CAUDAN
DEVELOPMENT

Annual Report 2020

Dear shareholder

The board of directors of Caudan Development Limited is pleased to present its annual report for the year ended June 30th 2020.

The activities of the group continued throughout 2020 to be property development and investment and the provision of security services.

Caudan Development specialises in the ownership, promotion and development of Le Caudan Waterfront, a unique shopping, leisure and work hub in the capital, on the water edge.
It also includes the Caudan Arts Centre, a landmark arts and conference venue comprising a state-of-the-art theatre and a number of facilities and amenities.
Apart from the waterfront project, the company also rents out industrial buildings situated at Pailles and Riche Terre.

Caudan, via a wholly-owned subsidiary, operates in the security business, and is involved in the sale of alarm equipment and the provision of security and property protection services.

The audited financial statements have been approved by the board on October 16th 2020.

Yours sincerely

Jean-Philippe Coulier
Chairperson

René Leclézio
Director

Annual Report 2020

Caudan Development
which is listed on the Stock Exchange of Mauritius is a subsidiary of Promotion and Development which holds an effective 70.62 per cent stake in the company

financial highlights

	2020	2019
	MRs	MRs
Group shareholders' funds	**4.09bn**	4.09bn
Group net asset value per share	**2.04**	2.04
Share price	**1.02**	1.07
	MRe	MRe
Earnings per share	**0.0025**	0.1094
Adjusted earnings per share	**0.0053**	0.0277
Dividends per share	**-**	0.04

Performance summary

	2020	2019
	%	%
Group net asset return	**-**	5.1

The growth in net assets plus dividends declared expressed as a percentage of the net assets at the beginning of the year.

Total shareholder return	**(4.7)**	(0.9)

The growth in the share price plus dividends declared expressed as a percentage of the share price at the beginning of the year.

Group annualised returns to June 30th 2020	
5 years	**2.2**
10 years **	**1.9**

Compound annual total return in terms of increase in net assets plus dividends.

** *Net assets prior to 2011 have not been restated in respect of prior year adjustments reflected in the accounts.*

Corporate Information

directors

Jean-Philippe Coulier
Chairperson
Assad Abdullatiff
Bertrand de Chazal
Catherine Fromet de Rosnay
Gilbert Gnany
Stéphanie de La Hogue
René Leclézio
Jocelyne Martin
Seedha Lutcheemee Nullatemby
Philippe Raffray
Bernard Yen

remuneration, corporate governance and ethics committee

Catherine Fromet de Rosnay
Chairperson
Bertrand de Chazal
Jean-Philippe Coulier
Stéphanie de La Hogue
René Leclézio
Philippe Raffray

audit and risk monitoring committee

Assad Abdullatiff
Chairperson
Bertrand de Chazal
Stéphanie de La Hogue
Bernard Yen

management company

Promotion and Development Ltd

company secretary

MCB Group Corporate Services Ltd
Sir William Newton Street
Port Louis, Mauritius

auditors

Ernst & Young
9th Floor, NeXTeracom Tower 1,
Cybercity
Ebène, Mauritius

registrar and transfer office

MCB Registry & Securities Ltd
Sir William Newton Street
Port Louis, Mauritius

registered and postal address

Promotion and Development Ltd
8th Floor, Dias Pier,
Le Caudan Waterfront
Port Louis, Mauritius

Telephone +230 211 94 30
Fax +230 211 02 39
Email corporate@promotionanddevelopment.com

date of incorporation

February 17th 1989

Chairperson's statement

Dear Shareholder

The year 2020 will certainly be remembered in history as a difficult one worldwide and the results of Caudan Development haven't escaped the trend. The total closure of the complex, including offices and parkings, has heavily impacted the revenues of the last four months of the financial year. The Operating Income declined from MRs83m last year to MRs71m this year, and the Net Result comes out at MRs5m versus MRs219m last year, bearing in mind that 2019 had benefited from a positive adjustment of MRs160m after tax on the revaluation of our investment property following the opening of the Arts Centre and the start of the operation of the Metro Express. As a consequence, we have had, like many others, to suspend the payment of a dividend this year. The Net Asset Value of your company per share remains stable at MRs2.04 per share.

Since the reopening of the complex in June, your company has had three main concerns:

The first concern has been the welfare and safety of our staff and customers. Strict rules of social distancing and hygiene have been implemented and have prevented up to now any incident.

The second concern is a drop in footfall due to the lack of tourists which continues to affect the operations of our commercial tenants and has caused the closure of some outlets. Your company has engaged a sustained dialogue with the 103 tenants of the shopping centre and food court to discuss their difficulties and offer accommodating solutions.

The third concern is the general economic uncertainty which has frozen new investment and, which combined with the generalization of the work from home practice, delays any new rental of our remaining stock of business offices.

The persistent lack of visibility regarding the world economic environment, the pandemics and the return of tourists to previous levels, makes any projections for the coming year(s) rather hazardous. We have tightened the operating expenses, and rely on the relatively stable revenues from the rented business offices, the parkings and to a lesser extent the food court, to cover our costs and financial obligations.

On the retail side, we are reorientating as much as possible our commercial offer towards our local clientele. First, we are revisiting our tenant mix thereby enhancing our offering for the longer term with new brands and outlets. Second, we are concentrating more of our efforts on attracting Mauritians to the Centre through a series of activities, exhibitions, events and fairs. We are helped in that by the attraction of The Caudan Arts Centre, that has regained its pre-lockdown activity and is offering a diversified range of events and plays.

Finally, we also benefit from the activity of our subsidiary, Caudan Security, which enjoys a sustained demand and contributes positively to Caudan's results.

In the more distant future, we remain confident that Caudan will benefit from its positioning at the centre of a new hub in the capital - Port Louis. The positive factors we mentioned last year remain the same: Regeneration of the City of Port Louis, Metro Express, Victoria Station and the upcoming aquarium. Only the cruise terminal could be delayed. On the strength of our efforts towards a retail offer better adapted to the local clientele, our opinion is that your company has all the assets and talents needed to overcome the difficult period ahead and establish itself as a key anchor of both the business and cultural life of Mauritius.

To conclude, in the name of the board, I express my gratitude for the dedication of our staff in these difficult times. Their contribution to the reorientation and smooth running of our various activities is more than ever essential.

Yours sincerely

Jean-Philippe Coulier

Chairperson
October 22nd 2020


l'Art face au Covid
portraits for Mauritian heroes
une exposition dédiée aux frontliners qui se sont mis à risque pour nous protéger pendant la pandémie
l'initiative

Corporate governance report

governance structure

The company is a public interest entity as defined under the Financial Reporting Act 2004.

The board is responsible for leading and controlling the organisation and meeting all legal and regulatory requirements. The board supports and is committed to attain and maintain the highest standards of corporate governance, including the principles of openness, integrity and accountability.

The company recognises the need to observe the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) ("NCCG") which has brought considerable changes from a corporate governance perspective. We are pleased to report that we have implemented a number of changes and are fully compliant with all of the NCCG's requirements. The promotion of good corporate governance values underlies the organisation's decisions and actions.

The company's compliance with the principles of the NCCG is set out in the report.

board and its committees

board charter (the "charter")

The board has adopted a charter which sets out the objectives, roles and responsibilities and composition of the board. The charter should be read in conjunction with the company's Constitution and in case a dispute in content or meaning arises, the wording of the Constitution shall prevail.

The main objectives of the charter are to:

- define the purpose, strategy and value and determine all matters relating to the directions, policies, practices, management and operations of the company and the group in accordance with the directions and delegations of the board; and
- monitor the ethical conduct of the subsidiary companies, its executives and senior officials.

The charter defines inter alia the roles, functions and objectives of the board, various board committees, the Chairperson, the Managing Director and the Company Secretary. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision making processes within the group.

The charter is available for consultation on the company's website.

code of ethics

The group is committed to conduct business in the best interest of all stakeholders in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. The Code of Ethics which has been approved by the board has been designed to help officers and employees understand their ethical responsibilities as they conduct business on behalf of the group so as to ensure that the company and the group are responsible corporate citizens and that all deliberations and decisions are based on principles of accountability, fairness, responsibility and transparency.

It applies to all subsidiaries of the Caudan group, irrespective of the business segment. Moreover, the Code of Ethics must be read together with the other policies prevailing within the group and any business-specific policies in the applicable area.

The Code of Ethics is reviewed and updated on a periodic basis in order to ensure it stays relevant to the group.

The Code of Ethics is available for consultation on the company's website.

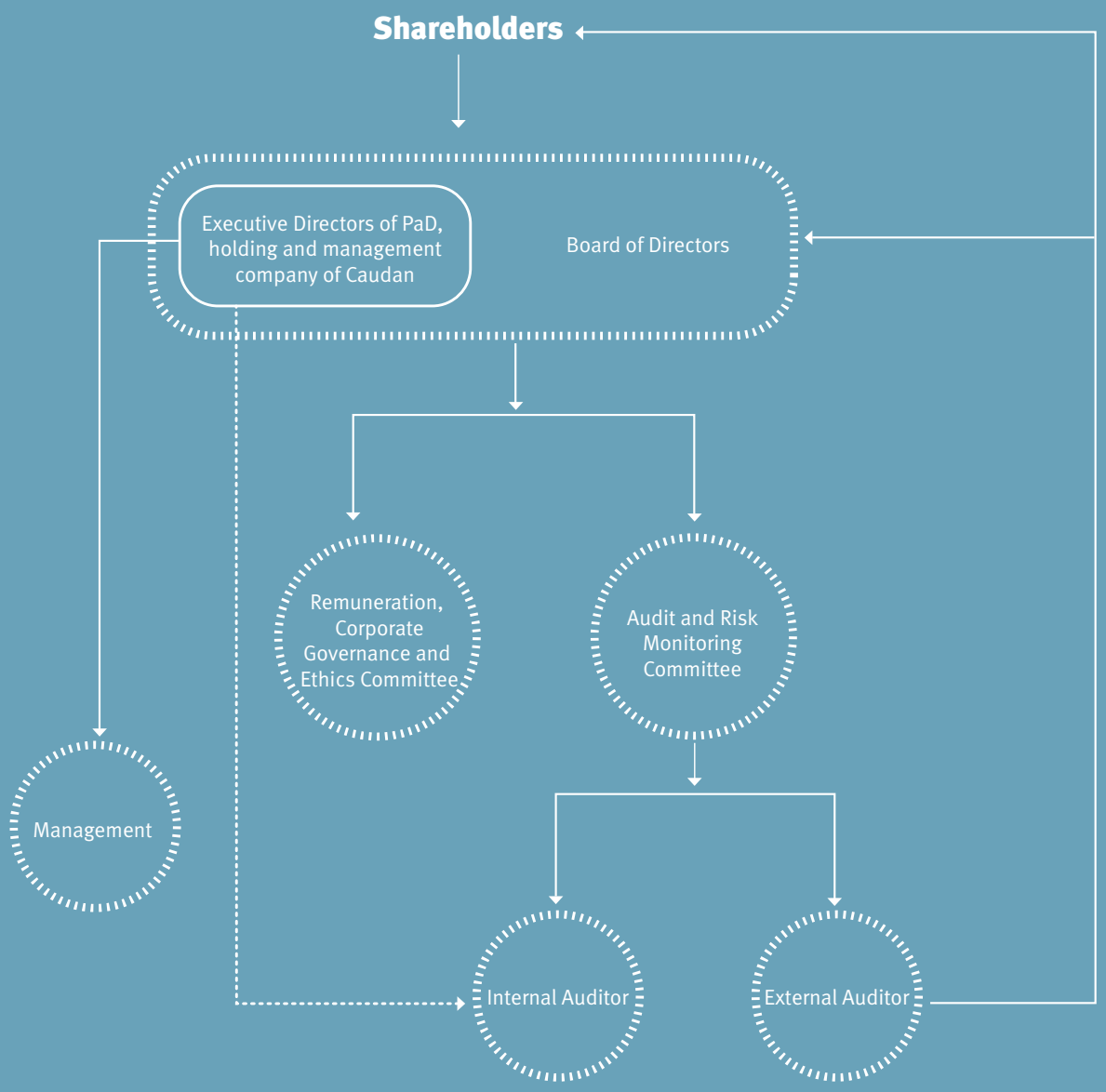
profiles of key governance officers

The profiles of Mr René Leclézio and Mrs Jocelyne Martin appear in the directors' profiles sections.

organisation chart and statement of accountabilities

The board is responsible to set general strategies and policies and ensure their implementation with the support of the key senior governance officers. These key governance officers have an experienced professional background. In addition, the board has set up two committees namely the Remuneration, Corporate Governance and Ethics Committee and the Audit and Risk Monitoring Committee.

structure of the board and its committees



the board

The board is led by an effective and highly committed unitary board, whose responsibilities are, inter alia, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems. It comprises of an appropriate balance of executive, non-independent non-executive and independent non-executive directors.

directors' duties and performance

The main role of the board is to protect and enhance shareholder value. It determines the group's direction, monitors its performance, oversees risks and is collectively responsible for the long-term success of the group, its reputation and governance. The board is responsible to all its shareholders and to its other stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the company and its subsidiaries are managed in such a way as to achieve its objectives.

The board has ultimate responsibility and is accountable for the performance and activities of the company. The role of the board is to set the overall strategy for the group and to supervise executive management and the proper functioning of the company, including inter alia:

- ensuring that the long term interest of the shareholders are being served, and safeguarding the company's assets;
- assessing major risk factors relating to the group and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;
- reviewing and approving management's strategic and business plans, including developing a depth of knowledge of the business, understanding and questioning the assumptions upon which plans are based and reaching an independent judgement as to the probability that the plans and/or the forecasts can be realized;
- monitoring the performance of the management against budget and forecasts;
- reviewing and approving the acquisition and divestment policy and significant corporate actions and major transactions;
- approving the treasury policy and raising of finance;
- assessing the effectiveness of the board;
- ensuring that good corporate governance policies and practices are developed within the group;
- ensuring ethical behaviour and compliance with laws and regulations, auditing and accounting principles and the company's own governing documents;
- considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
- performing such other functions as are prescribed by law, or assigned to the board in the company's governing documents.

The board acts in good faith, with due diligence and care, and in the best interests of the company and its shareholders in the course of discharging its duties. It is committed to highest standards of business integrity, transparency and professionalism in all of its activities.

Conflicts of Interest & Related Party Transactions Policy

The board has adopted a Conflicts of Interest & Related Party Transactions Policy which is applicable to the company and to all its subsidiaries. The objective of this policy is to define the scope of conflicts of interest and related party transactions. This policy is available for consultation on the website of the Company. Directors are required to inform the board of conflicts or potential conflicts of interest that they may have in relation to particular items of business and are obliged to recuse themselves from discussions or decisions in relation to such matters.

An interest register is maintained and updated on a quarterly basis and is available for consultation upon written request to the Company Secretary.

Information, Information Technology and Information Security Governance Policy

The board oversees information governance within the organisation. The Information, Information Technology and Information Security Governance Policy of the company applies to all the subsidiaries of the group. All policies relating to information security are made accessible to all employees. This policy is available for consultation on the website of the company.

General Data Protection Privacy Policy

The board is committed to compliance with all relevant laws in respect of personal data, including the European General Data Protection Regulation ('GDPR') and the Mauritian Data Protection Act 2017 ('DPA') for the protection of the rights and freedoms of individuals whose information are collected and processed by the company in the course of its activities. The company is a registered controller with the Data Protection Office. In keeping with the GDPR and the DPA, the Caudan group has endeavoured to reinforce the safety and security measures to protect the personal data it collects, stores and processes. The board has thus approved a General Data Protection Privacy Policy which is available for consultation on the website of the company and has also appointed a Data Protection Officer whose responsibilities

include inter alia to monitor the implementation of the aforesaid framework for protecting personal data. Furthermore, the Audit & Risk Monitoring Committee approved all documents forming part of a compliance framework on 24th September 2019 and has been delegated the duty to assess its efficiency in the pursuance of the data protection strategy of the company.

Whistleblowing Policy

The board has approved a whistleblowing policy applicable to all its subsidiaries, its employees and directors, which is made available on the website of the company. This policy aims at providing an avenue for issues to be raised in good faith, concerns of potential breaches of laws, rules, regulations or compliance. The whistleblowing mechanism intends to motivate responsible actions to uphold the group's reputation.

directors' profiles

Jean-Philippe Coulier

Chairperson and non-independent non-executive director

Holder of a 'Diplôme d'Études Supérieures en Droit' and 'Diplôme de l'Institut d'Études Politiques de Paris' (France). During his career, Jean-Philippe has accumulated extensive experience in the banking sector, having worked for the Société Générale Group for some 40 years. Over this period, he has assumed a range of high-level responsibilities within the group, acting as Director, Chief Operating Officer and Chief Executive Officer in its various offices based worldwide. Before his retirement from Société Générale in early 2013, he was the Vice Chairman and Managing Director of the National Société Générale Bank in Cairo, Egypt. He was appointed Director of The Mauritius Commercial Bank Limited in 2012 and held the chairmanship from 2014 to 2018. In 2018, he was appointed director and Chairperson of Promotion and Development Ltd and Caudan Development Limited. He is also a director of MCB Factors Ltd, MCB Microfinance Ltd and Fincorp Investment Ltd.

René Leclézio

Executive director

BSc (Hons) in Chemical Engineering, Imperial College and MBA, London Business School. Worked as a manager at Lloyds Merchant Bank, London, before joining Promotion and Development Ltd as its general manager in 1988. Director of several private and public companies including Promotion and Development, Medine, EUDCOS, Mauritius Freeport Development, Swan Life and Swan General.

Assad Abdullatiff

Non-independent non-executive director

LLB (Hons) and LLM in Business Law, admitted to the Bar of Mauritius. Founding partner and Managing Director of AXIS Fiduciary Ltd. Previously an Assistant Director at the Board of Investment of Mauritius, where he was the Head of the Financial Services Cluster, responsible for the promotion of Mauritius as an International Financial Centre. Member of the Society of Trusts & Estate Practitioners (STEP), past Chairman of the Mauritius branch and appointed as Council member of STEP worldwide in 2017 to represent the Africa/Arabia region. Director of Promotion and Development and a number of other companies in Mauritius operating in diverse economic sectors.

Bertrand de Chazal

Non-independent non-executive director

Fellow member of the Institute of Chartered Accountants of England and Wales and Commissaire aux Comptes. Worked during his career with Touche Ross, Paris and West Africa; retired as senior financial analyst of the World Bank. Director of Promotion and Development, MCB Equity Fund and MCB Capital Markets.

Catherine Fromet de Rosnay

Non-independent non-executive director

Director at LEGIS & Partners Ltd, a law firm registered under the Law Practitioners Act. Holds a 'Magistère de Juriste d'Affaires' and 'Diplôme de Juriste et Conseil d'Entreprise (D.J.C.E)' from the Université de Paris II, Panthéon Assas. Practised as an in-house lawyer for nearly 8 years at the legal department of Nexans in Paris, formerly known as Alcatel Cable France. Currently involved in the negotiation and drafting of commercial and joint-venture agreements, corporate due diligence exercise, M&A operations, legal and tax advice. Director of Promotion and Development and of various other private companies controlled by French investors. Also board member of the Chambre de Commerce et d'Industrie France-Maurice.

Gilbert Gnany

Non-independent non-executive director

'Licence ès Sciences Economiques (Economie Mathématique)', 'Maîtrise en Econométrie' and 'DESS en Méthodes Scientifiques de Gestion et Calcul Economique Approfondi' (France). Currently the Chief Strategy Officer of MCB Group. Previously worked as Senior Advisor on the World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and to the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist and Group Head of Strategy, Research & Development after having been the Economic Advisor to the Minister of Finance in Mauritius. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius Ltd, the Statistics Advisory Council and the Statistics Board as well as

having been a member of the Board of Governors of the Mauritius Offshore Business Activities Authority, a director of the Board of Investment and of the Mauritius Sugar Authority. He was also a member of the IMF Advisory Group for sub-Saharan Africa, a member of the Senate of the University of Mauritius and a director of the Financial Services Institute. He is currently a Board member of several companies within the MCB Group. On the institutional side, he is an external IMF expert in statistics, in particular on data dissemination standards and strategy. Moreover, he is a member of the Financial Services Consultative Council and of the Managing Committee of the COVID-19 Solidarity Fund. He also acts as Chairperson on the Statistics Board of Mauritius, the COVID-19 Committee on Economic Recovery and the Economic Commission of Business Mauritius which serves, inter alia, as a platform for public-private sector dialogue. Director in other listed companies namely MCB Group, Promotion and Development, COVIFRA and Medine Ltd.

Stéphanie de La Hogue

Non-independent non-executive director

Bachelor in marketing from the Institut de Management International de Paris. Managing Director of Poivre Corporate Services, a family group of companies' corporate office. She is also director of Promotion and Development, Rey & Lenferna and Forges Tardieu.

Jocelyne Martin

Executive director

BSc (Hons) in Statistics, London School of Economics. Member of the Institute of Chartered Accountants of England and Wales. Trained with Deloitte Haskins + Sells (now part of PwC), London. After several years of experience in the UK, worked at De Chazal Du Mée before joining Promotion and Development in 1995 as Group Financial Controller. Was appointed director in 2004. Director of Promotion and Development, Medine, EUDCOS and Mauritius Freeport Development.

Seedha Lutcheemee Nullatemby

Independent non-executive director

Fellow of the Institute of Chartered Secretaries and Administrators (FCIS) and also holds an MBA in Finance. She is also a qualified Stockbroker. She has been working at the State Investment Corporation Ltd for the past 31 years and has wide ranging experience in the field of Finance, Accounting, Administrative and Corporate matters. She is a Director of various companies within the SIC Group. She is also the Chairperson of the Finance Committee and Director of Mauritius Educational Development Company Ltd.

Philippe Raffray

Independent non-executive director

Holds a BA in Politics from the University of York and a Masters degree in Marketing Management from the University of Lancaster (UK). He had an international career spanning over 35 years with L'Oreal in Europe, Africa and Asia. He developped 'emerging markets' sales and marketing strategies as General Manager of the FMCG Divisions in South Africa, India and Indonesia. He was then appointed Country Managing Director of the L'Oreal hubs in South Africa, Ukraine and finally Morocco and the Maghreb. He retired from L'Oreal in June 2019 and joined the Board of Caudan Development Limited on the 28th June 2019.

Bernard Yen

Non-independent non-executive director

Fellow of the UK Institute and Faculty of Actuaries. Currently the Managing Director of AON in Mauritius, providing actuarial, pensions and other services in the African region. Has 35 years' international consulting experience including 15 years with Mercer in Europe. Serves as the African representative on the Committee of Actuaries advising the UN staff pension fund since 2007. Also director of Promotion and Development and MCB Capital Partners.

key roles and responsibilities

The executive directors are: Mr René Leclézio and Mrs Jocelyne Martin who are executive directors of PaD, the holding and management company of Caudan.

To ensure a better balance of power and authority on the board, the functions and roles of the Chairperson and executive directors are independent of each other and they function under separate mandates issued by the board. This differentiates the division of responsibility within the company and ensures a balance of authority. The Chairperson has overall responsibility for leading the board and ensuring its effectiveness whilst the executive directors are responsible for managing and leading the business of the group.

The Chairperson provides overall leadership for decisions taken collectively by the board. He is responsible for ensuring the smooth functioning of the board and for promoting high standards of corporate governance. He is also responsible for ensuring that the directors receive accurate, timely and clear information and that adequate time is available for discussion of all agenda items at board meetings and in particular strategic issues. He encourages the active participation of all board members in discussions and decisions, constructive relation between the board and management and effective communication with stakeholders.

The executive directors are responsible for the day to day running of the group's operations and for developing and recommending the long term strategy and vision of the company and the group. They lead and direct senior management to implement the strategy and policies set out by the board. They also ensure effective communication with shareholders. The executive directors report at each board meeting on the performance, updates and prospects of the Caudan group and any other material matters arising.

The Company Secretary provides assistance and information on governance and corporate administration issues. The Company Secretary is responsible for ensuring that the board procedures are followed and that applicable laws and regulations are complied with, for guiding the board with regard to their duties and responsibilities and for preparing agenda and minutes for board meetings and circulating same together with any supporting documentation.

The roles and responsibilities of the Chairperson, the Managing Director and the Company Secretary are defined in the position statements which have been approved and are reviewed regularly by the board. The position statements are available for consultation on the company's website.

balance and diversity

The company's constitution provides that the board of the company shall consist of a minimum of 7 and a maximum of 14 directors. As at June 30th 2020, the board was made up of eleven directors as set out on page 3.

The board includes an appropriate combination of executive directors, non-independent non-executive directors and independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision taking. All the directors are residents of Mauritius. Taking into account the scope and nature of operations of the group, the board considers that the current board of 11 directors is commensurate with the sophistication and scale of the organization and is appropriate to facilitate the effective decision making. The objective is to facilitate the exercise of independent and objective judgement on corporate affairs, and to ensure that discussion and review of key issues take place in a critical yet constructive manner.

The directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the company.

The non-independent non-executive directors are directors of PaD, major shareholder of Caudan and as such they are not legally considered as being independent.

There are 2 independent directors, proving a strong and independent element on the board: Mrs Seedha Lutcheemee Nullatemby and Mr Philippe Raffray.

With four female directors as board members, the board is also in line with the recommendation of the NCCG regarding the gender diversity.

All directors are expected to objectively discharge their duties and responsibilities in the interests of the company. All directors should make their best efforts to avoid conflicts of interests or situations where others might reasonably perceive such a conflict. The personal interest of a director, or persons closely associated with the director, must not take precedence over those of the company or its shareholders. Any director, who is directly or indirectly interested in a transaction or proposed transaction, is required to disclose the nature of his interest, at the meeting in which the transaction is discussed, and should not participate in the debate, vote or indicate how he would have voted on the matter.

balance

Independent non-executive directors	2
Executive directors	2
Non-independent non-executive directors	7

average age

‹ 50	2
51 - 60	5
61 - 70	2
› 70	2

gender diversity

Female	4
Male	7

board/director's performance

The board acknowledges the need to regularly review the board's performance and effectiveness, that of its committees, the Chairperson and individual members. An internal board evaluation exercise was carried out for the financial year 2018/2019. The evaluation was carried out by means of a questionnaire that was filled in by each Director. The questionnaire covered the following areas:

- The structure of the board
- Board efficiency and effectiveness
- Strategy and Performance
- Risk Management and Governance
- Board committees function
- Board members self-evaluation
- Chairperson's evaluation by board members

The results were analysed and the review established that the directors consider the board to be operating effectively. The board was comfortable with the overall results of the assessment and the few areas requiring improvement have been considered and an action plan implemented.

The board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes.

The Board has decided that the board evaluation exercise would be carried out every 2 years. As such, the next exercise will be held in 2021. The directors endeavour to maintain the same vigilance in leading the Company.

director appointment procedures

In accordance with the constitution of the company, all directors shall retire from office and shall be eligible for re-election at each annual meeting of shareholders.

The board of directors may at any time appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors up to a maximum number permitted by the Constitution until the next Annual Meeting of Shareholders where the director shall then retire and shall be eligible for appointment at that meeting.

Newly appointed directors are briefed on key information relating to the group and the sector in which it operates. They are given the relevant governing documents of the company and meet executive management to familiarize with each of the group's business and operation, its strength and weaknesses. This process contributes to ensuring a well-informed and competent board.

The procedures and accountability for certain of the board matters are delegated under clearly defined conditions to board committees and executive management and information is supplied to the board in a manner that enables the board to act diligently and fulfill its responsibilities. The board monitors regularly the effectiveness of the policies and decisions, including the implementation and execution of its strategies.

succession plan

The Board assumes the responsibility for the succession planning of directors and senior officers. The succession planning exercise, which is an on-going process, falls within the purview of the Remuneration, Corporate Governance and Ethics Committee.

board meetings

All directors are expected to attend all meetings of the board, and of those committees on which they serve, and to devote sufficient time to the group's affairs to enable them to properly fulfill their duties as directors. The dates of the meetings together with agenda items are scheduled up to one year in advance, with board meetings at least each quarter.

However, on occasion, in addition to the regular scheduled meetings, it may be necessary to convene ad-hoc meetings at short notice as and when circumstances warrant, which may preclude directors from attending. Besides physical meetings, the board and the board committees may also make decisions by way of written resolutions. Board meetings are chaired in Mauritius and participation by board members by means of teleconference or similar communication equipment is permitted.

Matters considered by the board in 2019-2020:

- The audited annual report for the year ended June 30th 2019;
- The abridged unaudited financial statements for the first, second and third quarters;
- Investments of the company;
- Review of the strategic orientations;
- Succession planning discussions;

- Presentation of the Workers' Rights Act in order to assess the impacts of the new conditions of work and associated costs; and
- Presentation of the economic situation resulting from the COVID-19 pandemic.

The board met six times during the year to consider all aspects of the company's affairs and any further information which it requested from management. Directors are kept regularly informed of the up to date business position of the group.

Exceptionally, the board meeting usually held on May was cancelled because of the COVID-19 pandemic and a special meeting held by visio-conference was organised on June 3rd 2020 to inter alia review the economic situation. Approval of the company's and group's budgets which was due to occur end of June was postponed to August 20th 2020 in order to get more visibility on the business evolution.

The agenda of the board is prepared by the Company Secretary in consultation with the Chairperson and the executive directors and circulated together with accompanying board papers in a timely manner.

attendance at board meetings

2020	board of directors
Jean-Philippe Coulier	6/6
René Leclézio	6/6
Assad Abdullatiff	3/6
Bertrand de Chazal	5/6
Catherine Fromet de Rosnay	6/6
Gilbert Gnany	5/6
Stéphanie de La Hogue	6/6
Jocelyne Martin	6/6
Seedha Lutcheemee Nullatemby	4/6
Philippe Raffray	6/6
Bernard Yen	6/6
total number of meetings held	6

board committees

To assist the board in the discharge of its responsibilities, the board has delegated certain functions to the following committees, each of which has its own written terms of reference which deal clearly with their authorities and duties. Details of the most important committees are set out below:

The Remuneration, Corporate Governance and Ethics Committees ("RCGEC")

The main role of the RCGEC is to advise and make recommendations to the board in the discharge of its duties relating to corporate governance matters and nomination of directors and senior executives of the company and to all remuneration aspects.

It comprises of Mrs Catherine Fromet de Rosnay, who chairs this committee, Mrs Stéphanie de La Hogue and Messrs Jean Philippe Coulier, Bertrand de Chazal, René Leclézio and Philippe Raffray who was appointed as member in September 2019.

The committee makes recommendations to the board, in respect of issues relating to appointments of directors and the composition, size and structure of the board and generally on all corporate governance provisions to be adopted by the company and oversees their implementation. It also has responsibility for the compensation strategies, plans, policies and programs of the company and its subsidiaries and evaluating and approving the remuneration package and other terms and conditions of service applying to directors and senior executives.

The Committee is also responsible for updating from time to time, and as necessary, the company's Code of Ethics. It is also responsible for driving the process for the implementation of the National Code of Corporate Governance for Mauritius throughout the group. As such, it oversees that compliance to the NCCG is being monitored, with a view to ensuring that the importance of this document is continuously stressed within the group, and that its core principles are embedded in the Group Corporate Culture.

Matters considered by the RCGEC in 2019-2020:

- Analysis of the results of the board evaluation exercise and implementation of an action plan;
- Review of the Corporate Governance Report forming part of the Annual Report 2019;
- Review of the induction pack;
- Revised version of the Whistleblowing policy;

- Audit and Risk Monitoring Committee composition;
- Succession planning recommendations; and
- Approval of salary increases.

attendance of the Remuneration, Corporate Governance and Ethics Committee

2020	
Jean-Philippe Coulier	2/2
René Leclézio	2/2
Bertrand de Chazal	2/2
Catherine Fromet de Rosnay	2/2
Stéphanie de La Hogue	2/2
Philippe Raffray *(appointed September 2019)*	1/2
total number of meetings held	2

The Audit and Risk Monitoring Committee

The committee is appointed by the board to assist in the discharge of duties relating to the overall control aspects of the company and its subsidiaries, including the safeguarding of assets, the monitoring of internal control processes, and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards. It also assists in setting up risk mitigation strategies and to assess and monitor the risk management process of the group and to advise the Board on risk issues. The main findings of the committee and its recommendations are reported to the board on a regular basis.

It comprises Mr Assad Abdullatiff, who chairs this committee, Mrs Stéphanie de La Hogue (who was appointed member in November 2019) and Messrs Bertrand de Chazal and Bernard Yen. All four members of the committee have the relevant financial experience. None of the members of the Audit and Risk Monitoring Committee were previous partners of or directors of the external auditors, namely Ernst & Young nor do they hold any financial interest therein.

In addition to its statutory functions, the Audit and Risk Monitoring Committee considers and reviews any other matters as may be agreed to by the Audit and Risk Monitoring Committee and the board. In particular, the committee assists the board in fulfilling its financial reporting responsibilities. It reviews the financial reporting process, and monitors compliance with laws and regulations. It monitors the quality, accuracy, reliability and integrity of the financial statements, and reviews interim financial reports and the annual financial statements prior to their submission to the board, and the application of the company's accounting policies. It reviews the audit process and assesses and recommends the appointment of internal and external auditors.

The committee reviews matters affecting the company's financial and internal controls, their adequacy and effectiveness and the management of financial risk. The committee also monitors risks identified and considered critical by management, including capital, market, reputational, strategic and operational risks; it reviews and monitors the development and implementation of the company's risk management programme. The Audit and Risk Monitoring Committee provides a forum through which the external auditors can report to the board and monitors their performance and independence. The board is satisfied that the Audit and Risk Monitoring Committee has adequately discharged its responsibilities in compliance with its terms of reference.

attendance of the Audit and Risk Monitoring Committee

2020	
Assad Abdullatiff	3/4
Bertrand de Chazal	3/4
Stéphanie de La Hogue *(appointed November 2019)*	2/4
Bernard Yen	4/4
total number of meetings held	4

Matters considered by the Audit and Risk Monitoring Committee in 2019-2020:

- Review the abridged quarterly financial statements for the first, second and third quarters;
- Review and recommend for approval to the board the abridged and annual financial statements for the year ended 30 June 2019;
- Approval of other documents forming part of the General Data Protection Policy;
- Compliance reports submitted by the compliance officer in relation to the Data Protection Policy and to the Whistleblowing Policy and implementation of a compliance dashboard;
- Various audit reports submitted by the internal auditor;
- Recommendations for the selection of a new external auditor; and
- Audit reports and findings of the external auditor.

statement of remuneration philosophy

The company's remuneration philosophy concerning directors provides that:

- there should be a retainer fee for each director reflecting the workload, size and complexity of the business as well as the responsibility involved. It should be the same for all directors whether executive or non-executive directors;
- the Chairperson having wider responsibilities should have higher remunerations;
- there should be committee fees for directors. The Chairperson should have higher remuneration than members.
- board and committee members also receive an attendance fee per sitting of their respective boards and committees.
- an attendance fee is also paid for attending the Annual Meeting of shareholders.
- no share option or bonus should be granted to non-executive or independent directors.

directors' remuneration

remuneration and benefits received and receivable from the company and its subsidiaries

2020

MRs000	THE COMPANY	SUBSIDIARIES	TOTAL
Jean-Philippe Coulier	210	-	210
Assad Abdullatiff	120	-	120
Bertrand de Chazal	135	60	195
Catherine Fromet de Rosnay	125	-	125
Stéphanie de La Hogue	135	-	135
Seedha Lutcheemee Nullatemby	80	-	80
Philippe Raffray	105	-	105
Bernard Yen	135	-	135
Total Non-Executive	**1,045**	**60**	**1,105**

Remuneration of non-executive directors consists of a basic retainer fee and an attendance fee in respect of their presence at meetings of the board and their respective committees as well as the Annual Meeting of Shareholders.

Executive directors and non-executive directors having an executive role within the PaD Group or entities of the MCB Group are not remunerated.

risk governance and internal control

The group's activities are exposed to a wide range of risks that could impact on its operational and financial performance. The directors are responsible for maintaining an effective system of internal control and risk management. Whilst these two functions are delegated to the Audit and Risk Monitoring Committee, the nature and governance of risk remain the ultimate responsibility of the board.

The responsibility of the board also includes:

- Ensuring that structures and processes are in place for risks management;
- Identifying the principal risks;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems are in place for implementing, maintaining and monitoring internal controls.

All risks have been documented in a risk register and this will be reviewed at least yearly to identify new and emerging risks.

Some of the operational risks to which the group is exposed are:

- physical: losses due to fire, cyclone, explosion etc.
- human resources: losses arising from acts inconsistent with employment, health and safety laws.
- business continuity: losses resulting from breakdown in systems, failure of internal processes, inadequate back-ups and loss of data.
- compliance: failure to comply with laws, regulations, codes of conduct and standard of good practice relevant to the group's business environment.

The property segment is influenced mainly by economic growth in the country. The ability of commercial local businesses to rent properties depends on the former's financial performance, but with the increased competition due to new shopping malls across the country and a low economic growth, these businesses may struggle to stay operational. In addition, oversupply of rental property puts downward pressure on rentals.

The Caudan group is also exposed over the allocation of permits from the authorities for development projects. Delays in granting permits may be encountered.

To mitigate the above risks, the company has developed various policies, processes, systems and methods which are reviewed regularly to ensure that they are managed on a timely basis and in an effective manner. In June 2017, a Business Risk Identification and assessment exercise was carried across the group by MCB Consulting. Under their guidance, the group has put in place a risk management framework and implemented the action plan to mitigate the business risks and/or to transform them into business opportunities. Due to the COVID-19 pandemic and resulting lockdown, the risk assessment process, scheduled to be carried out in March 2020, to review and update the general risk environment, has been postponed to later on this year.

The group is also exposed to financial risks such as market risk, credit risk and liquidity risk. The management of these risks is further discussed in note 1 of the financial statements.

The board is also responsible for information governance within the company and its subsidiaries. The management of information technology and information security governance are delegated to the Chief Technology Officer (CTO). The CTO at group level, on secondment from the MCB Ltd, is positioned to mitigate all risks emerging with the spread of new technologies and digitalisation practices in our economy and ensure that internal control procedures are implemented internally to avoid inter alia, malfunction or disruption in the operation of the systems and/or cyber-security breaches.

The existing policies are being reviewed and an IT governance model for the company is currently being developed. A list of the existing policies is detailed below:

- Email, internet and other acceptable use policy: Outline appropriate and inappropriate use of email systems and services and internet resources.
- System administrator policy: establish administrative and privileged access rights to the company's IT systems and confidential information.
- Logical access policy: limit access to information processing facilities and business processes of the group.
- Mobile code policy: protect integrity of software and information, provide instructions on measures to be taken to achieve effective malware detection and prevention.
- Information security & incident management policy: protect information assets, prevent security incidents and reduce their potential impact. Identify information security events and weaknesses and take timely corrective action.
- Back up policy: regular backup copies of information and software to protect against loss of data, maintain the integrity and availability of information and information processing facilities.
- Network security policy: protection of information in networks and of supporting infrastructure.
- Password policy: creating, protecting and changing passwords.
- Laptop policy: minimise information security risks that may affect laptops.

reporting with integrity

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. Company law requires the directors to prepare the financial statements in accordance with International Financial Reporting Standards.

The directors are also responsible for keeping adequate accounting records and for the preparation of accounts that fairly present the state of affairs of the company. The annual report and accounts are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the company's position, performance and outlook. The directors have also the duty to safeguard the assets of the company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

sustainability reporting

The company is committed to the development and implementation of social health and safety and environmental policies and practices in line with existing legislatives and regulatory framework.

carbon reduction commitment

Environment consciousness is among one of the most important business practices of the company and the group. The group wishes to go further in the strengthening and affirmation of the group's identity as an eco-friendly destination by building on several ad-hoc green initiatives that have been taken over a certain period of time, like the use of eco-friendly biodegradable detergents when it comes to the cleaning of the premises and recycling of used oils among others. The group has reduced paper consumption through the elimination of paper invoices by sending them electronically. Furthermore, the group has installed water dispensers at its premises in order to shifting off plastic bottles.

The most visible and ambitious action taken at this level is the inculcation of environmental awareness to all staff, visitors and tenants via the implementation of selective separation and sorting of waste with the provision of adapted bins.

In the coming year, the group will continue to work towards bringing consistency to its environment friendly policy and actions in view of putting up a structured and full-fledged project that will strengthen the group's commitment towards sustainable development, thus enabling us to meet international standards with regard to environmental consciousness.

audit

Audit and Risk Monitoring Committee

The mission of the Audit and Risk Monitoring committee is to establish formal and transparent arrangements regarding how to apply financial reporting and internal control principles and to maintain an appropriate relationship with the company's auditors.

The Audit and Risk Monitoring Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

During the year under review, the Audit and Risk Monitoring Committee has continued to focus on its key objectives namely: overseeing financial reporting, internal controls, internal and external audit.

internal audit

The company has established an in-house internal audit function at group level to provide the board with assurance that an effective governance, risk management and internal control environment is maintained. The group internal auditor evaluates all aspects of internal control of the company and its subsidiaries and assists the Audit and Risk Monitoring Committee to ensure that the company maintains a sound system of internal controls. The internal auditor reports to the Audit and Risk Monitoring Committee Chairperson, and to the executive management on administrative matters. The Audit and Risk Monitoring Committee approves the hiring and the removal of the internal auditor and also ensures the adequacy and effectiveness of the internal audit function. The internal audit plan is established in consultation with, but independent of, Management, and is reviewed and approved by the Audit and Risk Monitoring Committee. The internal auditor provides a written assessment of the group's internal controls which is tabled at each Audit and Risk Monitoring Committee meeting. The internal audit findings, recommendations and status of remediation are reviewed and discussed with the committee members and management, who also submits an action plan for the various findings. The internal auditor has unfettered access to the group's documents, records, properties and personnel, including access to the Audit and Risk Monitoring Committee. During the year under review, the internal auditor reported to the Audit and Risk Monitoring Committee on factual findings with respect to human resources, payroll and accounts receivable management.

external audit

Annual audit plans are presented in advance by the external auditors and reviewed by the Audit and Risk Monitoring Committee.

The Audit and Risk Monitoring Committee also reviews the external auditors' report and any recommendations for improvements in controls and procedures identified in the course of their work and ensures the proper follow up of previous recommendations.

The Audit Committee also evaluates the performance of the External Auditor and reviews the integrity, independence and objectivity of the External Auditor by:

- Confirming that the External Auditor is independent from the company
- Considering whether the relationships that may exist between the company and the External Auditor impair the External Auditor's judgement

Upon approval from the Audit Committee, the board of the company thereafter recommends the appointment of external auditors to the shareholder in the Annual Meeting of shareholders for approval by way of an ordinary resolution.

Although the External Auditor may provide non-audit services to the company, the objectivity and independence of the External Auditor is safeguarded through restrictions on the provisions of these services such as:

- where the External Auditor may be required to audit its own work, or
- where the External Auditor participates in activities that should normally be undertaken by the company.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Following the enactment of the Finance Act 2016 and a subsequent regulation Government Notice No 64 of 2017, listed companies are required to rotate their auditors every seven years. The previous auditors performed more than seven consecutive years as auditors and by virtue of the Regulation aforementioned were allowed to continue in office for the financial year ending June 30th 2019. A new tender exercise has been undertaken by the company to appoint new auditors for the year ending June 30th 2020. Ernst & Young were appointed auditors of the company at the annual meeting of shareholders held in December 2019.

relations with shareholders and other key stakeholders

At June 30th 2020, the capital structure of the company was MRs2,000,000,000, represented by 2,000,000,000 ordinary shares of MRe1.00 each and there were 3,197 shareholders on the registry.

shareholders holding more than 5% of the share capital of the company at June 30th 2020

shareholder	number of shares	% held
Promotion and Development Ltd	1,217,257,922	60.86
Ferryhill Enterprises Ltd	195,236,234	9.76
	1,412,494,156	70.62
MCB Group Limited	121,365,254	6.07
Fincorp Investment Ltd	106,790,072	5.34

Subsidiaries and associates of the company are listed in notes 6 and 7 respectively of the financial statements.

group structure as at June 30th 2020

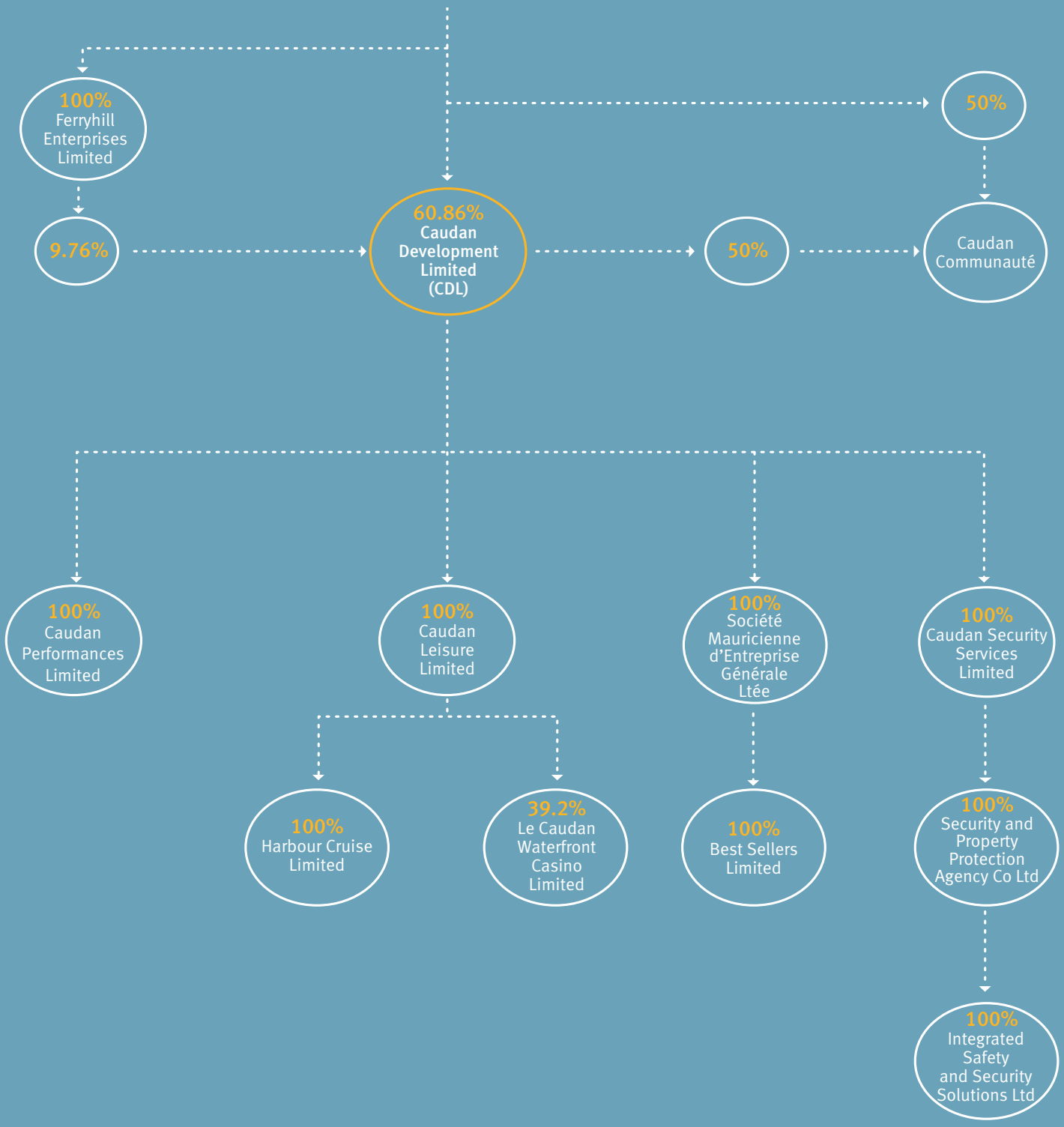
The holding structure up to and including Promotion and Development Ltd, the ultimate parent, is shown overleaf.

size of shareholding	number of share-holders	number of shares owned	% holding
1-500 shares	383	69,538	0.003
501-1,000 shares	206	145,068	0.007
1,001-5,000 shares	913	2,111,613	0.11
5,001-10,000 shares	329	2,284,200	0.11
10,001-50,000 shares	744	16,815,657	0.84
50,001-100,000 shares	190	13,307,037	0.67
Above 100,000 shares	385	1,965,266,887	98.26
Total	**3,150**	**2,000,000,000**	**100.00**

category	number of shareholders	number of shares owned	% holding
Individuals	2,929	127,035,640	6.35
Insurance and Assurance Companies	4	15,865,031	0.79
Pensions and Provident Funds	35	111,767,435	5.59
Investment and Trust Companies	32	159,407,391	7.97
Other Corporate Bodies	150	1,585,924,503	79.30
Total	**3,150**	**2,000,000,000**	**100.00**

The number of shareholders given above is indicative, having been obtained by consolidation of multiple portfolios for reporting purposes.

Promotion and Development Ltd (PaD)



The board places great importance on an open and transparent communication with all shareholders; and it endeavours to deliver to the shareholders and to the global investing community thorough and up to date information to support informed investment decisions and keep them informed on matters affecting the company, which could have a material impact on the company's share price.

The company communicates to its shareholders through its Annual Report, publication of unaudited quarterly and audited abridged financial statements of the group, dividend declaration, if any, press announcements and the Annual Meeting of Shareholders to which all shareholders are encouraged to attend. All shareholders of the company are entitled to attend and vote at shareholders' meetings in person or by proxy. The company is required to comply with the provisions of the Listing Rules on the continuous disclosure obligations. Results and annual reports are announced and issued within the specified period. All announcements are posted on the company's website.

The company's website is also an important means of effectively communicating with all stakeholders, keeping them abreast of developments within the group.

The Shareholders are entitled to receive the Annual Report of the company and the notice of Annual Meeting within six months of the end of the financial year and at least 21 days before the Annual Meeting in accordance with the Companies Act 2001.

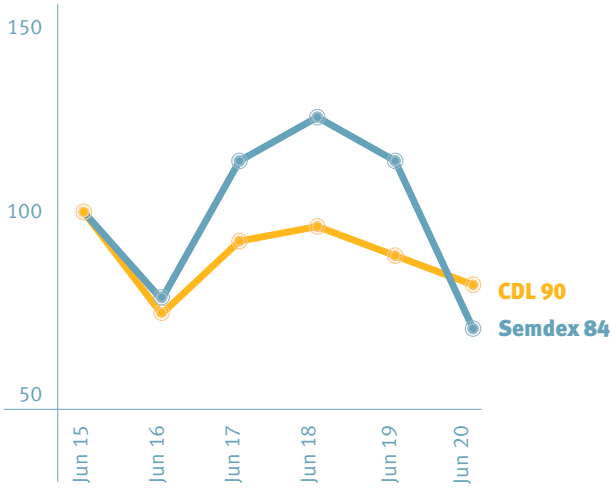
shareholders' calendar

The company has planned the following forthcoming events :

Mid-November 2020	release of first quarter results to September 30th 2020
December 2020	annual meeting of shareholders
Mid-February 2021	release of half-year results to December 31st 2020
Mid-May 2021	release of results for the nine month period to March 31st 2021
June 2021	declaration of final dividend (if any)
End-September 2021	release of full year results to June 30th 2021
Mid-November 2021	release of first quarter results to September 30th 2021
December 2021	annual meeting of shareholders

share price information

evolution of the company's share price compared to the Semdex over the past five years



the constitution

A copy of the constitution is available at the registered office of the company and on its website. There are no clauses of the constitution deemed material to be disclosed.

common directors

common directors within the holding structure of the company

at June 30th 2020	Promotion and Development
Jean-Philippe Coulier	›
René Leclézio	›
Assad Abdullatiff	›
Bertrand de Chazal	›
Catherine Fromet de Rosnay	›
Gilbert Gnany	›
Stéphanie de La Hogue	›
Jocelyne Martin	›
Bernard Yen	›

shareholders agreement

There is currently no shareholders agreement affecting the governance of the company by the board.

third party management agreement

There were no such agreements during the year under review.

dividend policy

The company's objective is to provide value to its shareholders through optimum return on equity. The company does not currently have a formal dividend policy. The declaration amount and payment of future dividends depend on many factors, including level of profits realised, cash flow and financial condition, expansion and working capital requirements, commitments with regards to future projects and other factors deemed relevant by the board. The company however aims at achieving a reasonable return and regular income in the form of stable dividends and as far as possible, intends to maintain or grow the dividend each year.

The Audit and Risk Monitoring Committee and the board ensure that dividends are paid out only if the company, shall upon the distribution being made, satisfy the solvency test. Dividends are normally declared and paid once a year.

Given the uncertainties surrounding the evolution and impact of the COVID-19 pandemic, the board has decided to suspend the declaration of the final dividend for the financial year ended June 30th 2020.

trend over the past five years

year	dividend per share cents
2020	**-**
2019	4.0
2018	4.0
2017	4.0
2016	-

statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flow of the company and of the group. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2001. The directors are also responsible to ensure that:

- an effective system of internal control and risk management has been maintained and
- the code of corporate governance has been adhered to.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

Approved by the board of directors on
October 16th 2020 and signed on its behalf by

Jean-Philippe Coulier
Chairperson

René Leclézio
Director

Statement of compliance

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT)

name of public interest entity ('P.I.E')

Caudan Development Limited

reporting period

Year ended June 30th 2020

We, the directors of Caudan Development Limited, confirm that, to the best of our knowledge, the P.I.E has fully complied with the principles of the National Code of Corporate Governance (2016).

Approved by the board of directors on October 16th 2020 and signed on its behalf by

Jean-Philippe Coulier
Chairperson

René Leclézio
Director

Company secretary's certificate

In our capacity as Company Secretary, we hereby certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required under the Companies Act 2001.

MCB Group Corporate Services Ltd

Company Secretary

October 16th 2020

Statutory disclosures

(SECTION 221 OF THE COMPANIES ACT 2001)

principal activities

The principal activities of the group continued throughout 2020 to be property development and investment and the provision of security services.

directors' interests in shares

The directors are aware of the contents of the Model Code on Securities Transactions by Directors (appendix 6 of the Mauritius Stock Exchange Listing Rules 2000).

interests of the directors in the share capital of the company and its subsidiaries at June 30th 2020

number of shares	direct	indirect
Jean-Philippe Coulier	-	-
Assad Abdullatiff	-	-
Bertrand de Chazal	-	-
Catherine Fromet de Rosnay	-	-
Gilbert Gnany	-	-
Stéphanie de La Hogue	-	-
René Leclézio	-	1,281,237
Jocelyne Martin	158,628	-
Seedha Lutcheemee Nullatemby	-	-
Philippe Raffray	-	-
Bernard Yen	146,426	-

directors of subsidiaries

For directors of subsidiaries, please refer to page 91 of the financial statements.

directors' service contracts

There are no service contracts between the company or its subsidiaries and the directors.

directors' indemnity insurance

The company has contracted an indemnity insurance cover for the directors' liability.

directors' remuneration

The total remuneration and benefits received or due and receivable by each director of PaD from the company and its subsidiaries are found on page 21.

	THE COMPANY		SUBSIDIARIES	
MRs000	**2020**	2019	**2020**	2019
Full time executive directors	**-**	30	**-**	-
Non-executive directors	**1,045**	670	**60**	60
	1,045	700	**60**	60

contract of significance

During the year under review, there was no contract of significance to which the company was a party and in which a director was materially interested either directly or indirectly.

auditors' fees

fees payable to the auditors for audit and other services, year ended June 30th 2020

	THE GROUP		THE COMPANY	
MRs000	**2020**	2019	**2020**	2019
Ernst & Young				
Audit services	**1,123**	-	**350**	-
Other services	**-**	-	**-**	-
	1,123	-	**350**	-
BDO & Co				
Audit services	**-**	701	**-**	295
Other services	**-**	-	**-**	-
	-	701	**-**	295

donations

Charitable donations of MRs10,000 were made during the year (2019: nil).

No political donations were made during the year (2019: nil).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Corporate social responsibility

CSR fund

Ever since inception, the company has always been committed in providing voluntary support to non-governmental organisations (NGOs) and sponsorship to individuals and associations for the promotion of education, arts and culture and sports activities. Le Caudan Waterfront has indeed always been actively involved in empowerment through the provision of free mall space and the promotion of local arts and crafts, artistic exhibitions and cultural as well as sports events.

The commitment of the group towards corporate social responsibility was further strengthened with the incorporation in 2010 of Caudan Communauté, a special purpose vehicle (SPV) to implement the specific CSR programme of the group. Its main responsibilities consist of financing and working closely in partnership with all stakeholders of the community: the public through NGOs engaged in social work, other foundations which have similar objectives and the authorities, namely the National Social Inclusion Foundation (NSIF).

The management of Caudan Communauté has been entrusted to a committee composed of representatives of the group to translate the philosophy and vision of the group in all CSR activities.

The field of intervention of Caudan Communauté is as follows:

- promotion of socio-economic development, including poverty alleviation and the improvement of gender and human rights;
- promotion of development in the fields of health, education and training, leisure and environment;
- intervention and support during and following catastrophic events; and
- undertaking or participation in programmes approved by the NSIF.

Since its operation, Caudan Communauté has contributed in the following areas namely:

- support to vulnerable groups: children, women in distress and handicapped;
- education: literacy programmes and training;
- health: support to the rehabilitation of patients suffering from mental disorder, inadapted children and fight against AIDS;
- human values: fight against corruption;
- arts and culture: opportunities for development of talented musicians;
- sports: promotion of sports events;
- environment: creation of green spaces outside the work place; and
- empowerment of women and children.

As part of the requirements of the authorities to set up an annual CSR fund representing 2% of their chargeable income derived during the preceding year, an aggregate amount of around MRs 93,000 was entrusted by the Group to Caudan Communauté, after remittance of 75 per cent directly to the Mauritius Revenue Authorities (MRA). This measure has reduced further the flexibility for engaging directly with NGOs and social partners.

Main highlights of our contribution to the CSR programme during the year under review:

- Groupe A de Cassis - Outreach program for children at high risk regions commonly known as 'Zanfan Beni';
- Mouvement Civique de Baie Du Tombeau - Organisation and Operation of a Halfway home for Juvenile offenders after their stay at the Rehabilitation Youth Centre;
- 'Association pour l'accompagnement, la Réhabilitation et l'insértion Sociale des Enfants' - Enhancing the educational and social development of poor children in Cassis and Pointe aux Sables';
- Groupe Féminine Mère Theresa- project of 'Maison D'Accueil et Ateliers Artistiques' for children aged between 3 and 15 years;
- Action for Integral Human Development - project of 'Centre D'écoute' in colleges;
- Terrain for Interactive Pedagogy through Arts - Contribution to ZEP primary schools;
- Oasis De Paix - Reinforcement works to existing covered playground; and
- Quartier de Lumière-Educational trip to Rodrigues for students of 'La Valette - Bambous'.

A CONFINEMENT PROJECT

WHEN THE WORLD BREAKS,

OUR SPIRITS UNITE...

Independent auditor's report

to the members of
Caudan Development Limited and
its subsidiaries

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Caudan Development Limited (the "Company") and its subsidiaries (the "Group") set out on pages 42 to 91 which comprise the statements of financial position as at 30 June 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Group and Company as at 30 June 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How the matter was addressed in the audit
1. Implementation of IFRS 16 Leases IFRS 16 – Leases becomes effective for reporting periods beginning on or after 1 January 2019. As set out in Note 1, the application of the new standard gives rise to a right of use asset of MRs 32 million and a corresponding increase in lease liabilities of MRs 40 million. The Group decided to apply the modified retrospective approach for the transition accounting. The impact of this new standard is significant to our audit since: 1. the amounts recorded are material, 2. the update of the accounting policy required policy elections, 3. the implementation process to identify and process all relevant data associated with the leases is complex and; 4. the measurement of the right of use asset and lease liability are based on assumptions such as the lease terms, and discount rate where the incremental borrowing rate (''IBR'') method has been adopted and where the implicit rate of interest in a lease is not readily determinable. We have therefore considered the application of IFRS 16 as a Key Audit Matter.	Our audit procedures included the following: - an evaluation of management implementation process, including the review of the updated accounting policy and policy elections, ensuring the completeness and accuracy of the lease contract identified; - We ensured completeness of the right of use asset to be recognised through: • discussions with the management; • our review of the board minutes; • our knowledge of the business operations • our review of prior year expenses to identify any rental-like expenses. - We performed the independent testing of the accuracy of the inputs of the right of use asset and lease liability calculations against the lease contracts. - We challenged management assumptions, specifically on the determination of the discount rate used; - We recalculated the right of use asset and lease liability for the lease contract (including sensitivity analysis). We were also supported in our assessment by our specialists; - We assessed the adequacy of the Group's disclosures of the impact of the new standard in Note 1 to the financial statements.

Key Audit Matter	How the matter was addressed in the audit
2. Valuation of investment properties As set out in Note 2 to the consolidated financial statements, investment properties are carried at fair value amounting to MRs 4,679 million and MRs 4,354 million for the Group and Company respectively. Gains and losses are recognised in profit or loss. On June 30, 2020, investment properties were re-valued by Ricardo Ramiah Isabel, Sworn Surveyor and Real Estate Appraiser, who is an independent valuation specialist. The fair value of the properties was determined by taking into account the Open Market Value approach as appropriate and as provided by independent valuers' valuation. The determination of fair value requires significant judgement by both the independent valuation specialist and the Directors who reassess the valuations periodically. Inappropriate estimates made in the fair valuation of investment properties would result in a significant impact on the Group's results and on the carrying amount of the properties. The spread of the Covid-19 epidemic during the year and its impact of the economy has added some degree of uncertainty in predicting future economic outcomes and hence added more complexity in the use of estimates and judgement in determining the fair value in the context of the pandemic. As such, we have identified the fair valuation of Investment Properties as a key audit matter because the Group's main activities constitute of a number of offices, commercial and industrial properties rented to third parties.	Our audit procedures included the following: - We have obtained, read and understood the 2020 report from the independent valuation specialist. We have tested the mathematical accuracy of the report and evaluated the valuation methodology used by the external property valuer. - We assessed the competence, capability, experience and independence, of the external property valuer. - We discussed the valuations with the external property valuer, challenging key assumptions adopted in the valuations, including available market selling prices, market rents and by comparing them with historical rates and other available market data. We performed a sensitivity analysis using the key assumptions used. - We reviewed the forecasts prepared by management and corroborated the major inputs used in the forecasts such as rental income and operating costs by comparing the actual tenancy information in the underlying contracts and by comparing operating costs. - We ensured the reasonableness of the inputs and assumptions used in the context of the Covid-19 pandemic. - We reviewed the disclosures about significant estimates and critical judgments made by management in the financial statements in respect of valuation of investment properties. We have also ensured adequate disclosures as per IAS 40 Investment Property and other sensitivity disclosures in respect of the effects on fair value to changes in the assumptions and valuation techniques under IFRS 13 Fair Value Measurements have been made in the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Annual report, Supplementary Information, Corporate Governance Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group and or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the Group and Company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Other matter

The financial statements of Caudan Development Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 27 September 2019.

Report on other legal and regulatory requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacities as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Ernst & Young
Ebène, Mauritius

Li Kune Lan Pookim, F.C.A, F.C.C.A
Licensed by FRC

October 16th 2020

Financial statement

statements of financial position

		THE GROUP		THE COMPANY	
MRs000	notes	**2020**	2019	**2020**	2019
Assets					
Non-current assets					
Investment property	2	**4,679,132**	4,723,269	**4,354,305**	4,398,442
Prepaid operating leases	3	**-**	437	**-**	437
Property, plant and equipment	4	**322,709**	322,284	**116,309**	119,190
Intangible assets	5	**7,873**	13,917	**906**	1,066
Right-of-use assets	29	**29,017**	-	**29,017**	-
Investments in subsidiary companies	6	**-**	-	**14,272**	14,272
Investments in associate	7	**-**	-	**-**	-
Deferred tax assets	15	**7,217**	22,362	**-**	-
Trade receivables	9	**640**	1,653	**-**	-
		5,046,588	5,083,922	**4,514,809**	4,533,407
Current assets					
Inventories	8	**14,736**	12,412	**4,201**	3,051
Trade and other receivables	9	**65,007**	58,106	**13,322**	15,262
Other financial assets	10	**18,895**	17,929	**199,805**	198,323
Other assets	10A	**17,462**	15,367	**15,619**	8,945
Cash and cash equivalents		**2,793**	2,119	**2,424**	695
		118,893	105,933	**235,371**	226,276
Total assets		**5,165,481**	5,189,855	**4,750,180**	4,759,683
Equity and liabilities					
Capital and reserves attributable to owners of the parent					
Share capital	12	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Other reserves	18	**-**	(19)	**-**	-
Retained earnings	13	**2,087,393**	2,087,430	**1,605,887**	1,611,137
Total equity		**4,087,393**	4,087,411	**3,605,887**	3,611,137
Liabilities					
Non-current liabilities					
Borrowings	14	**520,000**	520,000	**520,000**	520,000
Deferred tax liabilities	15	**212,116**	214,454	**157,557**	148,071
Retirement benefit obligations	16	**33,317**	31,694	**10,448**	9,417
Lease liabilities	30	**32,384**	-	**32,384**	-
		797,817	766,148	**720,389**	677,488
Current liabilities					
Trade and other payables	17	**136,273**	167,453	**278,309**	315,042
Contract liabilities	17A	**1,185**	1,687	**-**	-
Current tax liabilities		**1,193**	1,462	**-**	-
Borrowings	14	**136,030**	85,694	**140,005**	76,016
Lease liabilities	30	**5,590**	-	**5,590**	-
Dividend proposed	23	**-**	80,000	**-**	80,000
		280,271	336,296	**423,904**	471,058
Total liabilities		**1,078,088**	1,102,444	**1,144,293**	1,148,546
Total equity and liabilities		**5,165,481**	5,189,855	**4,750,180**	4,759,683

These financial statements have been approved for issue by the board of directors on October 16th 2020 and are signed on its behalf by

Jean-Philippe Coulier *Chairperson* René Leclezio *Director*

The notes on pages 46 to 91 form an integral part of these financial statements. The auditor's report is on pages 36 to 40.

statements of profit or loss and other comprehensive income

		THE GROUP		THE COMPANY	
MRs000	notes	**2020**	2019	**2020**	2019
Revenue	19, 24	**517,543**	503,309	**211,338**	205,796
Operating expenses	19	**(446,869)**	(420,077)	**(170,620)**	(141,918)
Operating profit		**70,674**	83,232	**40,718**	63,878
Net gain from fair value adjustment on investment property	2	**-**	197,168	**-**	172,927
Gain on remeasurement of equity interests		**-**	3,708	**-**	-
Profit before finance costs and impairment on financial assets		**70,674**	284,108	**40,718**	236,805
Net impairment on financial assets	11	**(6,093)**	(6,472)	**(3,097)**	(2,368)
Impairment of goodwill	5	**(5,571)**	-	**-**	-
Finance costs	20	**(36,423)**	(21,875)	**(36,627)**	(22,244)
Finance income	20	**376**	620	**12,501**	11,435
Profit before income tax		**22,963**	256,381	**13,495**	223,628
Taxation	21	**(17,934)**	(37,609)	**(11,315)**	(32,009)
Profit for the year attributable to owners of the parent		**5,029**	218,772	**2,180**	191,619
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of retirement benefit obligations	16	**718**	(5,195)	**(2,153)**	(1,701)
Deferred tax on remeasurement of retirement benefit obligations	15	**(122)**	883	**366**	289
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translating foreign operations		**-**	153	**-**	-
Other comprehensive income for the year attributable to owners of the parent		**596**	(4,159)	**(1,787)**	(1,412)
Total comprehensive income for the year attributable to owners of the parent		**5,625**	214,613	**393**	190,207

MRe			
Earnings per share	22	**0.0025**	0.1094

The notes on pages 46 to 91 form an integral part of these financial statements. The auditor's report is on pages 36 to 40.

statements of changes in equity

Attributable to owners of the parent MRs000	notes	share capital	other reserves	retained earnings	total equity
					THE GROUP
At July 1st 2018		2,000,000	(172)	1,952,970	3,952,798
Profit for the year		-	-	218,772	218,772
Dividends	23	-	-	(80,000)	(80,000)
Other comprehensive income		-	153	(4,312)	(4,159)
At June 30th 2019		2,000,000	(19)	2,087,430	4,087,411
At July 1st 2019 (as previously reported)		2,000,000	(19)	2,087,430	4,087,411
Effect of adoption of IFRS 16 Leases	1	-	-	(5,643)	(5,643)
At July 1st 2019 (as restated)		2,000,000	(19)	2,081,787	4,081,768
Profit for the year		-	-	5,029	5,029
Transfer	18	-	19	(19)	-
Other comprehensive income		-	-	596	596
At June 30th 2020		**2,000,000**	**-**	**2,087,393**	**4,087,393**
					THE COMPANY
At July 1st 2018		2,000,000	-	1,500,930	3,500,930
Profit for the year		-	-	191,619	191,619
Dividends	23	-	-	(80,000)	(80,000)
Other comprehensive income		-	-	(1,412)	(1,412)
At June 30th 2019		2,000,000	-	1,611,137	3,611,137
At July 1st 2019 (as previously reported)		2,000,000	-	1,611,137	3,611,137
Effect of adoption of IFRS 16 Leases	1	-	-	(5,643)	(5,643)
At July 1st 2019 (as restated)		2,000,000	-	1,605,494	3,605,494
Profit for the year		-	-	2,180	2,180
Other comprehensive income		-	-	(1,787)	(1,787)
At June 30th 2020		**2,000,000**	**-**	**1,605,887**	**3,605,887**

The notes on pages 46 to 91 form an integral part of these financial statements. The auditor's report is on pages 36 to 40.

statements of cash flows

		THE GROUP		THE COMPANY	
MRs000	note	**2020**	2019	**2020**	2019
Cash flows from operating activities					
Cash received from tenants		**201,670**	225,139	**173,837**	188,018
Cash received from other operating activities	31	**41,512**	16,738	**37,149**	13,301
Security fees received		**261,143**	244,298	**-**	-
Deposits received from tenants **		**3,521**	7,526	**3,400**	3,111
Deposits repaid to tenants **		**(2,797)**	(5,501)	**(2,484)**	(4,333)
Amount refunded by/(paid on behalf of) other entities **		**213**	(918)	**189**	(879)
Operating cash payments *	32	**(422,917)**	(396,749)	**(166,414)**	(122,433)
Cash generated from operations		**82,345**	90,533	**45,677**	76,785
Interest paid		**(34,369)**	(21,807)	**(34,696)**	(22,043)
Interest received		**222**	582	**11,915**	11,272
Net income tax paid		**(8,150)**	(12,144)	**(6,652)**	(10,228)
Net cash generated from operating activities		**40,048**	57,164	**16,244**	55,786
Cash flows from investing activities					
Purchase of property, plant and equipment		**(19,839)**	(57,017)	**(6,375)**	(35,380)
Purchase of intangible assets	5	**(79)**	(1,579)	**(79)**	(1,125)
Addition to investment property	2	**(71,517)**	(516,505)	**(71,517)**	(516,505)
Amount refunded by subsidiary companies *		**-**	-	**83,482**	73,138
Amount granted to subsidiary companies *		**-**	-	**(84,356)**	(83,437)
Amount paid on behalf of joint venture		**-**	(2,807)	**-**	-
Proceeds from disposals of property, plant and equipment		**1,428**	1,849	**21**	282
Investment in subsidiary, net of cash acquired		**-**	(1,777)	**-**	(25)
Proceeds from disposals of investment property		**82,000**	35,627	**82,000**	35,627
VAT refund on capital goods **		**2,702**	9,603	**2,702**	9,603
Net cash (used in)/generated from investing activities		**(5,305)**	(532,606)	**5,878**	(517,822)
Cash flows from financing activities					
Loan received from related company	14	**14,100**	-	**14,100**	-
Proceeds from bank borrowings		**-**	520,000	**-**	520,000
Loan repaid to subsidiary companies *		**-**	-	**(57,000)**	(21,800)
Loan granted by subsidiary companies *		**-**	-	**62,000**	34,950
Payment on lease liabilities	30	**(4,382)**	-	**(4,382)**	-
Dividends paid to Company's shareholders	23	**(80,000)**	(80,000)	**(80,000)**	(80,000)
Net cash (used in)/generated from financing activities		**(70,282)**	440,000	**(65,282)**	453,150
Net decrease in cash and cash equivalents		**(35,539)**	(35,442)	**(43,160)**	(8,886)
Cash and cash equivalents at beginning of the year		**(83,575)**	(48,105)	**(57,121)**	(48,235)
Effect of foreign exchange rate changes		**(23)**	(28)	**-**	-
Cash and cash equivalents at end of the year		**(119,137)**	(83,575)	**(100,281)**	(57,121)
Analysis of cash and cash equivalents disclosed above					
Bank and cash balances		**2,793**	2,119	**2,424**	695
Bank overdrafts	14	**(121,930)**	(85,694)	**(102,705)**	(57,816)
		(119,137)	(83,575)	**(100,281)**	(57,121)

* *Some items and amounts pertaining to prior year in the cash flow statements have been rearranged and reclassified to bring more clarity and fair presentation of these items and amounts on the cash flow statements since these amounts were previously disclosed as net amounts as follows:*
Net amount paid on behalf of subsidiary companies - MRs10.299m for the Company
Net loan received from subsidiary companies - MRs13.150m for the Company

** *These amounts totalling MRs10.710m for the Group and MRs7.502m for the Company were previously shown as 'other cash inflows/(outflows)' under 'cash flows from investing activities' and were incorrectly disclosed as net amounts. Moreover, deposits received from/(repaid to) tenants and amount refunded by/(paid on behalf of) other entities form part of the operating activities of the Group. The amounts were rearranged, grossed up and reclassified in order to bring more clarity and fair presentation on the cash flow statements.*

The notes on pages 46 to 91 form an integral part of these financial statements. The auditor's report is on pages 36 to 40.

notes to the financial statements

general information

Caudan Development Limited is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is Promotion and Development Ltd, 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 October 16th 2020 and will be submitted for consideration and approval at the forthcoming annual meeting of the shareholders of the Company.

Caudan Development specialises in the ownership, promotion and development of Le Caudan Waterfront, a mixed commercial project on the waterfront of Port Louis which includes the Caudan Arts Centre.

The Company also rents out industrial buildings situated at Pailles and Riche Terre.

Caudan, via a wholly owned subsidiary, operates in the security business, and is involved in the sale of alarm equipment and the provision of security and property protection services.

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 Caudan Development Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). 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. The financial statements are prepared under the historical cost convention, except that:

- investment properties are stated at their fair value and;
- relevant financial assets and financial liabilities are carried out at amortised cost.

The preparation of financial statements in conformity with IFRS 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.

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

IFRS 16 Leases

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as operating using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 1st 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Upon adoption of IFRS 16, as at July 1st 2019:

- Right-of-use assets of MRs32.1m were recognised and presented separately in the statement of financial position.
- Lease liabilities of MRs40.3m were recognised.
- Deferred tax assets increased by MRs1.5m because of the deferred tax impact of the changes in assets and liabilities.
- Prepaid operating leases of MRs0.4m and other payables of MRs1.5m were derecognised.
- The net effect of these adjustments amounting to MRs5.6m had been adjusted to opening retained earnings.

The lease liabilities as at July 1st 2019 can be reconciled to the operating lease commitments as at June 30th 2019, as follows:

THE GROUP AND THE COMPANY	
Operating lease commitments as at June 30th 2019 (MRs000)	88,093
Weighted average incremental borrowing rate (%)	5.05
Effect of discounting operating lease commitments as at July 1st 2019 (MRs000)	(47,832)
Lease liabilities as at July 1st 2019 (MRs000)	40,261

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Interpretation did not have an impact on the consolidated financial statements of the Group.

(Amendments to IFRS 9)

Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

(Amendments to IAS 19)

Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

(Amendments to IAS 28)

Long-term interests in associates and joint ventures
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long term interests in its associate and joint venture.

Annual Improvements 2015-2017 Cycle

IFRS 3

Business Combinations
The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1st 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

IFRS 11

Joint Arrangements
An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3.

The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after July 1st 2019, with early application permitted.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12

Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after July 1st 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

IAS 23

Borrowing Costs
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after July 1st 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17

Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after January 1st 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

(Amendments to IFRS 3)

Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 3 is effective for reporting periods beginning on or after January 1st 2020.

(Amendments to IAS 1 and IAS 8)

Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 1 and IAS 8 are effective for reporting periods beginning on or after January 1st 2020.

(Amendment to IFRS 16)

Covid-19-Related Rent Concessions

Effective for annual periods beginning on or after June 1st 2020.

Key requirements

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before June 30th 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before June 30th 2021 and increased lease payments that extend beyond June 30th2021).
- There is no substantive change to other terms and conditions of the lease.

Transition

Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied.

The information required by paragraph 28(f) of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed.
A lessee will apply the amendment for annual reporting periods beginning on or after June 1st 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at May 28th 2020.

Impact

The amendment to IFRS 16 will provide relief to lessees for accounting for rent concessions from lessors specifically arising from the covid-19 pandemic. While lessees that elect to apply the practical expedient do not need to assess whether a concession constitutes a modification, lessees still need to evaluate the appropriate accounting for each concession as the terms of the concession granted may vary.

The Group is still assessing the impact of the above.

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:

Other financial assets

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 IFRS 9 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 cost of sales 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. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group's other financial assets 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.

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.

Other payables which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Investments in subsidiary companies

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 (a) the aggregate 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 (b) the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3 is recorded as goodwill. In the case of a bargain purchase (excess of (b) over (a)), the resulting gain is recognised immediately in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. The subsidiaries have consistently applied all 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.

Separate financial statements of the company

In the company's financial statements, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Disposal of subsidiaries

When the group ceases to have control, 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 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

An associate is an entity over which the group has significant influence, through participation in the financial and operating policy decisions but not control.

Investments in associates are accounted for using the equity method of accounting, except when classified as held-for-sale, and are initially recognised at cost and adjusted by post acquisition changes in the group's share of net assets of the associate. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post acquisition profits or losses is recognised in profit or loss, and its share of post acquisition movements in reserves is recognised in reserves.

The carrying amount of the investment is reduced to recognise any impairment in the value of the individual investments. 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 gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

If the ownership interest in an associate is reduced but the 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.

Goodwill

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the group's share of the net identifiable assets and liabilities of the acquired subsidiary company or associate at the date of acquisition. Goodwill on acquisitions of subsidiary companies is included in intangible assets. Gains on bargain purchases represent the excess of the fair value of the group's share of net assets acquired over the cost of acquisition and are recognised in profit or loss.

Goodwill on acquisitions of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of annual impairment testing.

Intangible assets

Computer software

Acquired computer software licences 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 valuation is carried out every year by external independent valuers.

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.

Prepaid operating lease payments

Land held under an operating lease (including land on which the investment property is located) is accounted for as an operating lease. Where upfront payments for operating leases of land are made, these upfront payments are capitalised as non-current assets and in subsequent periods are presented at amortised cost so as to record a constant annual charge to the profit or loss over the lease term. These non-current assets are not revalued.

Property, plant and equipment

All plant and equipment, as well as property, which are occupied by the group companies, is 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.

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 include professional fees and for qualifying assets, borrowings 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:

Buildings	1%
Equipment, furniture and fittings	$5–33^1/_3$%
Motor vehicles	11%
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 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 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, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are expensed in the period in which they are incurred.

Impairment of assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Lease of assets before July 1st 2019

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 within the Group 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.

Lease of assets after July 1st 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Refer to the accounting policies on property, plant and equipment.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section(s) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. The Group does not have any short term leases or low-value assets.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

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 are classified as equity.

Current and deferred income tax

The tax expense for the period comprises 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 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 per cent of its chargeable income of the preceding year and the company should remit 75 per cent of the fund respectively to the mauritian tax authorities. CSR is classified as taxation and any amount payable is accounted under current tax liabilities.

Retirement benefit obligations

Defined contribution plan

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods. The company and its subsidiaries operate a defined contribution retirement benefit plan for qualifying employees. Contributions are recognised as an employee benefit expense when they fall due.

Gratuity on retirement

The net present value of gratuity on retirement payable under the Workers' Rights Act 2019 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 Workers' Rights Act 2019 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.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

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, which it is probable, will result in an outflow of resources that can be reasonably estimated. Where the group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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.

Revenue

Revenue consists of rental income, commissions, food and beverage and income from security activities.

Revenue recognition

(a) Revenue from contracts with customers.

Performance obligations and timing of revenue recognition

The Group has identified two main business segments namely property and security services which contribute in generating most of its revenue from contracts with customers.

Revenue from customers includes both sales of goods and services made to customers. The property segment is highly involved in the rental of properties. The security services segment is involved in the provision of guarding services, installation and monitoring of alarm systems, cash in transit, and rental of alarm systems.

The majority of the revenue generated from the sale of goods and services defined above are recognised at a point in time when the control of the good or the 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 recognized on a straight line basis over the lease term. It is recognized 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

Part of the revenue of the Group is derived from provision of security services and sales of goods 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 present right to payment (as a single payment delivery) and retains non of the significant risks and reward of the goods in question.

Determining the transaction price

Most of the revenue is derived from fixed price contracts (sales and installation of alarm systems) 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 Group 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 the milestone achieved (based on output method) meaning that control of the asset (the design service) is transferred to the customer on a continuous basis as the project is carried out. Consequently, no asset for work in progress is recognised.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(b) Other revenues and income from other operating activities earned by the Group are recognized on the following bases:

Interest income

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.

Revenue from sale of food and beverages

The Group recognizes 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 and theatre rental

The revenue is recognized when we have provided the facility to the customer as per their request.

Other income is recognized as it accrues unless collectability is in doubt.

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 CEO 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 24.

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.

Fair value measurement

The Group measures non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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 audit committee monitors closely the group's significant risks. All risks issues are systematically addressed both at the audit committee and at the board level. The group's exposure is managed and reviewed regularly.

The group's overall risk management program 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 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 profit are insignificant since the group holds small amount of foreign currency-denominated cash balances.

Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows 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 2020, 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 for the group and the company would have been MRs2.8m lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings (2019: MRs1.7m).

Price risk

The group is not exposed to equity securities price risk because investments held by the group in subsidiary companies and associated company are carried at cost in the separate financial statements. Impairment tests are performed regularly on these investments. The group is not exposed to commodity price risk.

Credit risk

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by the group's management based on prior experience and the current economic environment.

The group has no significant concentration of credit risk, with exposure spread over a large number of customers and tenants. The group has policies in place to ensure that properties are rented and services provided to customers with an appropriate credit history. Close monitoring is carried out on all trade receivables.

The loss rates have been adjusted taking into consideration the Covid-19 impact. Despite the law allowing moratorium up to December 2021 for rentals during the lockdown period (April to June 2020), the Group has instead given discounts on the rentals for a specific period to those tenants who did not have any credit impaired risk before lockdown. The rental income has thus been accounted net of rebates and discounts. The rebates were not significant and did not lead to a modification of the lease terms.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before June 30th 2020 and June 30th 2019 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.

The expected loss rates of the different age buckets vary between 5% and 90% and the closing loss allowance amounted to MRs18.705m (2019:MRs15.295m) for the Group and MRs1.309m (2019:MRs1.105m) for the Company.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

	current	more than 30 days past due	more than 60 days past due	more than 90 days past due	more than 120 days past due	total
at June 30th 2020						
Expected loss rate (%)	**4.6%**	**7.6%**	**21.3%**	**47.4%**	**89.9%**	
MRs000						
Gross carrying amount						
Trade receivable	**22,012**	**12,457**	**6,017**	**5,457**	**14,320**	**60,263**
Loss allowance	**1,015**	**948**	**1,279**	**2,588**	**12,875**	**18,705**
at June 30th 2019						
Expected loss rate (%)	3.8%	6.7%	20.4%	35.3%	89.4%	
MRs000						
Gross carrying amount						
Trade receivable	23,184	13,341	6,079	5,730	11,484	59,818
Loss allowance	871	895	1,238	2,022	10,269	15,295

Specific provision amounted to MRs36.755m (2019: MRs40.213m).

Set out below is the information about the credit risk exposure on the Group's other financial assets using a provision matrix.

The expected loss rates of the different age buckets vary between 7% and 100% and the closing loss allowance amounted to MRs0.359m (2019: MRs0.606m) for the Group and the Company.

	current	more than 30 days past due	more than 60 days past due	more than 90 days past due	more than 120 days past due	total
at June 30th 2020						
Expected loss rate (%)	**7.2%**	**30.0%**	**83.2%**	**100.0%**	**100.0%**	
MRs000						
Gross carrying amount						
Other financial assets	**3,348**	**-**	**-**	**118**	**-**	**3,466**
Loss allowance	**241**	**-**	**-**	**118**	**-**	**359**
at June 30th 2019						
Expected loss rate (%)	4.4%	16.4%	47.2%	96.6%	96.6%	
MRs000						
Gross carrying amount						
Other financial assets	2,116	829	193	146	150	3,434
Loss allowance	93	136	91	141	145	606

Specific provision amounted to MRs3.945m (2019: MRs3.440m).

Liquidity risk

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 loans.

Reconciliation of liabilities arising from financing activities

THE GROUP MRs000	2019	impact of IFRS 16	interest	cash flows	**2020**
Bank overdrafts	85,694	-	5,626	30,610	**121,930**
Bank loans	520,000	-	27,602	(27,602)	**520,000**
Other loans	-	-	-	14,100	**14,100**
Lease liabilities	-	40,261	2,095	(4,382)	**37,974**
Dividend payable	80,000	-	-	(80,000)	**-**
Total liabilities from financing activities	685,694	40,261	35,323	(67,274)	**694,004**

THE COMPANY MRs000					
Bank overdrafts	57,816	-	4,875	40,014	**102,705**
Bank loans	520,000	-	27,602	(27,602)	**520,000**
Other loans	-	-	-	14,100	**14,100**
Loan from subsidiary company at call	18,200	-	-	5,000	**23,200**
Lease liabilities	-	40,261	2,095	(4,382)	**37,974**
Dividend payable	80,000	-	-	(80,000)	**-**
Total liabilities from financing activities	676,016	40,261	34,572	(52,870)	**697,979**

THE GROUP MRs000	2018	other	interest	cash flows	2019
Bank overdrafts	48,385	-	9,197	28,112	85,694
Bank loans	-	-	11,059	508,941	520,000
Dividend payable	80,000	80,000	-	(80,000)	80,000
Total liabilities from financing activities	128,385	80,000	20,256	457,053	685,694

THE COMPANY MRs000					
Bank overdrafts	48,382	-	8,300	1,134	57,816
Bank loans	-	-	11,059	508,941	520,000
Loan from subsidiary company at call	5,050	-	-	13,150	18,200
Dividend payable	80,000	80,000	-	(80,000)	80,000
Total liabilities from financing activities	133,432	80,000	19,359	443,225	676,016

Analysis of the group's 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
MRs000				THE GROUP
2020				at June 30th
Borrowings	**157,350**	**68,585**	**220,976**	**330,061**
Other payables	**136,273**	**-**	**-**	**-**
Lease liability	**7,532**	**4,982**	**13,896**	**23,594**
Contract liabilities	**1,185**	**-**	**-**	**-**
2019				
Borrowings	113,296	21,320	213,587	406,035
Other payables	167,453	-	-	-
Contract liabilities	1,687	-	-	-
MRs000				THE COMPANY
2020				at June 30th
Borrowings	**161,325**	**68,585**	**220,976**	**330,061**
Other payables	**278,309**	**-**	**-**	**-**
Lease liability	**7,532**	**4,982**	**13,896**	**23,594**
2019				
Borrowings	103,618	21,320	213,587	406,035
Other payables	315,042	-	-	-

Fair values

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. Refer to note 11.

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.

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

The debt-to-adjusted capital ratios

MRs000	THE GROUP		THE COMPANY	
at June 30th	**2020**	2019	**2020**	2019
Total debt	**534,100**	520,000	**557,300**	538,200
Cash and cash equivalents	**119,137**	83,575	**100,281**	57,121
Net debt	**653,237**	603,575	**657,581**	595,321
Total equity	**4,087,393**	4,087,411	**3,605,887**	3,611,137
Debt to adjusted capital ratio	**0.16**	0.15	**0.18**	0.16

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 resulting accounting estimates will, by definition, seldom equal the related actual results.

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.

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 2020, the direct sales comparison approach and cost approach have been used. Additional information is disclosed in note 2.

Impairment of financial assets

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

Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account the residual values which are assessed annually and may vary depending on a number of factors such as technological innovation, maintenance programmes and future market condition. 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.

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgments in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgment in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

Revenue arising from maintenance and repair work in progress is recognised on the percentage of completion basis.

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, excluding undeveloped land, 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.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Leases - Estimating the incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Going concern

The Group and the Company had net current liabilities of MRs161m (2019: MRs230m) and MRs188m (2019: MRs245m) respectively at June 30th 2020. The lender has given a letter of financial support to the company and intends to maintain its banking facilities in the future to the company. 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.

2 investment property

THE GROUP	note	level 3 Le Caudan Waterfront	level 2 land & other buildings	level 2 leasehold buildings	2020	2019
MRs000						
Fair value						
At July 1st		**4,502,598**	**109,599**	**111,072**	**4,723,269**	4,142,153
Additions		**33,763**	**-**	**-**	**33,763**	461,975
Transfer to property, plant and equipment	4	**-**	**-**	**-**	**-**	(42,400)
Disposals		**(77,900)**	**-**	**-**	**(77,900)**	(35,627)
Net gain from fair value adjustment on investment property		**-**	**-**	**-**	**-**	197,168
At June 30th		**4,458,461**	**109,599**	**111,072**	**4,679,132**	4,723,269
THE COMPANY						
Fair value						
At July 1st		**4,068,469**	**218,901**	**111,072**	**4,398,442**	3,841,567
Additions		**33,763**	**-**	**-**	**33,763**	461,975
Disposals		**(77,900)**	**-**	**-**	**(77,900)**	(35,627)
Transfer to property, plant and equipment	4	**-**	**-**	**-**	**-**	(42,400)
Net gain from fair value adjustment on investment property		**-**	**-**	**-**	**-**	172,927
At June 30th		**4,024,332**	**218,901**	**111,072**	**4,354,305**	4,398,442

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 and level 3 in the fair value hierarchy as it has been valued using both observable and unobservable 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 2020 by Ricardo Ramiah Isabel, Sworn Surveyor and Real Estate Appraiser, using the Present Day Open Market Value. The Direct Market Comparison Approach is based on recent transactions for similar properties. Where comparables are not available, the best suited comparables are used and adjusted for geographical location, size and attributes.

- 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 and would therefore command a discount of 15%. If the discount rate had been 5% higher or lower, the impact would have been MRs260.3m and MRs234.7m higher or lower for the group and the company respectively.

- 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 14).

- Rental income from investment property amounted to MRs231.0m (2019: MRs239.3m) for the group and MRs193.1m (2019: MRs197.4m) for the company. Direct operating expenses arising on the income generating investment property in the year amounted to MRs87.5m (2019: MRs79.1m) for the group and MRs70.8m (2019: MRs67.4m) for the company.

- No cost was incurred in respect of the non-income generating investment property.

2 investment property *continued*

› The table below shows the non-cash items for investment property:

THE GROUP AND THE COMPANY MRs000	**2020**	2019
Reconciliation of cash flow		
Payable at July 1st	**63,762**	118,292
Additions during the year	**33,763**	461,975
Payable at June 30th	**(26,008)**	(63,762)
Cash outflows	**71,517**	516,505

3 prepaid operating lease payments

THE GROUP AND THE COMPANY MRs000	**2020**	2019
Cost		
At July 1st	**602**	602
Transfer to right-of-use assets	**(602)**	-
At June 30th	**-**	602
Amortisation		
At July 1st	**165**	159
Charge for the year	**-**	6
Transfer to right-of-use assets	**(165)**	-
At June 30th	**-**	165
Net book values		
At June 30th	**-**	437

› Amortisation charge for the group and the company has been included in operating expenses.

4 property, plant and equipment

THE GROUP MRs000	note	land and buildings	furniture and equipment	motor vehicles	total
Cost					
At July 1st 2018		214,977	112,993	49,451	377,421
Acquisition through business combination		-	213	-	213
Additions		14,114	42,893	10,098	67,105
Transfer from investment property	2	42,400	-	-	42,400
Disposal/amount written off		-	-	(7,163)	(7,163)
At June 30th 2019		271,491	156,099	52,386	479,976
At July 1st 2019		271,491	156,099	52,386	479,976
Additions		3,289	10,203	7,383	20,875
Disposal/amount written off		-	(2,033)	(10,835)	(12,868)
At June 30th 2020		**274,780**	**164,269**	**48,934**	**487,983**
Depreciation					
At July 1st 2018		13,406	98,074	32,747	144,227
Acquisition through business combination		-	86	-	86
Charge for the year		1,868	13,126	4,799	19,793
Disposal		-	-	(6,414)	(6,414)
At June 30th 2019		15,274	111,286	31,132	157,692
At July 1st 2019		15,274	111,286	31,132	157,692
Charge for the year		2,538	11,977	5,708	20,223
Disposal		-	(2,033)	(10,608)	(12,641)
At June 30th 2020		**17,812**	**121,230**	**26,232**	**165,274**
Net book values					
At June 30th 2020		**256,968**	**43,039**	**22,702**	**322,709**
At June 30th 2019		256,217	44,813	21,254	322,284

4 property, plant and equipment *continued*

THE COMPANY MRs000	note	buildings	furniture and equipment	motor vehicles	total
Cost					
At July 1st 2018		45,109	28,333	5,388	78,830
Additions		-	40,042	560	40,602
Disposal		-	-	(965)	(965)
Transfer from investment property	2	42,400	-	-	42,400
At June 30th 2019		87,509	68,375	4,983	160,867
At July 1st 2019		87,509	68,375	4,983	160,867
Additions		-	6,375	-	6,375
Disposal		-	(633)	(600)	(1,233)
At June 30th 2020		**87,509**	**74,117**	**4,383**	**166,009**
Depreciation					
At July 1st 2018		7,746	23,480	2,225	33,451
Charge for the year		924	7,428	449	8,801
Disposal		-	-	(575)	(575)
At June 30th 2019		8,670	30,908	2,099	41,677
At July 1st 2019		8,670	30,908	2,099	41,677
Charge for the year		1,348	7,403	435	9,186
Disposal		-	(633)	(530)	(1,163)
At June 30th 2020		**10,018**	**37,678**	**2,004**	**49,700**
Net book values					
At June 30th 2020		**77,491**	**36,439**	**2,379**	**116,309**
At June 30th 2019		78,839	37,467	2,884	119,190

› Bank borrowings are secured by floating charges on the assets of the group including property, plant and equipment (note 14). › Depreciation charge of MRs20.223m for the group (2019: MRs19.793m) and MRs9.186m for the company (2019: MRs8.801m) has been included in operating expenses.

› Non-cash additions amounted to MRs1.0m for the group (2019: MRs10.1m) and nil for the company (2019: MRs5.2m).

5 intangible assets

THE GROUP	computer software	goodwill	other	total
MRs000				
Cost				
At July 1st 2018	5,823	-	2,105	7,928
Acquisition through business combination	54	-	-	54
Additions	1,578	10,435	-	12,013
At June 30th 2019	7,455	10,435	2,105	19,995
At July 1st 2019	7,455	10,435	2,105	19,995
Additions	79	-	-	79
Impairment	-	(5,571)	-	(5,571)
At June 30th 2020	**7,534**	**4,864**	**2,105**	**14,503**
Amortisation				
At July 1st 2018	3,587	-	2,105	5,692
Acquisition through business combination	28	-	-	28
Amortisation charge	358	-	-	358
At June 30th 2019	3,973	-	2,105	6,078
At July 1st 2019	3,973	-	2,105	6,078
Amortisation charge	552	-	-	552
At June 30th 2020	**4,525**	**-**	**2,105**	**6,630**
Net book values				
At June 30th 2020	**3,009**	**4,864**	**-**	**7,873**
At June 30th 2019	3,482	10,435	-	13,917

5 intangible assets *continued*

THE COMPANY MRs000	computer software
Cost	
At July 1st 2018	513
Additions	1,125
At June 30th 2019	1,638
At July 1st 2019	1,638
Additions	79
At June 30th 2020	**1,717**
Amortisation	
At July 1st 2018	476
Amortisation charge	96
At June 30th 2019	572
At July 1st 2019	572
Amortisation charge	239
At June 30th 2020	**811**
Net book values	
At June 30th 2020	**906**
At June 30th 2019	1,066

› Other intangible assets relate to consideration paid in respect of the acquisition of a customer list purchased in September 2005. › The additions in goodwill during the preceding financial year is in respect of the acquisition of the additional 50% stake in Integrated Safety and Security Solutions Ltd ("IS3"). › Amortisation charges of MRs0.552m (2019: MRs0.358m) for the group and MRs0.239m (2019: MRs0.096m) for the company are included in operating expenses. › The group performed its annual impairment of goodwill in 2019 and 2020. The recoverable amount of the goodwill is determined based on the value in use calculation of IS3 cash generating unit (CGU) using cash flow projection from management budget prepared on a 3 year basis. As a result of the analysis, an impairment of MRs5.571m has been recognised. The calculation of the value in use is most sensitive to discount rates. A rise in the post tax discount rate by two percentage points would result in a decrease in the value in use by MRs0.63m with a corresponding goodwill impairment. The pre-tax discount rate used is 21.2% with a growth rate of 1%.

6 investments in subsidiary companies

THE COMPANY

MRs000	2020	2019
Cost		
At July 1st	**14,272**	14,247
Additions	**-**	25
At June 30th	**14,272**	14,272

Subsidiaries of Caudan Development Limited	class of shares	year end	stated capital and nominal value of investment MRs000	direct holding %	indirect holding %	main business
Best Sellers Limited	ordinary	June	25	-	100	dormant
Caudan Communauté	limited by guarantee	December	1	50	-	management of CSR fund (not consolidated)
Caudan Leisure Limited	ordinary	June	1,000	100	-	leisure & property
Caudan Performances Limited	ordinary	June	25	100	-	creative, arts and entertainment activities
Caudan Security Services Limited	ordinary	June	10,000	100	-	security
Harbour Cruise Ltd	ordinary	June	300	-	100	dormant
Integrated Safety and Security Solutions Ltd	ordinary	June	20	-	100	security
Security and Property Protection Agency Co Ltd	ordinary	June	10,000	-	100	security
Société Mauricienne d'Entreprise Générale Ltée	ordinary	June	3,000	100	-	dormant

› Société Mauricienne d'Entreprise Générale Ltée, Harbour Cruise Ltd and Best Sellers Limited did not trade during the year. › All the subsidiaries are incorporated and domiciled in the Republic of Mauritius. › None of the subsidiaries have debt securities.

7 investments in associate

A

THE GROUP

MRs000	2020	2019
Share of net assets	**-**	-
Goodwill	**-**	-
At June 30th	**-**	-
Cost		
At July 1st and June 30th	**19,076**	19,076
Share of post acquisition reserves		
At July 1st and June 30th	**(19,076)**	(19,076)
At June 30th	**-**	-

7 investments in associate *continued*

B The associated company of Caudan Development Limited

Details of the associate at the end of the reporting period	class of shares	year end	nature of business	principal place of business	country of incorporation	proportion of ownership interest and voting rights direct %	indirect %
2020 and 2019							
Le Caudan Waterfront Casino Limited	ordinary	December	leisure	Mauritius	Mauritius	39.20	39.20

› The above associate is accounted for using the equity method. › Since the associate has a different reporting date, management accounts have been prepared as at June 30th 2020. › The investment has been reduced to nil given that the entity's share of losses exceeded its interests. The group will resume recognising its share of profit only after it will equal the share of losses not recognised. The value of the associate has been fully impaired in prior years.

C Summarised financial information

Summarised financial information in respect of the associate

MRs000	current assets	non current assets	current liabilities	non current liabilities	revenue	loss for the year	other comprehensive income for the year	total comprehensive income for the year
2020								
Le Caudan Waterfront Casino Limited	**31,363**	**18,493**	**137,956**	**68,463**	**100,004**	**(40,672)**	**9,145**	**(31,527)**
2019								
Le Caudan Waterfront Casino Limited	39,923	22,960	118,100	76,015	152,186	(51,370)	(6,992)	(58,362)

› The summarised financial information above represents amounts shown in the associate's financial statements prepared in accordance with IFRSs adjusted 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 in the financial statements:

MRs000	opening net assets July 1st	loss for the year	other comprehensive income for the year	closing net assets	unrecognised losses and other comprehensive income	ownership interest	share of unrecognised losses and other comprehensive income	interest in associates	goodwill	carrying value
2020										
Le Caudan Waterfront Casino Limited	**(131,232)**	**(40,672)**	**9,145**	**(162,759)**	**(162,759)**	**39.2%**	**(63,802)**	**-**	**-**	**-**
2019										
Le Caudan Waterfront Casino Limited	(72,870)	(51,370)	(6,992)	(131,232)	(131,232)	39.2%	(51,443)	-	-	-

8 inventories

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Spares and accessories	**1,659**	1,163	**1,659**	1,163
Operating equipment	**1,191**	1,072	**1,191**	1,072
Food and beverages	**1,351**	816	**1,351**	816
Consumables	**2,399**	2,083	**-**	-
Work in progress	**1,316**	1,476	**-**	-
Goods for resale	**6,820**	5,802	**-**	-
	14,736	12,412	**4,201**	3,051
Costs of inventories recognised as expense and included in				
Cost of sales	**24,094**	22,646	**-**	-
Operating expenses	**5,815**	4,251	**1,619**	1,964

› The bank borrowings are secured by floating charges over the assets of the group including inventories (note 14).

9 trade and other receivables

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Trade receivables	**121,107**	115,267	**38,839**	38,699
Less provision for expected credit losses	**(55,460)**	(55,508)	**(25,517)**	(23,437)
Trade receivables - net	**65,647**	59,759	**13,322**	15,262
Less non-current portions				
Trade receivables	**(640)**	(1,653)	**-**	-
Current portion	**65,007**	58,106	**13,322**	15,262

(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 2020 and June 30th 2019 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 2020 and June 30th 2019 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 5% to 90% and the closing loss allowance amounted to MRs18.705m (2019: MRs15.295m) for the Group and MRs1.309m (2019: MRs1.105m) for the Company.

9 trade and other receivables *continued*

› The closing loss allowances (including specific loss allowance) for trade receivables as at June 30th 2020 reconcile to the opening loss allowances as follows:

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
At July 1st	**55,508**	49,701	**23,437**	21,734
Net loss allowance recognised in profit or loss during the year	**5,196**	5,807	**2,200**	1,703
Receivables written off during the year as uncollectible	**(5,244)**	-	**(120)**	-
At June 30th	**55,460**	55,508	**25,517**	23,437

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

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Rupee	**65,007**	58,007	**13,322**	15,163
US Dollar	**-**	99	**-**	99
	65,007	58,106	**13,322**	15,262

(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 amounting to MRs8.7m (2019: MRs8.7m), which include cash deposits and bank guarantees from tenants, which approximate their fair values.

(iv) Non-current portions consist of a long term credit granted to an entity.

10 other financial assets

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MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Assets as per statements of financial position				
Receivables from subsidiary companies	**-**	-	**84,417**	83,437
Loan to subsidiary company receivable at call	**-**	-	**100,000**	100,000
Other receivables *	**23,199**	21,975	**19,692**	18,932
	23,199	21,975	**204,109**	202,369
Less: Loss allowance	**(4,304)**	(4,046)	**(4,304)**	(4,046)
	18,895	17,929	**199,805**	198,323

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

› Receivables from subsidiary companies are repayable on demand and interest may be charged at the prevailing market rate. The default from subsidiary companies is assessed as being remote and as such the related expected credit losses were regarded as immaterial.

* Other receivables consist principally of utilities recharge to tenants. Prepayments on accounts amounting to MRs8.5m for the Group (2019: MRs2.4m) and MRs6.2m for the Company (2019: MRs0.6m) have been re-classified to other receivables to show a better presentation and more clarity as these relate to advance payments made to suppliers.

B **Impairment and risk exposure**

(i) The closing loss allowance for financial assets as at June 30th 2020 and June 30th 2019 reconciles to the opening loss allowance on July 1st 2019 and July 1st 2018 as follows:

10 other financial assets *continued*

THE GROUP AND THE COMPANY	other receivables	
MRs000	**2020**	2019
At July 1st	**4,046**	3,381
Receivables written off during the year as uncollectible	**(74)**	-
Allowance recognised in profit or loss during the year	**332**	665
Loss allowance at June 30th	**4,304**	4,046

(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.

10A other assets

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	THE GROUP		THE COMPANY	
MRs000	**2020**	2019	**2020**	2019
Prepayments	**4,140**	6,167	**2,309**	2,287
Income tax receivable	**13,322**	9,200	**13,310**	6,658
	17,462	15,367	**15,619**	8,945

11 net impairment on financial assets

		THE GROUP		THE COMPANY	
MRs000	notes	**2020**	2019	**2020**	2019
Amount written off		**565**	-	**565**	-
Net loss allowance recognised in profit or loss (trade and other receivables)	9	**5,196**	5,807	**2,200**	1,703
Net loss allowance recognised in profit or loss (other financial assets)	10	**332**	665	**332**	665
		6,093	6,472	**3,097**	2,368

12 share capital

MRs000	2020	2019
Issued and fully paid		
At July 1st and June 30th	**2,000,000**	2,000,000

13 retained earnings

MRs000	the company	subsidiaries	associates	consolidation adjustment	the group
At July 1st 2019 (as previously reported)	1,611,137	543,152	(19,076)	(47,783)	2,087,430
Effect of adoption of IFRS 16 Leases	(5,643)	-	-	-	(5,643)
At July 1st 2019 (as restated)	1,605,494	543,152	(19,076)	(47,783)	2,081,787
Profit attributable to shareholders	2,180	3,687	-	(838)	5,029
Transfer	-	(19)	-	-	(19)
Other comprehensive income for the year	(1,787)	2,383	-	-	596
At June 30th 2020	**1,605,887**	**549,203**	**(19,076)**	**(48,621)**	**2,087,393**

14 borrowings

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Non-current				
Bank loan	**520,000**	520,000	**520,000**	520,000
	520,000	520,000	**520,000**	520,000
Current				
Bank overdrafts	**121,930**	85,694	**102,705**	57,816
Loan from subsidiary companies at call	**-**	-	**23,200**	18,200
Other loan	**14,100**	-	**14,100**	-
	136,030	85,694	**140,005**	76,016
Total borrowings	**656,030**	605,694	**660,005**	596,016

Bank overdrafts

› The bank overdrafts are secured by floating charges over the assets of the group.

The group's borrowings are denominated in mauritian rupee. The carrying amounts of borrowings were not materially different from their fair values.

The effective interest rates at the reporting date were

%	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Bank overdrafts	**4.10**	5.75	**4.10**	5.75
Bank borrowings	**4.10**	5.75	**4.10**	5.75

14 borrowings *continued*

The exposure of the borrowings to interest rate changes at the end of the reporting period

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Within one year	**136,030**	85,694	**140,005**	76,016

The maturity of non-current borrowings

THE GROUP AND THE COMPANY MRs000	2020	2019
After one year and before two years	**48,000**	24,000
After two years and before three years	**48,000**	48,000
After three years and before five years	**124,000**	120,500
After five years	**300,000**	327,500
	520,000	520,000

15 deferred tax

Deferred tax liability/(asset)

MRs000	at July 1st 2019	adjustment on initial application of IFRS 16	at July 1st 2019	charge/ (credit) to statement of profit or loss	credit to statement of other comprehensive income	**at June 30th 2020**
THE GROUP						
Provisions	(8,708)	-	(8,708)	685	-	**(8,023)**
Retirement benefit obligations	(5,388)	-	(5,388)	(398)	122	**(5,664)**
Right-of-use assets and lease liabilities	-	(1,463)	(1,463)	(133)	-	**(1,596)**
Tax losses	(8,266)	-	(8,266)	(3,820)	-	**(12,086)**
Deferred tax assets	(22,362)	(1,463)	(23,825)	(3,666)	122	**(27,369)**
Accelerated capital allowances	99,168	-	99,168	17,814	-	**116,982**
Fair value gains	115,286	-	115,286	-	-	**115,286**
Deferred tax liabilities	214,454	-	214,454	17,814	-	**232,268**
Net deferred tax	192,092	(1,463)	190,629	14,148	122	**204,899**

› The above table currently shows the deferred tax assets and deferred tax liabilities as gross amounts.

15 deferred tax *continued*

Deferred tax liabilities

MRs000	at July 1st 2019	adjustment on initial application of IFRS 16	at July 1st 2019	charge/ (credit) to statement of profit or loss	credit to statement of other comprehen-sive income	**at June 30th 2020**
THE COMPANY						
Right-of-use assets and lease liabilities	-	(1,463)	(1,463)	(133)	-	**(1,596)**
Accelerated capital allowances	70,246	-	70,246	16,988	-	**87,234**
Provisions	(5,401)	-	(5,401)	(289)	-	**(5,690)**
Retirement benefit obligations	(1,601)	-	(1,601)	191	(366)	**(1,776)**
Tax losses	(6,644)	-	(6,644)	(5,442)		**(12,086)**
Fair value gains	91,471	-	91,471	-	-	**91,471**
	148,071	(1,463)	146,608	11,315	(366)	**157,557**

› The tax losses are in respect of annual allowances which can be carried forward indefinitely.

› 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 for Group 2020 and should the amounts for 2019 be shown as net, the results would be as follows:

MRs000	**2020**	2019
Deferred tax assets		
Provisions	**(4,443)**	(5,352)
Retirement benefit obligations	**(3,888)**	(3,787)
Tax losses	**-**	(476)
Accelerated capital allowances	**1,114**	922
	(7,217)	(8,693)

MRs000	**2020**	2019
Deferred tax liabilities		
Provisions	**(3,580)**	(3,356)
Retirement benefit obligations	**(1,776)**	(1,601)
Lease liability	**(1,596)**	-
Tax losses	**(12,086)**	(7,790)
Accelerated capital allowances	**115,868**	98,246
Fair value gains	**115,286**	115,286
	212,116	200,785

MRs000	THE GROUP **2020**	THE GROUP 2019	THE COMPANY **2020**	THE COMPANY 2019
Deferred tax assets	**(7,217)**	(8,693)	**(21,148)**	(13,646)
Deferred tax liabilities	**212,116**	200,785	**178,705**	161,717
	204,899	192,092	**157,557**	148,071

› Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2019: 17%).

MRs000	notes	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
The movement in the deferred income tax account					
At July 1st (as previously reported)		**192,092**	158,859	**148,071**	116,580
Adjustment on initial application of IFRS 16 - Leases	1	**(1,463)**	-	**(1,463)**	-
At July 1st (as restated)		**190,629**	158,859	**146,608**	116,580
Acquisition through business combination		**-**	(577)	**-**	-
Charge to profit or loss	21	**14,148**	34,693	**11,315**	31,780
Charge/(credit) to other comprehensive income		**122**	(883)	**(366)**	(289)
At June 30th		**204,899**	192,092	**157,557**	148,071

16 retirement benefit obligations

MRs000	note	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Amounts recognised in the statements of financial position					
Other post retirement benefits (gratuity on retirement)		**33,317**	31,694	**10,448**	9,417
Amounts recognised in the statements of profit or loss and other comprehensive income					
Release in respect of leavers		**(84)**	(1,116)	**-**	-
Provision for the year		**5,408**	5,664	**1,255**	854
Total included in employee benefit expense	19	**5,324**	4,548	**1,255**	854
Movement in the liability recognised in the statements of financial position					
At July 1st		**31,694**	23,549	**9,417**	8,197
Gratuity on retirement paid		**(2,248)**	(863)	**(1,642)**	(600)
Benefits paid		**(735)**	(735)	**(735)**	(735)
Amount charged to other comprehensive income		**(718)**	5,195	**2,153**	1,701
Expense for the year		**5,324**	4,548	**1,255**	854
At June 30th		**33,317**	31,694	**10,448**	9,417

› Other post retirement benefits comprise gratuity on retirement payable under the Workers' Rights Act 2019.

Principal actuarial assumptions used for accounting purposes were:	2020	2019
Discount rate (%)	**3.2**	6.1
Future salary increases (%)	**1.5**	4.3
Future pension increases (%)	**0.5**	1.5
Average retirement age (ARA)		
Pension scheme members	**60.0**	60.0
Non scheme members	**65.0**	65.0

Sensitivity analysis on retirement benefit obligation at the end of the reporting period

MRs000	2020	2019
Increase due to 1% decrease in discount rate	**852 - 5,063**	760 - 5,194
Decrease due to 1% increase in discount rate	**704 - 4,141**	609 - 4,051

17 other payables

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Amounts owed to parent	**2,316**	3,612	**1,106**	2,236
Amounts owed to subsidiary companies	**-**	-	**185,223**	185,328
Social security and other taxes	**4,598**	3,915	**1,179**	688
Defined contribution plan	**1,687**	843	**344**	180
Advance monies	**35,033**	34,309	**26,438**	25,522
Other payables and accrued expenses: construction costs	**25,361**	61,998	**25,361**	61,998
Other payables and accrued expenses	**67,278**	62,776	**38,658**	39,090
	136,273	167,453	**278,309**	315,042

- Other payables are interest free and have settlement dates within one year. The carrying amounts of other payables approximate their fair values.
- Advance monies consist of deposit from tenants.
- Other payables and accrued expenses: construction costs relate to accruals for phase 3 construction costs.
- Other payables and accrued expenses relate to trade payables and accruals.

17A contract liabilities

Liabilities related to contracts with customers

THE GROUP

MRs000	2020	2019
Opening balance	**1,687**	1,524
Amount included in contract liabilities that was recognised as revenue during the year	**(3,330)**	(1,919)
Cash received (or rights to cash) in advance of performance and not recognised as revenue during the year	**2,828**	2,082
Closing balance	**1,185**	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.

18 other reserves

THE GROUP

MRs000	translation reserve
At July 1st 2018	(172)
Currency translation differences	153
At June 30th 2019	(19)
At July 1st 2019	(19)
Transfer	19
At June 30th 2020	**-**

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

19 operating profit

MRs000	notes	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Operating profit is arrived at after crediting					
Rental income		**230,960**	236,060	**193,061**	197,449
Sale of goods		**17,043**	24,353	**-**	-
Sale of services		**247,190**	231,276	**-**	-
Profit on disposal of property, plant and equipment		**1,271**	1,208	**21**	-
Income from other operating activities		**22,350**	11,620	**18,277**	8,347
and after charging					
Depreciation on property, plant and equipment	4	**20,223**	19,793	**9,186**	8,801
Amortisation of intangible assets	5	**552**	358	**239**	96
Amortisation of prepaid operating lease payments	3	**-**	6	**-**	6
Operating lease rentals		**-**	8,223	**-**	4,772
Loss on disposal of property, plant and equipment		**-**	107	**-**	107
Employee benefit expense		**252,675**	232,813	**49,057**	43,987

› Income from other operating activities include food and beverages revenue and sales of theatre tickets.

Analysis of employee benefit expense included above

MRs000	note	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Wages and salaries		**226,644**	208,202	**43,632**	39,335
Social security costs		**11,144**	10,474	**2,301**	1,828
Pension costs					
Defined contribution plan		**9,563**	9,589	**1,869**	1,970
Other post retirement benefits	16	**5,324**	4,548	**1,255**	854
		252,675	232,813	**49,057**	43,987

20 finance costs/(income)

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Finance costs				
Interest expense				
Bank overdrafts	**5,626**	9,197	**4,875**	8,300
Bank loan	**27,602**	11,059	**27,602**	11,059
Other loans at call	**1,077**	1,565	**2,055**	2,885
Foreign exchange loss	**23**	54	**-**	-
Interest on lease liabilities	**2,095**	-	**2,095**	-
	36,423	21,875	**36,627**	22,244
Finance income				
Interest income	**(264)**	(457)	**(12,389)**	(11,272)
Foreign exchange gain	**(112)**	(163)	**(112)**	(163)
	(376)	(620)	**(12,501)**	(11,435)
Net finance costs	**36,047**	21,255	**24,126**	10,809

21 income tax expense

MRs000	note	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Based on the profit for the year, as adjusted for tax purposes, at 15%		**3,194**	2,636	**-**	-
Underprovision/(overprovision) of tax in previous year		**162**	(73)	**-**	229
Deferred income tax movement for the year	15	**14,148**	34,693	**11,315**	31,780
Corporate social responsibility expense		**430**	353	**-**	-
Charge to statement of profit or loss		**17,934**	37,609	**11,315**	32,009
Deferred income tax charge					
Lease liabilities		**(133)**	-	**(133)**	-
Accelerated capital allowances		**17,814**	9,287	**16,988**	8,036
Provisions		**685**	(1,766)	**(289)**	(324)
Retirement benefit obligations		**(398)**	-	**191**	-
Fair value gains		**-**	34,833	**-**	30,712
Tax losses		**(3,820)**	(7,661)	**(5,442)**	(6,644)
		14,148	34,693	**11,315**	31,780

› Reconciliation between the applicable income tax rate of 15.0% for the group and the company and the effective rate of income tax of the group of 78.1% (2019: 14.7%) and the company of 83.8% (2019: 14.3%).

As a percentage of profit before income tax

%	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Income tax rate	**15.0**	15.0	**15.0**	15.0
Impact of				
Disallowable items	**22.7**	0.4	**18.6**	0.2
Exempt income *	**(10.4)**	(5.1)	**(12.6)**	(5.7)
Balancing charge	**-**	0.1	**-**	0.1
Reversal of tax loss	**-**	(0.3)	**-**	-
Deferred tax rate differential in CSR tax **	**6.2**	1.8	**9.9**	1.8
Underprovision of deferred tax in previous year	**31.1**	-	**52.9**	-
Unutilised tax losses	**10.9**	2.7	**-**	2.7
Underprovision of tax in previous year	**0.7**	(0.1)	**-**	0.2
Corporate social responsibility	**1.9**	0.2	**-**	-
Average effective income tax rate	**78.1**	14.7	**83.8**	14.3

› Balancing charge represents difference between sales proceeds and tax written down value.

* Included in this line item in prior year are other allowable items (0.1) and other differences (4.9) relating to differences for accelerated capital allowances.
** This relates to the effect of different tax rates since income tax is charged at 15% and deferred tax is calculated at 17%.

22 earnings per share

› Earnings per share is calculated on the basis of the group profit for the year and the number of shares in issue and ranking for dividends during the two years under review.

THE GROUP MRs000	**2020**	2019
Profit attributable to owners of the parent	**5,029**	218,772
Weighted average number of shares in issue during the year (thousands)	**2,000,000**	2,000,000

23 dividend proposed

THE GROUP AND THE COMPANY MRs000	**2020**	2019
Final dividend of MRe0.04 per share for the year ended June 30th 2019 paid in August 2019	**-**	80,000

› No dividend has been declared at June 30th 2020.

24 segment information

2020	note	property	security	inter-segment adjustments and eliminations	total
MRs000					
Revenues					
External sales		253,310	264,233	-	517,543
Intersegment sales		4,800	23,021	(27,821)	-
Total revenue		258,110	287,254	(27,821)	517,543
Direct operating expenses	(a)	(148,456)	(227,386)	22,920	(352,922)
Administrative expenses		(51,993)	(46,302)	4,348	(93,947)
Total expenses		(200,449)	(273,688)	27,268	(446,869)
Segment result		57,661	13,566	(553)	70,674
Impairment of goodwill		-	(5,571)	-	(5,571)
Net impairment on financial assets		(2,975)	(3,118)	-	(6,093)
Finance income		160	1,194	(978)	376
Finance costs		(36,626)	(1,575)	1,778	(36,423)
Profit before income tax		18,220	4,496	247	22,963
Taxation		(15,074)	(2,860)	-	(17,934)
Profit attributable to owners of the parent		3,146	1,636	247	5,029
Segment assets		5,074,696	108,177	(17,392)	5,165,481
Segment liabilities		1,027,361	67,275	(17,741)	1,076,895
Current tax liabilities		-	1,193	-	1,193
		1,027,361	68,468	(17,741)	1,078,088
Capital expenditure		43,604	11,113	-	54,717
Depreciation and amortisation		10,860	9,915	-	20,775

The following is an analysis of the revenue for the year:

THE GROUP MRs000	**2020**	2019
Product type		
Revenue from the sale of goods	**17,043**	24,353
Revenue from rendering of services	**247,190**	231,276
Rental income	**230,960**	236,060
Income from other operating activities	**22,350**	11,620
	517,543	503,309

Disaggregation of revenue from contracts with customers

THE GROUP

MRs000	2020	2019
Timing of revenue recognition		
At a point in time	**241,259**	214,384
Over time	**22,974**	41,245
	264,233	255,629

The above does not tally with total revenue as per statement of profit or loss since the group has other sources of income such as rental income and income from other operating activities amounting to MRs253.368m (2019: MRs254.674m), which do not fall under the scope of IFRS 15.

(a) Operating expenses by segment

2020

MRs000	property	security
Employee benefit costs	33,246	179,676
Repairs and maintenance	35,343	-
Security fees	21,747	-
Cost of alarm	-	16,903
Marketing and advertising	12,551	-
Utilities	13,205	-
Motor vehicle running expenses	-	11,232
Restaurant costs	10,328	-
Depreciation	-	6,348
Rates and taxes	4,721	-
Other expenses	17,315	13,227
	148,456	227,386

2020 MRs000	property	security	inter-segment eliminations	total
Cash flows arising on:				
Operating activities	17,667	27,181	(4,800)	40,048
Investing activities	4,459	(9,764)	-	(5,305)
Financing activities	(65,282)	(9,800)	4,800	(70,282)
	(43,156)	7,617	-	(35,539)

24 segment information *continued*

2019 MRs000	note	property	security	inter-segment adjustments and eliminations	total
Revenues					
External sales		247,680	255,629	-	503,309
Intersegment sales		4,800	27,691	(32,491)	-
Total revenue		252,480	283,320	(32,491)	503,309
Direct operating expenses	(b)	(134,094)	(226,028)	26,717	(333,405)
Administrative expenses		(39,731)	(51,741)	4,800	(86,672)
Total expenses		(173,825)	(277,769)	31,517	(420,077)
Segment result		78,655	5,551	(974)	83,232
Net gain from fair value adjustment on investment property		197,168	-	-	197,168
Gain on remeasurement of equity interests		-	3,708	-	3,708
Net impairment on financial assets		(3,097)	(3,375)	-	(6,472)
Finance income		183	1,757	(1,320)	620
Finance costs		(22,245)	(950)	1,320	(21,875)
Profit before income tax		250,664	6,691	(974)	256,381
Taxation		(36,970)	(639)	-	(37,609)
Profit attributable to owners of the parent		213,694	6,052	(974)	218,772
Segment assets		5,092,725	97,130	-	5,189,855
Segment liabilities		966,755	54,227	-	1,020,982
Current tax liabilities		-	1,462	-	1,462
Dividend proposed		80,000	-	-	80,000
		1,046,755	55,689	-	1,102,444
Capital expenditure		516,759	13,899	-	530,658
Depreciation and amortisation		10,167	9,990	-	20,157

› All activities of the group are carried out in Mauritius.

(b) Operating expenses by segment

2019 MRs000	property	security
Employee benefit costs	28,709	164,512
Repairs and maintenance	28,872	-
Cost of alarm	-	32,350
Security fees	17,321	-
Motor vehicle running expenses	-	13,515
Marketing and advertising	11,077	-
Utilities	10,480	-
Rent, rates and taxes	8,099	-
Restaurant costs	8,088	-
Depreciation	-	6,436
Other expenses	21,448	9,215
	134,094	226,028

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 are as follows:

Segment	Activity
Property	rental income and income from other operating activities (theatre and F&B revenue)
Security	security and property protection services and sales of equipment

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.

Geographical information

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

2019 MRs000	property	security	total
Cash flows arising on:			
Operating activities	53,346	3,818	57,164
Investing activities	(515,353)	(17,253)	(532,606)
Financing activities	453,150	(13,150)	440,000
	(8,857)	(26,585)	(35,442)

25 commitments and contingencies

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Capital				
Commitment in respect of future capital expenditure authorised by the directors and not provided in the financial statements	-	10,000	-	10,000

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Future minimum lease payments under non-cancellable operating leases				
Not later than 1 year	-	3,932	-	3,932
Later than 1 year and not later than 2 years	-	3,932	-	3,932
Later than 2 years and not later than 5 years	-	11,796	-	11,796
	-	19,660	-	19,660

The lease is in respect of land at Riche Terre which expires on May 31st 2031 and is renewable for another period of twenty years and a further period of thirty nine years. Rental income derived from rental of industrial building at Riche Terre amounts to MRs12.538m (2019: MRs12.206m).

25 commitments and contingencies *continued*

Operating leases - Group as a lessor

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Future minimum lease rentals receivable under non-cancellable operating leases				
Not later than 1 year	**126,038**	160,971	**96,835**	126,120
Later than 1 year and not later than 5 years	**159,150**	218,377	**95,633**	142,683
Later than 5 years	**59,313**	102,478	**57,856**	83,427
	344,501	481,826	**250,324**	352,230

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

› Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored by management.

Contingencies

THE GROUP MRs000	2020	2019
Contingent liabilities		
Bank guarantees to third parties	**4,966**	3,965

26 parent and ultimate parent

The directors regard Promotion and Development Ltd, which is incorporated in the Republic of Mauritius, as the parent, ultimate parent and ultimate controlling party.

27 related party transactions

Transactions carried out by the group with related parties

2020	rental/ other income	payment in respect of invest-ment property	operating expenses	rental payments	manage-ment fees expense/ (income)	net interest expense/ (income)	emolu-ments and benefits
MRs000							
Parent	**39**	**832**	**-**	**3,932**	**12,896**	**989**	**-**
Associate	**16,797**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**22,610**	**-**	**1,846**	**-**	**-**	**-**	**-**
Shareholders with significant influence	**16,515**	**-**	**1,016**	**-**	**-**	**33,228**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**-**	**105**	**-**	**-**	**-**	**-**
Key management personnel and directors	**625**	**-**	**-**	**-**	**-**	**-**	**12,156**

2019							
Parent	83	11,366	3,932	-	12,069	1,549	-
Associate	16,634	-	-	-	-	-	-
Associate of parent	16,856	-	1,680	-	-	-	-
Joint venture in which the group is a venturer	471	-	11	-	(108)	(83)	-
Shareholders with significant influence	14,864	-	661	-	-	20,256	-
Enterprises in which directors/key management personnel (and close families) have significant interest	744	-	13	-	-	-	-
Key management personnel and directors	260	-	-	-	-	-	11,439

27 related party transactions *continued*

Key management personnel compensation

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Remuneration and other benefits relating to key management personnel, including directors				
Salaries and short term employee benefits	**10,574**	10,306	**6,289**	6,128
Post employments benefits	**1,582**	1,133	**755**	595
	12,156	11,439	**7,044**	6,723

Transactions carried out by the company with related parties

2020 MRs000	purchase of property plant & equipment	rental/ other income	payment in respect of invest-ment property	operating expenses	rental payments	manage-ment fees expense	net interest expense/ (income)	net loan received from	emolu-ments and benefits
Parent	**-**	**29**	**761**	**-**	**3,932**	**9,755**	**989**	**-**	**-**
Associate	**-**	**363**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associate of parent	**-**	**-**	**-**	**1,201**	**-**	**-**	**-**	**-**	**-**
Subsidiary companies	**205**	**6,279**	**-**	**15,474**	**-**	**-**	**(10,890)**	**5,000**	**-**
Shareholders with significant influence	**-**	**2,693**	**-**	**1,016**	**-**	**-**	**32,477**	**-**	**-**
Enterprises in which directors/key management personnel (and close families) have significant interest	**-**	**-**	**-**	**105**	**-**	**-**	**-**	**-**	**-**
Key management personnel and directors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,044**
2019									
Parent	-	73	11,046	3,932	-	8,643	1,549	-	-
Associate	-	363	-	-	-	-	-	-	-
Associate of parent	-	-	-	537	-	-	-	-	-
Joint venture in which the group is a venturer	-	-	-	11	-	-	-	-	-
Subsidiary companies	9,721	6,296	-	10,696	-	-	(9,932)	18,200	-
Shareholders with significant influence	-	2,655	-	661	-	-	19,359	-	-
Enterprises in which directors/key management personnel (and close families) have significant interest	-	744	-	13	-	-	-	-	-
Key management personnel and directors	-	-	-	-	-	-	-	-	6,723

› The related party transactions were carried out on normal commercial terms and at prevailing market prices. › There is a management service fee contract between the company and Promotion and Development Ltd (PAD) which is the ultimate parent. The management fees paid to PAD 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 and (3) agents fees equivalent to 1 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. None of the investments in associates have been impaired during the year. › For the year ended June 30th 2020, the group has not recorded any impairment of receivables relating to amounts owed by related parties (2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

THE GROUP

Outstanding balances in respect of related party transactions at the end of the reporting period

2020	receivables from related companies	borrowings payable to related companies	payables to related companies
MRs000			
Parent	**-**	**-**	**2,316**
Associate of parent	**9,048**	**-**	**-**
Shareholders with significant influence	**2,792**	**641,930**	**135**
Key management personnel and directors	**51**	**-**	**5**
2019			
Parent	-	-	3,612
Associate of parent	6,382	-	-
Shareholders with significant influence	7,475	605,694	151
Key management personnel and directors	55	-	-

28 currency

The financial statements are presented in thousands of Mauritian Rupees.

29 right-of-use assets

Set out below is the carrying amount of right-of-use asset recognised and the movement during the year:

THE GROUP AND THE COMPANY

MRs000	land	total
At July 1st 2019 - Adoption of IFRS 16	32,093	32,093
Depreciation	(3,076)	(3,076)
At June 30th 2020	**29,017**	**29,017**

30 lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movement during the year:

THE GROUP AND THE COMPANY

MRs000	land	total
At July 1st 2019 - Adoption of IFRS 16	40,261	40,261
Interest expense	2,095	2,095
Lease payments	(4,382)	(4,382)
At June 30th 2020	**37,974**	**37,974**
Analysed as follows:		
Current		5,590
Non-current		32,384
		37,974

› The leases are in respect of land, at Le Caudan Waterfront, which will expire on June 30th 2024 and is renewable for three further periods of ten years, and at Riche Terre which will expire on May 31st 2031 and is renewable for a period of twenty years and another period of thirty nine years.

MRs000	minimum lease payments 2019	finance charges 2019	present value of minimum lease payments 2019
Amounts payable under lease liabilities			
Within one year	2,287	2,095	4,382
After one year and before two years	5,590	1,942	7,532
After two years and before five years	10,118	4,784	14,902
After five years	22,266	5,259	27,525
	40,261	14,080	54,341
Less: Future finance charges			(14,080)
	40,261	14,080	40,261

› For financial year 2020, the maturity analysis of lease liabilities are disclosed in note 1.

› The Group had total cash outflows for leases amounting to MRs4.4m.

› Non-cash additions to right-of-use assets and lease liabilities amounted to MRs29.0m and MRs38.0m respectively.

31 cash received from other operating activities

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Cash received from theatre revenue	**6,625**	3,765	**2,262**	328
Cash received from food and beverages revenue	**34,887**	12,973	**34,887**	12,973
	41,512	16,738	**37,149**	13,301

32 operating cash payments

MRs000	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Staff and other related costs	**255,618**	235,670	**49,701**	43,994
Purchase of goods and services	**167,299**	161,079	**116,713**	78,439
Total operating cash payments	**422,917**	396,749	**166,414**	122,433

33 subsequent events

- There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended June 30th 2020.

34 covid-19 impact

The recent emergence of the COVID-19 pandemic in early 2020 has led to significant volatility and uncertainty across various sectors of the economy in which our group companies operate, notably investments holding, tourism, hospitality and retail.

The prolonged lockdown and closure of borders until recently have caused many disruptions to our activities.

The following is an analysis of the possible impact of COVID-19 on various other aspects of our group:

Going concern
In the light of the anticipated long term economic impact of COVID-19, Management has made an assessment of the Group's ability to continue as a going concern.

A series of measures are being taken to mitigate the downside risks caused by the outbreak and management is satisfied that there is no material uncertainty around the going concern assumption.

Rental payments from tenants
The Government came up with a series of measures by introducing a moratorium of rental payments from tenants.
Management has been working in close collaboration with all its tenants by providing rent reliefs and concessions to all those severely hit by this crisis.
Close monitoring is being done to work on repayment plans so that the group's cash flow is properly managed.

Management has also considered the following to be the most likely impacts on the group's business:
- an increase in the vacancies rate for commercial;
- a decrease in the demand for security services as a result of the anticipated decline in economic activities and rising unemployment rate.

The following measures are in progress to mitigate the impact of COVID-19 on the Group:
- Regular monitoring of the cash flow of the group;
- A more proactive marketing approach.

However, it should be noted that the full magnitude of the economic and financial impact of COVID-19 will depend on a number of factors as described below:
- The duration and severity of the spread of the virus across the globe;
- The duration and extent of the preventive measures by government; and
- The duration and extent of government continuing support and measures to stimulate the economy.

directors of subsidiaries

Directors of subsidiary companies holding office at the end of the accounting period

Caudan Leisure 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
Dhunpathlall Bhima
Bertrand de Chazal
Deepak K. Lakhabhay
René Leclézio
Jocelyne Martin
Mooroogassen Soopramanien

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

Harbour Cruise Ltd
René Leclézio

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

Caudan Communauté
René Leclézio
Jocelyne Martin

supplementary information

› Three year summary of published results:

THE GROUP

MRs000	2020	2019	2018
Statements of profit and loss and other comprehensive income			
Revenue	**517,543**	503,309	481,870
Profit before income tax	**22,963**	256,381	140,287
Taxation	**(17,934)**	(37,609)	(36,703)
Profit attributable to owners of the parent	**5,029**	218,772	103,584
Other comprehensive income for the year	**596**	(4,159)	(469)
Total comprehensive income attributable to owners of the parent	**5,625**	214,613	103,115
Adjusted profit attributable to owners of the parent	**10,600**	55,388	96,584
Rate of dividend (%)	**-**	4%	4%
Dividend per share (MRe)	**-**	0.04	0.04
Earnings per share (MRe)	**0.0025**	0.1094	0.0518
Adjusted earnings per share (MRe)	**0.0053**	0.0277	0.0483

› Adjusted earnings per share is calculated on the basis of the group profit for the year excluding gain on remeasurement of equity interests, net gain from fair value adjustment on investment property and impairment of goodwill divided by the number of shares in issue and ranking for dividends.

THE GROUP

MRs000	2020	2019
Profit attributable to owners of the parent	**5,029**	218,772
Impairment of goodwill	**5,571**	-
Net gain from fair value adjustment on investment property (net of deferred tax)	**-**	(159,676)
Gain on remeasurement of equity interests	**-**	(3,708)
Adjusted earnings attributable to owners of the parent	**10,600**	55,388
Weighted average number of shares in issue during the year (thousands)	**2,000,000**	2,000,000

› Three year summary of assets and liabilities:

THE GROUP

MRs000	2020	2019	2018
Statements of financial position			
Non-current assets	**5,046,588**	5,083,922	4,390,960
Current assets	**118,893**	105,933	154,037
Total assets	**5,165,481**	5,189,855	4,544,997
Total equity	**4,087,393**	4,087,411	3,958,140
Non-current liabilities	**797,817**	766,148	193,865
Current liabilities	**280,271**	336,296	392,992
Total equity and liabilities	**5,165,481**	5,189,855	4,544,997
Net assets value per share (MRs)	**2.04**	2.04	1.98
Number of shares	**2,000,000,000**	2,000,000,000	2,000,000,000

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