

PROMOTION AND DEVELOPMENT LIMITED
ABRIDGED AUDITED FINANCIAL STATEMENTS
30 JUNE 2014



STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	30-Jun-14 MRs 000	30-Jun-13 MRs 000	30-Jun-14 MRs 000	30-Jun-13 MRs 000
ASSETS				
Non-current assets				
Property, plant and equipment	281,201	286,913	103,624	109,332
Investment property	3,788,017	3,783,641	156,500	139,250
Intangible assets	4,446	5,021	396	563
Investments in subsidiary companies	-	-	736,068	778,184
Investments in associates	3,797,401	3,955,956	2,889,979	2,518,181
Investments in available-for-sale financial assets	1,833,109	1,856,977	1,833,109	1,561,246
Deferred tax assets	3,426	235	-	-
Current assets	9,707,670	9,888,743	5,719,676	5,106,756
	306,585	228,988	190,291	387,609
Total assets	10,014,255	10,117,731	5,909,967	5,494,365
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	194,563	194,474	194,563	194,474
Other reserves	4,037,067	3,902,304	3,399,821	2,821,416
Retained earnings	3,191,129	3,002,892	1,818,325	1,511,655
	7,422,759	7,099,670	5,412,709	4,527,545
Less: Treasury shares	(89)	(18)	(89)	(18)
Equity attributable to owners of the parent	7,422,670	7,099,652	5,412,620	4,527,527
Non-controlling interests	1,083,699	1,074,165	-	-
Total equity	8,506,369	8,173,817	5,412,620	4,527,527
Liabilities				
Non-current liabilities				
Borrowings	769,317	838,825	350,000	350,000
Deferred tax liabilities	131,114	167,545	2,119	2,770
Retirement benefit obligations	50,500	35,726	26,974	21,794
	950,931	1,042,096	379,093	374,564
Current liabilities	556,955	901,818	118,254	592,274
Total liabilities	1,507,886	1,943,914	497,347	966,838
Total equity and liabilities	10,014,255	10,117,731	5,909,967	5,494,365
Net assets per share (MRs)	190.84	182.55	139.16	116.42
Number of shares	38,894,739	38,891,075	38,894,739	38,891,075

STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent				Total MRs 000	Non controlling interests MRs 000	Total equity MRs 000
	Share capital MRs 000	Treasury shares MRs 000	Other reserves MRs 000	Retained earnings MRs 000			
Balance as at 1 July 2012	194,462	(131)	3,665,096	3,002,334	6,861,761	1,080,485	7,942,246
Issue of shares	12	(12)	-	-	-	-	-
Dividend	-	-	-	(58,324)	(58,324)	(12,162)	(70,486)
Exercise of share options	-	125	1,314	-	1,439	-	1,439
Effect of increase in shareholding of subsidiary company	-	-	-	6,852	6,852	(10,384)	(3,532)
(Loss)/profit for the year	-	-	-	(6,315)	(6,315)	16,226	9,911
Transfer	-	-	(55,418)	55,418	-	-	-
Other comprehensive income for the year	-	-	291,312	2,927	294,239	-	294,239
At 30 June 2013	194,474	(18)	3,902,304	3,002,892	7,099,652	1,074,165	8,173,817
Balance as at 1 July 2013	194,474	(18)	3,902,304	3,002,892	7,099,652	1,074,165	8,173,817
Issue of shares	89	(89)	-	-	-	-	-
Dividend	-	-	-	(77,788)	(77,788)	-	(77,788)
Exercise of share options	-	18	239	-	257	-	257
Profit for the year	-	-	-	259,692	259,692	15,988	275,680
Transfer	-	-	(8,198)	8,198	-	-	-
Other comprehensive income for the year	-	-	142,722	(1,865)	140,857	(6,454)	134,403
At 30 June 2014	194,563	(89)	4,037,067	3,191,129	7,422,670	1,083,699	8,506,369
THE COMPANY							
Balance as at 1 July 2012			194,462	(131)	2,888,181	1,574,143	4,656,655
Issue of shares			12	(12)	-	-	-
Dividend			-	-	(58,324)	(58,324)	(58,324)
Exercise of share options			125	1,314	-	1,439	1,439
Loss for the year			-	-	-	(4,164)	(4,164)
Other comprehensive income for the year			-	-	(68,079)	-	(68,079)
At 30 June 2013			194,474	(18)	2,821,416	1,511,655	4,527,527
Balance as at 1 July 2013			194,474	(18)	2,821,416	1,511,655	4,527,527
Issue of shares			89	(89)	-	-	-
Dividend			-	-	(77,788)	(77,788)	(77,788)
Exercise of share options			-	18	239	-	257
Profit for the year			-	-	-	384,458	384,458
Other comprehensive income for the year			-	-	578,166	-	578,166
At 30 June 2014			194,563	(89)	3,399,821	1,818,325	5,412,620

Notes

The abridged financial statements are audited and have been prepared in accordance and comply with International Financial Reporting Standards (IFRSs).
The Group NAV stood at MRs 190.84 at 30 June 2014 compared to MRs 182.55 at the start of the financial year, whilst the Company NAV increased from MRs 116.42 to MRs 139.16 reflecting the improved performance of our share portfolio on the Stock Market.
During the year, the group achieved a profit of MRs 259.7m (2013: Loss of MRs 6.3m) whilst the company's profit amounted to MRs 384.5m (2013: Loss of MRs 4.2m), driven mainly by the profit on sale of our investment in Lloyds at group level and the exceptional dividends received from our subsidiary and our associate at company level. Last year's results included a negative adjustment of MRs 7.7m at group level and MRs 37.2m at company level in respect of impairment of an associate.

Employee share option scheme

Out of the 3,719 treasury shares held at 30 June 2013, 1,527 options were exercised during the year for a net consideration of MRs 90,182. The outstanding options totalling 2,192 lapsed and were carried forward. Following the offering of 19,992 options to employees in respect of the financial year ended 30 June 2013, an additional 17,800 treasury shares of MRs 5 each were issued. A total of 2,137 shares were taken up in March 2014 for a net consideration of MRs 166,879 and the outstanding options of 17,855 were held as treasury shares at year end.

The directors are confident that the long term outlook of PAD with its strong assets and heavy property bias remains positive.

An interim dividend of MRe 0.50 per share was declared in December 2013 and paid in February 2014, while a final dividend of MRs 1.50 per share was declared in June 2014 and paid in August 2014.

The statement of direct and indirect interests of Insiders 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 Limited, 8th Floor, Dias Pier Building, Le Caudan Waterfront, Port-Louis.

These abridged audited financial statements were approved for issue by the Board of Directors on 24 September 2014.

By order of the board
Jocelyne Martin
Secretary
24 September 2014

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 Limited 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 Limited, 8th Floor, Dias Pier Building, Le Caudan Waterfront, Port-Louis.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	30-Jun-14 MRs 000	30-Jun-13 MRs 000	30-Jun-14 MRs 000	30-Jun-13 MRs 000
Turnover	516,862	530,404	133,272	141,842
Operating expenses	(414,136)	(413,260)	(59,262)	(53,504)
	102,726	117,144	74,010	88,338
Profit on disposal of shares	161,304	594	7,859	594
Finance income	302	219	4,199	3,369
Finance costs	(107,924)	(116,466)	(52,884)	(60,072)
Net gain from fair value adjustment on investment property	4,376	-	17,250	-
Exceptional item	-	(7,738)	334,249	(37,213)
Share of results of associates	76,255	9,978	-	-
Gains on bargain purchases	4,567	13,955	-	-
Profit/(loss) before taxation	241,606	17,686	384,683	(4,984)
Taxation	34,074	(7,775)	(225)	820
Profit/(loss) for the year	275,680	9,911	384,458	(4,164)
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurement of retirement benefit obligations	(9,729)	5,119	(3,626)	5,119
Deferred tax on remeasurement of retirement benefit obligations	1,459	(768)	544	(768)
Items that may be reclassified subsequently to profit or loss				
Group's share of other comprehensive income of associates	(82,451)	36,098	-	-
Release of fair value on disposal/impairment of investments	(133,284)	(550)	(7,864)	7,480
Release on translation reserve on disposal of investments	(11,092)	-	-	-
Fair value gains/(losses) on:				
-available-for-sale financial assets	354,626	256,843	277,305	106,729
-subsidiary companies	-	-	(42,116)	78,540
-associates	-	-	353,923	(265,179)
Currency translation differences	14,874	(2,503)	-	-
Other comprehensive income for the year, net of tax	134,403	294,239	578,166	(68,079)
Total comprehensive income for the year	410,083	304,150	962,624	(72,243)
Profit/(loss) for the year				
Attributable to:				
Owners of the parent	259,692	(6,315)	384,458	(4,164)
Non-controlling interests	15,988	16,226	-	-
	275,680	9,911	384,458	(4,164)
Total comprehensive income for the year				
Attributable to:				
Owners of the parent	400,549	287,924	962,624	(72,243)
Non-controlling interests	9,534	16,226	-	-
	410,083	304,150	962,624	(72,243)
MRs	6.68	0.16		
Earnings/(loss) per share				
Adjusted earnings per share	1.60	0.02		

STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	30-Jun-14 MRs 000	30-Jun-13 MRs 000	30-Jun-14 MRs 000	30-Jun-13 MRs 000
Net cash generated from operating activities	96,995	71,207	283,664	42,116
Net cash generated from/(used in) investing activities	376,656	(57,125)	(6,963)	(40,959)
Net cash flow before financing activities	473,651	14,082	276,701	1,157
Net cash (used in)/generated from financing activities	(142,629)	(138,269)	219,683	(123,145)
Increase/(decrease) in cash and cash equivalents	331,022	(124,187)	496,384	(121,988)
Cash and cash equivalents at beginning of the year	(659,149)	(535,007)	(536,979)	(414,990)
Effect of foreign exchange rate changes	(1,412)	45	(953)	(1)
Cash and cash equivalents at end of the year	(329,539)	(659,149)	(41,548)	(536,979)

Analysis of cash and cash equivalents

	Property MRs 000	Shares MRs 000	Security MRs 000	Other MRs 000	Eliminations MRs 000	Total MRs 000
Bank and cash balances	276	670	44	77	-	1,067
Bank overdrafts	(329,815)	(659,819)	(41,592)	(537,056)	-	(1,569,282)
	(329,539)	(659,149)	(41,548)	(536,979)	-	(1,567,215)

Segment reporting

	Property MRs 000	Shares MRs 000	Security MRs 000	Other MRs 000	Eliminations MRs 000	Total MRs 000
	June 2014					
External sales	214,086	53,388	247,157	2,231	-	516,862
Intersegment sales	4,800	397,801	16,590	12,428	(431,619)	-
Total Revenues	218,886	451,189	263,747	14,659	(431,619)	516,862
Segment result	77,599	421,231	1,697	-	(397,801)	102,726
June 2013						
External sales	229,365	38,561	260,262	2,216	-	530,404
Intersegment sales	4,800	87,997	16,883	13,265	(122,945)	-
Total Revenues	234,165	126,558	277,145	15,481	(122,945)	530,404
Segment result	98,849	99,431	6,861	-	(87,997)	117,144

Earnings/(loss) for the year

	THE GROUP	
	30-Jun-14 MRs 000	30-Jun-13 MRs 000
Profit/(loss) attributable to owners of the parent	259,692	(4,164)
Net gain from fair value adjustment on investment property (net of non-controlling interests)	(9,152)	-
Deferred income tax thereon	(26,876)	-
Profit on disposal of shares	(161,304)	(594)
Exceptional item	-	7,238
Adjusted profit attributable to owners of the parent	62,360	829

The above profit/(loss) include the net effect in respect of revaluation of investment property, profit on disposal of investments and exceptional item.

Adjusted earnings excluding the gain on investment property, profit on disposal of investments and exceptional item is as follows:

	THE GROUP	
	30-Jun-14 MRs 000	30-Jun-13 MRs 000
Profit/(loss) attributable to owners of the parent	259,692	(4,164)
Net gain from fair value adjustment on investment property (net of non-controlling interests)	(9,152)	-
Deferred income tax thereon	(26,876)	-
Profit on disposal of shares	(161,304)	(594)
Exceptional item	-	7,238
Adjusted profit attributable to owners of the parent	62,360	829

Earnings/(loss) for the year/adjusted earnings per share

The earnings/(loss) per share and adjusted earnings per share have been calculated on the basis of profit/(loss) and adjusted profit respectively and