from associate	**-**	-	**16,023**	-
Dividend in specie following distribution by associate	**-**	-	**120,843**	-
	-	-	**136,866**	-

25 segment reporting

Business segments

2019

MRs000	property	shares	security	other	eliminations	total
Revenues						
External sales	248,846	90,804	255,619	3,812	-	**599,081**
Intersegment sales	4,800	378,720	27,701	23,436	(434,657)	**-**
Total revenues	253,646	469,524	283,320	27,248	(434,657)	**599,081**
Segment result	75,860	434,371	5,551	-	(391,060)	**124,722**
Share of results of associates	182,629	12,714		(58,852)		**136,491**
	258,489	447,085	5,551	(58,852)	(391,060)	**261,213**
Finance income						**933**
Finance costs *						**(82,635)**
Net impairment losses on financial assets						**(6,472)**
Net gain from fair value adjustment on investment property						**225,864**
Profit on disposal of associates						**8,466**
Impairment loss						**(678)**
Gain on remeasurement of equity interests						**3,708**
Profit before taxation						**410,399**
Taxation						**(39,752)**
Profit for the year						**370,647**
Attributable to						
Owners of the parent						**306,372**
Non-controlling interest						**64,275**
						370,647

MRs000	property	shares	security	other	eliminations	total
Segment assets	5,375,517	2,815,631	97,130	-	-	**8,288,278**
Associates	38,137	302,798	-	5,853,989	-	**6,194,924**
	5,413,654	3,118,429	97,130	5,853,989	-	**14,483,202**
Segment liabilities	1,558,027	571,385	55,688	-	-	**2,185,100**
Dividend proposed						**103,075**
						2,288,175
Capital expenditure	518,991	2,230	13,899	-	(9,752)	**525,368**
Depreciation and amortisation	12,852	2,692	9,990	-	-	**25,534**

Business segments

2018

MRs000	property	shares	security	other	eliminations	total
Revenues						
External sales	238,992	78,486	244,065	2,236	-	**563,779**
Intersegment sales	4,800	221,465	18,158	20,207	(264,630)	**-**
Total revenues	243,792	299,951	262,223	22,443	(264,630)	**563,779**
Segment result	113,923	265,658	106	-	(229,500)	**150,187**
Share of results of associates	30,203	22,617	-	(219,386)	-	**(166,566)**
	144,126	288,275	106	(219,386)	(229,500)	**(16,379)**
Finance income *						**1,019**
Finance costs *						**(53,673)**
Net gain from fair value adjustment on investment property						**16,504**
Gain on bargain purchase						**12,357**
Net impairment on financial assets						**6,024**
Profit before taxation						**(34,148)**
Taxation						**(38,307)**
Profit for the year						**(72,455)**
Attributable to						
Owners of the parent						**(102,888)**
Non-controlling interest						**30,433**
						(72,455)

MRs000	property	shares	security	other	total
Segment assets	4,727,426	2,376,871	78,580	-	**7,182,877**
Associates and jointly controlled entities	22,071	453,203	-	5,843,020	**6,318,294**
	4,749,497	2,830,074	78,580	5,843,020	**13,501,171**
Segment liabilities	998,916	511,547	38,394	-	**1,548,857**
Dividend proposed					**101,269**
					1,650,126
Capital expenditure	301,542	794	71,129	-	**373,465**
Depreciation and amortisation	14,092	2,576	5,558	-	**22,226**

Geographical segments

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

The associates have been allocated on the basis of their own relevant proportion to different segments of the group.

* Finance costs and finance income are not included in the measure of segment profit or loss as reviewed by the chief operating decision maker.

25 segment reporting *continued*

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

Segment	Activity
Property	Rental income, income from other operating activities
Shares	Dividend income
Security	Security and property protection services and sales of equipment

Other operations include management fee contract between the company and its subsidiaries and also other activities of the group's associates.

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.

Basis of accounting for any transactions between reportable segments

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

The group's customer base is highly diversified with no individually significant customer.

26 commitments and contingencies

	THE GROUP		THE COMPANY	
MRs000	**2019**	2018	**2019**	2018
A Capital commitments				
Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements				
Investment in financial assets at fair value through other comrpehensive income	**49,000**	-	**49,000**	-
Contractual obligations for future capital works	**10,000**	-	**-**	-
Investments in available-for-sale financial assets	**-**	210,850	**-**	210,850
Investment property	**-**	480,773	**-**	-
Property, plant and equipment including intangible assets	**-**	22,564	**-**	198
	59,000	714,187	**49,000**	211,048

26 commitments and contingencies *continued*

MRs000	THE GROUP 2019	THE GROUP 2018	THE COMPANY 2019	THE COMPANY 2018
B Operating leases - where the group is the lessor				
Future minimum lease payments receivable under non-cancellable operating leases				
Not later than 1 year	**162,499**	152,292	**5,460**	4,365
Later than 1 year and not later than 5 years	**218,842**	219,670	**4,397**	7,865
Later than 5 years	**102,478**	66,927	**-**	-
	483,819	438,889	**9,857**	12,230

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

MRs000	THE GROUP 2019	THE GROUP 2018
C Contingencies		
Contingent liabilities		
Bank guarantees to third parties	**3,965**	3,500
Bank guarantees to third parties on behalf of joint venture	**-**	283
	3,965	3,783

27 related party transactions

MRs000	payment in respect of investment property	purchase of goods or services	sale of goods or services	finance income/ (costs)	management fees income/ (expense)	loans (from)/ to and overdrafts	amount owed to related parties	amount owed by related parties	emoluments and benefits
THE GROUP									
2019									
Associates	**-**	**(2,286)**	**33,489**	**(1,928)**	**3,788**	**(26,100)**	**(841)**	**9,116**	**-**
Shareholders with significant influence	**-**	**(3,479)**	**14,684**	**(79,674)**	**(2,358)**	**(1,663,956)**	**(4,264)**	**7,475**	**-**
Joint venture in which the group is a venturer	**-**	**(11)**	**471**	**(83)**	**108**	**-**	**-**	**-**	**-**
Directors and key management personnel	**-**	**-**	**260**	**-**	**-**	**-**	**-**	**55**	**46,762**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**(94)**	**744**	**-**	**-**	**-**	**-**	**-**	**-**
2018									
Associates	(551)	(1,886)	35,700	-	2,212	-	(73)	7,995	-
Shareholders with significant influence	-	(5,540)	11,961	(53,658)	(1,245)	(1,016,397)	(1,856)	4,692	-
Joint venture in which the group is a venturer	-	(997)	5,257	146	216	(1,500)	-	4,297	-
Directors and key management personnel	-	-	257	-	-	-	-	45	45,638
Enterprises in which directors/key management personnel (and close families) have significant interest	-	(117)	2,374	-	-	-	-	-	-

27 related party transactions *continued*

MRs000	purchase of goods or services	sale of goods or services	finance income/ (costs)	manage-ment fees income/ (expense)	loans (from)/ to and overdrafts	amount owed to related parties	amount owed by related parties	emolu-ments and benefits
THE COMPANY								
2019								
Associates	**(607)**	**-**	**(1,928)**	**3,788**	**(26,100)**	**(841)**	**2,734**	**-**
Shareholders with significant influence	**(2,818)**	**-**	**(59,419)**	**(2,358)**	**(1,058,262)**	**(4,114)**	**-**	**-**
Subsidiary	**(83)**	**3,932**	**1,549**	**23,436**	**-**	**-**	**3,612**	**-**
Directors and key management personnel	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**35,323**
Enterprises in which directors/key management personnel (and close families) have significant interest	**(81)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2018								
Associates	(212)	-	-	2,212	-	-	259	-
Shareholders with significant influence	(1,441)	-	(53,299)	(1,245)	(968,012)	(1,709)	-	-
Subsidiary	(97)	3,932	(2,148)	20,207	-	-	4,607	-
Directors and key management personnel	-	-	-	-	-	-	-	34,616
Enterprises in which directors/key management personnel (and close families) have significant interest	(80)	-	-	-	-	-	-	-

› There were no significant contracts or transactions during the year involving the company or its subsidiaries and the directors or their related parties outside the ordinary course of business. There is a management fee contract between the company and our subsidiary, Caudan Development Limited. The management fees charged to Caudan Development Limited 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, (3) agents fees equivalent to one 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. › There have been no guarantees provided or received for any related party receivables or payables. At June 30th 2019, the amount owed by related parties was not impaired (2018: nil). › Loan to related parties are unsecured and bears interest at 3.925%-5.75% per annum. › During the year, no share options were exercised by key management personnel, including executive directors. (2018: 17,834).

Key management personnel compensation

MRs000	THE GROUP 2019	THE GROUP 2018	THE COMPANY 2019	THE COMPANY 2018
Remuneration and other benefits relating to key management personnel, including directors				
Salaries and short term employee benefits	**41,310**	40,438	**31,004**	30,471
Post employment benefits	**5,452**	5,200	**4,319**	4,145
	46,762	45,638	**35,323**	34,616

28 three year summary of published results and assets and liabilities

MRs000	2019	THE GROUP 2018	2017
Statement of profit or loss and other comprehensive income			
Turnover	**599,081**	563,779	571,065
Profit before taxation	**410,399**	(34,148)	185,849
Share of results of associates and joint venture	**136,491**	(166,566)	85,203
Gains on bargain purchases	**-**	12,357	-
Taxation	**(39,752)**	(38,307)	(19,613)
Profit for the year	**370,647**	(72,455)	166,236
Non-controlling interests	**64,275**	30,433	23,386
Profit attributable to owners of the parent	**306,372**	(102,888)	142,850
Total comprehensive income attributable to owners of the parent	**465,095**	(79,540)	649,624
Adjusted profit attributable to owners of the parent	**149,289**	(46,715)	116,296
Rate of dividend (%)	**76.00**	72.00	65.00
Dividend per share (MRs)	**3.80**	3.60	3.25
Earnings/(loss) per share (MRs)	**7.87**	(2.64)	3.67
Adjusted earnings/(loss) per share (MRs)	**3.83**	(1.20)	2.99
Net assets value (MRs)	**282.65**	274.41	280.14

MRs000	2019	2018	2017
Statement of financial position			
Non-current assets	**14,245,248**	13,233,578	13,129,638
Current assets	**237,954**	267,593	248,283
Total assets	**14,483,202**	13,501,171	13,377,921
Equity attributable to owners of the parent	**10,994,146**	10,688,144	10,906,180
Non-controlling interests	**1,200,881**	1,162,901	1,156,110
Non-current liabilities	**1,428,466**	868,439	833,125
Current liabilities	**859,709**	781,687	482,506
Total equity and liabilities	**14,483,202**	13,501,171	13,377,921

29 business combinations

(a) Subsidiary acquired

	principal activity	date of acquisition	proportion of voting equity interests acquired
Integrated Safety and Security Solutions Ltd	security services	01 Jan 19	50%

› During the year, Security & Property Protection Agency Co Ltd acquired the remaining 50% holding from FS Systems International, thereby increasing its stake to 100%. › Total consideration transferred amounted to MRs3,708,424.

(b) Consideration transferred

MRs000	
Cash	3,708
Total consideration	3,708

(c) Assets acquired and liabilities recognised at the date of acquisition

MRs000	notes	
Non-current assets		
Property, plant and equipment	2	127
Intangible assets	4	26
Deferred tax asset	14	577
Current assets		
Cash and cash equivalents		1,931
Trade and other receivables		2,136
Inventories		2,443
Current liabilities		
Trade and other payables		(10,208)
Non-current liabilities		
Retirement benefit obligations		(51)
Total identifiable net assets		(3,019)
Goodwill acquired		10,435
Gain on remeasurement of equity interests		(3,708)
Cash outflow on acquisition of subsidiary		3,708

(d) Net cash outflow on acquisition of subsidiary

MRs000	
Consideration paid in cash	3,708
Less: Cash and cash equivalent balances acquired	(1,931)
	1,777

29 business combinations *continued*

(e) Impact of acquisition on the results of the Group

As from the acquisition date, Integrated Safety and Security Solutions Ltd's revenue of MRs6,207,352 and loss of MRs387,391 have been included in the consolidated statement of profit or loss and other comprehensive income for the reporting period.

If the acquisition were to have occurred on July 1st 2018, the Group's revenue and loss for the year would have increased by MRs2,035,887 and MRs774,332 respectively.

30 changes in accounting policies

(a) Impact on the financial statements

IFRS 9 and IFRS 15 were adopted without restating comparative information. Any adjustments arising from the new accounting policies are not reflected in the comparatives year ended June 30th 2018 but are recognised in the opening reserves on July 1st 2018.

The following tables show the adjustments recognised for each individual line item.

THE GROUP MRs000	note	June 30th 2018	IFRS 15	IFRS 9	July 1st 2018 restated
Balance sheet (extract)					
Non-current assets					
Financial assets at fair value through other comprehensive income (FVOCI)		-	-	2,271,270	2,271,270
Investment in financial assets		2,271,270	-	(2,271,270)	-
Deferred tax assets	14	14,583	-	1,095	15,678
Current assets					
Trade and other receivables		258,043	-	(108,931)	149,112
Financial assets at amortised costs		-	-	97,940	97,940
Other assets		-	-	4,554	4,554
Equity and liabilities					
Retained earnings		3,671,418	-	(3,773)	3,667,645
Non-controlling interests		1,162,901	-	(1,569)	1,161,332
Current liabilities					
Contract liabilities		-	1,524	-	1,524
Trade and other payables		310,132	(1,524)	-	308,608

THE COMPANY MRs000	June 30th 2018	IFRS 9	July 1st 2018 restated
Balance sheet (extract)			
Non-current assets			
Financial assets at fair value through other comprehensive income (FVOCI)	-	2,271,270	2,271,270
Investment in financial assets	2,271,270	(2,271,270)	-
Current assets			
Trade and other receivables	174,585	(7,176)	167,409
Financial assets at amortised costs	-	6,802	6,802
Other assets	-	374	374

30 changes in accounting policies *continued*

The impact on the retained earnings as at July 1st 2018 is as follows:

THE GROUP

MRs000		
Retained earnings June 30th 2018		10,688,144
Adjustments from adoption of IFRS 9		
Increase in provision for trade receivables	(6,204)	
Increase in provision for financial assets at amortised cost	(233)	
Increase in deferred tax assets relating to impairment provisions	1,095	
Decrease in non-controlling interests	1,569	
		(3,773)
Restated retained earnings July 1st 2018		**10,684,371**

(b) IFRS 9 Financial Instruments

(i) Classification and measurement

On July 1st 2018, management has assessed which business models apply to the financial assets held and has classified its financial instruments into the appropriate IFRS 9 categories.

The impact of the changes on the equity is as follows:

THE GROUP AND THE COMPANY MRs000	note	effect on AFS reserves	effect on FVOCI reserve
Opening balance - IAS 39		1,621,813	-
Reclassify non-trading equities from available-for-sale to FVOCI	(a)	(1,621,813)	1,621,813
		-	**1,621,813**
Opening balance - IFRS 9		**-**	**1,621,813**

(a) Equity investments previously classified as available-for-sale

The Group and the Company elected to present in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of MRs2.271m were reclassified from available-for-sale financial assets to financial assets at FVOCI and fair value gains of MRs1.622m were reclassified from the available-for-sale financial assets reserve to the FVOCI reserve on January 1st 2018.

On the date of initial application, July 1st 2018, the financial instruments of the Group and the Company were as follows, with any reclassifications noted:

THE GROUP	measurement category		carrying amount		
MRs000	original (IAS 39)	new (IFRS 9)	original	new	difference
Non-current financial assets					
Equity securities	Available-for-sale	FVOCI	2,271,270	2,271,270	-
Current financial assets					
Trade and other receivables	Amortised cost	Amortised cost	258,043	149,112	108,931
Other financial assets at amortised costs	Amortised cost	Amortised cost	-	97,940	(97,940)

THE COMPANY	measurement category		carrying amount		
	original (IAS 39)	new (IFRS 9)	original	new	difference
MRs000					
Non-current financial assets					
Equity securities	Available-for-sale	FVOCI	2,271,270	2,271,270	-
Current financial assets					
Trade and other receivables	Amortised cost	Amortised cost	174,585	167409	7,176
Other financial assets at amortised costs	Amortised cost	Amortised cost	-	6,802	(6,802)

(ii) Impairment of financial assets

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed above.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This resulted in an increase of the loss allowance on July 1st 2018 by MRs6.204m for trade receivables.

The loss allowance increased by a further MRs5.807m to MRs55.709m for trade receivables during the current reporting period.

(c) IFRS 15 Revenue from Contracts with customers

No prior year adjustments have been made to the balances as at July 1st 2018 except for reclassification as per part (a).

(i) Presentation of assets and liabilities related to contracts with customers

The Group has changed the presentation of certain amounts in the balance sheet to reflect the terminology of IFRS 15 and IFRS 9:

- Contract liabilities in relation to project contracts were previously included in trade and other payables.

(ii) Had the Group continued to report in accordance with IAS 18 Revenue for the year ended June 30th 2019, the reported figures would not have changed significantly.

31 Events after reporting date

- On September 27th 2019, the Company declared a final dividend of MRs1.30 per share for the year ended June 30th 2019 which will be paid in December 2019. Total dividend per share for the year June 30th 2019 stood at MRs5.10 (2018: MRs3.60).

directors of subsidiaries

Directors of subsidiaries holding office at the end of the reporting period

Caudan Development Limited
Jean-Philippe Coulier (appointed December 2018)
Jean-Pierre Montocchio (up to December 2018)
Assad Abdullatiff
Bertrand de Chazal
Stéphanie de la Hogue (appointed April 2018)
Catherine Fromet de Rosnay
Gilbert Gnany
René Leclézio
Jocelyne Martin
Seedha Lutcheemee Nullatemby
Philippe Raffray (appointed June 2019)
Antoine Seeyave (up to December 2018)
Bernard Yen

Caudan Leisure Ltd and Ferryhill Enterprises Ltd
René Leclézio
Jocelyne Martin

Caudan Performances Limited
René Leclézio
Ashish Beesoondial

Caudan Security Services Limited
René Leclézio
Jocelyne Martin
Mooroogassen Soopramanien

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

SPPA CO Ltd
Deepak K. Lakhabhay
Mooroogassen Soopramanien

Integrated Safety and Security Solutions Ltd
Deepak K. Lakhabhay
Mooroogassen Soopramanien

Harbour Cruise Ltd
René Leclézio

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

Commercial Holding Limited
Jean-Francois Desvaux de Marigny
René Leclézio

Caudan Communauté
René Leclézio
Jocelyne Martin

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