



PROMOTION AND DEVELOPMENT

PROMOTION AND DEVELOPMENT LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS
JUNE 30th 2018

STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
MRS000				
Assets				
Non-current assets				
Investment property	4,303,824	3,995,563	166,250	164,700
Investments in subsidiary companies	-	-	1,673,911	1,624,218
Investments in associates and jointly controlled entities	6,318,294	6,607,085	3,573,863	3,303,754
Investments in available-for-sale financial assets	2,271,270	2,253,713	2,271,270	2,253,713
Other non-current assets	331,130	273,277	90,028	93,592
	13,224,518	13,129,638	7,775,322	7,439,977
Current assets	267,593	248,283	174,601	149,508
Total assets	13,492,111	13,377,921	7,949,923	7,589,485
Equity and liabilities				
Capital and reserves				
Share capital	194,854	194,766	194,854	194,766
Other reserves	6,821,976	6,810,820	3,700,498	3,371,852
Retained earnings	3,671,418	3,900,701	2,934,541	2,888,450
	10,688,248	10,906,287	6,829,893	6,455,068
Less: Treasury shares	(104)	(107)	(104)	(107)
Equity attributable to owners of the parent	10,688,144	10,906,180	6,829,789	6,454,961
Non-controlling interests	1,162,901	1,156,110	-	-
Total equity	11,851,045	12,062,290	6,829,789	6,454,961
Liabilities				
Non-current liabilities				
Borrowings	650,000	650,000	650,000	650,000
Other non-current liabilities	209,379	183,125	20,354	19,216
	859,379	833,125	670,354	669,216
Current liabilities				
Borrowings	366,398	197,099	318,012	338,178
Other current liabilities	415,289	285,407	131,768	127,130
	781,687	482,506	449,780	465,308
Total liabilities	1,641,066	1,315,631	1,120,134	1,134,524
Total equity and liabilities	13,492,111	13,377,921	7,949,923	7,589,485
Net assets per share (MRS)	274.41	280.14	175.35	165.80
Number of shares	38,949,760	38,931,866	38,949,760	38,931,866

STATEMENTS OF CHANGES IN EQUITY

MRS000	Attributable to owners of the parent				Total	Non controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Retained earnings			
THE GROUP							
At July 1st 2016	194,678	(117)	6,307,221	3,729,925	10,231,707	1,091,111	11,322,818
Issue of shares	88	(88)	-	(1,208)	(1,208)	215,970	214,762
Exercise of share options	-	98	1,752	-	1,850	-	1,850
Changes in ownership interests in subsidiary that do not result in loss of control	-	-	(5)	150,741	150,736	(150,736)	-
Dividend	-	-	-	(126,529)	(126,529)	(23,504)	(150,033)
Profit for the year	-	-	-	142,850	142,850	23,386	166,236
Transfer	-	-	(22,235)	22,235	-	-	-
Other comprehensive income for the year	-	-	524,087	(17,313)	506,774	(117)	506,657
At June 30th 2017	194,766	(107)	6,810,820	3,900,701	10,906,180	1,156,110	12,062,290
At July 1st 2017	194,766	(107)	6,810,820	3,900,701	10,906,180	1,156,110	12,062,290
Issue of shares	88	(88)	-	-	-	-	-
Exercise of share options	-	91	1,632	-	1,723	-	1,723
Dividend	-	-	-	(140,219)	(140,219)	(23,504)	(163,723)
(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
THE COMPANY							
At July 1st 2016	194,678	(117)	2,494,353	2,835,903	5,524,817	-	-
Issue of shares	88	(88)	-	-	-	-	-
Exercise of share options	-	98	1,752	-	1,850	-	-
Dividend	-	-	-	(126,529)	(126,529)	-	-
Profit for the year	-	-	-	179,076	179,076	-	-
Other comprehensive income for the year	-	-	875,747	-	875,747	-	-
At June 30th 2017	194,766	(107)	3,371,852	2,888,450	6,454,961	-	-
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	-	-	-	(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	-	-

STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
MRS000				
Net cash generated from operating activities	267,261	207,192	167,813	89,718
Net cash used in investing activities	(277,678)	(140,622)	(13,591)	(794,499)
Net cash flow before financing activities	(110,417)	66,570	154,222	(704,781)
Net cash (used in)/generated from financing activities	(159,060)	(157,201)	(275,135)	583,616
Decrease in cash and cash equivalents	(169,477)	(90,631)	(120,913)	(121,165)
Cash and cash equivalents at beginning of the year	(196,729)	(106,165)	(197,083)	(75,918)
Effect of foreign exchange rate changes	130	67	-	-
Cash and cash equivalents at end of the year	(366,076)	(196,729)	(317,996)	(197,083)
Analysis of cash and cash equivalents				
Bank and cash balances	322	370	16	16
Bank overdrafts	(366,398)	(197,099)	(318,012)	(197,099)
	(366,076)	(196,729)	(317,996)	(197,083)

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

These abridged audited financial statements were approved for issue by the Board of Directors on September 26th 2018.

By order of the board

Jocelyne Martin

Secretary
September 26th 2018

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

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

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
MRS000				
Turnover	563,779	571,065	313,567	272,036
Operating expenses	(407,568)	(422,214)	(71,810)	(66,114)
	156,211	148,851	241,757	205,922
Net finance costs	(52,654)	(53,425)	(55,392)	(42,454)
Net gain from fair value adjustment on investment property	16,504	19,268	1,550	16,107
Non-recurring items	-	(14,048)	-	948
Share of results of associates	(166,566)	85,203	-	-
Gain on bargain purchase	12,357	-	-	-
(Loss)/profit before taxation	(34,148)	185,849	187,915	180,523
Taxation	(38,307)	(19,613)	(1,605)	(1,447)
(Loss)/profit for the year	(72,455)	166,236	186,310	179,076
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement benefit obligations, net of deferred tax	(1,075)	7,811	(613)	8,110
Group's share of other comprehensive income of associates	(38,351)	(23,586)	-	-
Items that may be reclassified subsequently to profit or loss:				
Group's share of other comprehensive income of associates	45,086	33,305	-	-
Fair value gains on investments	17,557	489,227	327,627	867,637
Currency translation differences	(7)	(100)	-	-
Other comprehensive income for the year, net of tax	23,210	506,657	327,014	875,747
Total comprehensive income for the year	(49,245)	672,893	513,324	1,054,823
(Loss)/profit for the year attributable to:				
Owners of the parent	(102,888)	142,850	186,310	179,076
Non-controlling interests	30,433	23,386	-	-
	(72,455)	166,236	186,310	179,076
Total comprehensive income for the year attributable to:				
Owners of the parent	(79,540)	649,624	513,324	1,054,823
Non-controlling interests	30,295	23,269	-	-
	(49,245)	672,893	513,324	1,054,823
MRS				
(Loss)/earnings per share	(2.64)	3.67	-	-
Adjusted (loss)/earnings per share	(1.20)	2.99	-	-

The abridged financial statements have been audited by Messrs BDO & Co, Chartered Accountants and have been extracted from the audited financial statements for the year ended June 30th 2018 which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Net assets value (NAV)

Company NAV stood at MRS175.35 at June 30th 2018, an increase of 5.8% whilst group NAV decreased by 2.0% to stand at MRS274.41.

Results

The profit attributable to shareholders amounted to MRS186.3m at company level, in comparison to MRS179.1m last year whilst at group level, a loss of MRS102.9m was recorded (June 2017: profit of MRS142.9m).

At company level, our operating performance was enhanced by the improved dividend payouts from our main investments but partially offset by increased finance costs, in line with the company's increased indebtedness following our investment in Caudan Rights Issue. At group level, our results were severely hampered by the share of loss of our associates of MRS166.6m compared to a share of profit of MRS85.2m last year; this reflects mainly the poor performance of Medine, our 35.1% associate, which, sustained a loss during the year under review, having been severely affected by a number of one off provisions for impairment of assets mostly triggered by write-downs to the Milling operations, which continue to be unviable, fair value charges in respect of their standing crop value, depressed sugar proceeds combined with reduced profits recognized on the sale of land and losses associated with setting up new strategic activities. Our other associates, however, posted better results for the year.

Dividend

Dividend payout for the year increased by 10.8% from MRS3.25 per share to MRS3.60 per share. An interim dividend of MRS1.00 per share was declared in December 2017 and paid in February 2018 while a final dividend of MRS2.60 per share was declared in June 2018 and paid in August 2018.

Segment Reporting

	Property	Shares	Security	Other	Eliminations	Total
MRS000						
June 2018						
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	119,911	265,658	142	-	(229,500)	156,211
June 2017						
External sales	251,347	74,609	242,875	2,234	-	571,065
Intersegment sales	4,800	185,239	19,933	16,807	(226,779)	-
Total revenues	256,147	259,848	262,808	19,041	(226,779)	571,065
Segment result	105,996	227,688	2,289	-	(187,122)	148,851

Adjusted earnings

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

	THE GROUP		THE COMPANY	
	30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
MRS000				
(Loss)/profit attributable to owners of the parent	(102,888)	142,850	186,310	179,076
Gain on bargain purchase	(12,357)	-	-	-
Share of profit from discontinued operations by associates	(7,902)	-	-	-
Impairment losses by associates	141,479	-	-	-
Compensation from customer by associates	(44,779)	-	-	-
Non-recurring item (net of non-controlling interests)	-	9,642	-	(948)
Gain on disposal of investment in subsidiary by associates	(3,127)	-	-	-
Net gain from fair value adjustment on investment property (net of non-controlling interests and deferred tax)	(8,617)	(17,821)	(1,506)	(15,924)
Net gain from fair value adjustment on investment property by associates (net of non-controlling interests and deferred tax)	(8,524)	(18,375)	-	-
Adjusted (loss)/earnings attributable to owners of the parent	(46,715)	116,296	184,804	162,204

(Loss)/earnings for the year

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

	THE GROUP		THE COMPANY	
	30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
MRS000				
(Loss)/profit attributable to owners of the parent	(102,88			