



PROMOTION AND DEVELOPMENT LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS
JUNE 30TH 2020

STATEMENTS OF FINANCIAL POSITION

MRs000	30 Jun 20	THE GROUP 30 Jun 19 Restated	THE COMPANY 01 Jul 18 Restated	30 Jun 20	30 Jun 19
Assets					
Non-current assets					
Investment property	4,853,616	4,898,514	4,303,824	175,250	175,250
Investments in subsidiary companies	-	-	-	1,540,550	1,594,294
Investments in associates	6,398,501	6,687,166	6,810,536	2,549,179	3,103,802
Financial assets at fair value through other comprehensive income	2,359,871	2,701,530	2,271,270	2,356,348	2,697,362
Other non-current assets	424,587	432,768	341,285	86,018	88,972
	14,036,575	14,719,978	13,726,915	6,707,345	7,659,680
Current assets					
Other non-current assets	156,703	237,954	261,156	40,075	192,087
Total assets	14,193,278	14,957,932	13,988,071	6,747,420	7,851,767
Equity and liabilities					
Capital and reserves					
Share capital	194,854	194,854	194,854	194,854	194,854
Other reserves	6,740,208	7,328,081	7,314,218	2,171,721	3,255,626
Retained earnings	3,784,989	3,963,824	3,667,645	3,155,104	3,159,665
	10,720,051	11,486,759	11,176,717	5,521,679	6,610,145
Less: Treasury shares	(261)	(371)	(104)	(261)	(371)
Equity attributable to owners of the parent	10,719,790	11,486,388	11,176,613	5,521,418	6,609,774
Non-controlling interests	1,202,347	1,200,881	1,161,332	-	-
Total equity	11,922,137	12,687,269	12,337,945	5,521,418	6,609,774
Liabilities					
Non-current liabilities					
Borrowings	1,170,000	1,170,000	650,000	650,000	650,000
Other non-current liabilities	273,004	240,954	218,439	23,659	8,476
	1,443,004	1,410,954	868,439	673,659	658,476
Current liabilities					
Borrowings	650,825	520,056	366,398	514,795	434,362
Dividend proposed	-	103,075	101,269	-	103,075
Other current liabilities	177,312	236,578	314,020	37,548	46,080
	828,137	859,709	781,687	552,343	583,517
	2,271,141	2,270,663	1,650,126	1,226,001	1,241,993
Total liabilities	14,193,278	14,957,932	13,988,071	6,747,420	7,851,767
Total equity and liabilities					
Net assets per share (MRs)	275.44	295.31	286.95	141.87	169.93
Number of shares	38,918,280	38,896,267	38,949,760	38,918,280	38,896,267

STATEMENTS OF CHANGES IN EQUITY

MRs000	Share capital	Attributable to owners of the parent Treasury shares	Other reserves	Retained earnings	Total	Non controlling interests	Total equity
THE GROUP							
At July 1st 2018 (as previously reported)	194,854	(104)	6,821,976	3,667,645	10,684,371	1,161,332	11,845,703
Effect of prior year adjustment by associate	-	-	492,242	-	492,242	-	492,242
At July 1st 2018 (as restated)	194,854	(104)	7,314,218	3,667,645	11,176,613	1,161,332	12,337,945
Shares held as treasury	-	(267)	(5,724)	-	(5,991)	-	(5,991)
Impact of change in shareholding in associates	-	-	-	(1,462)	(1,462)	-	(1,462)
Dividend	-	-	-	(147,867)	(147,867)	(23,504)	(171,371)
Profit for the year	-	-	-	306,372	306,372	64,275	370,647
Transfer	-	-	(138,990)	138,990	-	-	-
Other comprehensive income for the year	-	-	158,577	146	158,723	(1,222)	157,501
At June 30th 2019	194,854	(371)	7,328,081	3,963,824	11,486,388	1,200,881	12,687,269
At July 1st 2019 (as previously reported)	194,854	(371)	7,328,081	3,963,824	11,486,388	1,200,881	12,687,269
Effect of adoption of IFRS 16 Leases	-	-	-	(19,925)	(19,925)	(258)	(20,183)
At July 1st 2019 (as restated)	194,854	(371)	7,328,081	3,943,899	11,466,463	1,200,623	12,667,086
Exercise of share options	-	110	2,290	-	2,400	-	2,400
Impact of change on disposal of subsidiary by associate	-	-	(18,112)	18,112	-	-	-
Dividend	-	-	-	(50,593)	(50,593)	-	(50,593)
Loss for the year	-	-	-	(149,022)	(149,022)	1,549	(147,473)
Transfer	-	-	(23,372)	23,372	-	-	-
Other comprehensive income for the year	-	-	(548,679)	(779)	(549,458)	175	(549,283)
At June 30th 2020	194,854	(261)	6,740,208	3,784,989	10,719,790	1,202,347	11,922,137
THE COMPANY							
At July 1st 2018	194,854	(104)	3,700,498	2,934,541	6,829,789	-	6,829,789
Shares held as treasury	-	(267)	(5,724)	-	(5,991)	-	(5,991)
Transfer	-	-	(10,481)	10,481	-	-	-
Dividend	-	-	-	(147,867)	(147,867)	-	(147,867)
Profit for the year	-	-	-	362,510	362,510	-	362,510
Other comprehensive income for the year	-	-	(428,667)	-	(428,667)	-	(428,667)
At June 30th 2019	194,854	(371)	3,255,626	3,159,665	6,609,774	-	6,609,774
At July 1st 2019	194,854	(371)	3,255,626	3,159,665	6,609,774	-	6,609,774
Exercise of share options	-	110	2,290	-	2,400	-	2,400
Transfer	-	-	(6,055)	6,055	-	-	-
Dividend	-	-	-	(50,593)	(50,593)	-	(50,593)
Profit for the year	-	-	-	39,977	39,977	-	39,977
Other comprehensive income for the year	-	-	(1,080,140)	-	(1,080,140)	-	(1,080,140)
At June 30th 2020	194,854	(261)	2,171,721	3,155,104	5,521,418	-	5,521,418

STATEMENTS OF CASH FLOWS

MRs000	THE GROUP 30 Jun 20	THE GROUP 30 Jun 19	THE COMPANY 30 Jun 20	THE COMPANY 30 Jun 19
Net cash used in operating activities	(83,784)	(50,569)	(117,843)	(94,779)
Net cash generated from/(used in) investing activities	128,854	(451,574)	188,627	124,534
Net cash flow before financing activities	45,070	(502,143)	70,784	29,755
Net cash (used in)/generated from financing activities	(131,822)	376,535	(121,968)	(119,961)
Decrease in cash and cash equivalents	(86,752)	(125,608)	(51,184)	(90,206)
Cash and cash equivalents at beginning of the year	(491,712)	(366,076)	(408,202)	(317,996)
Effect of foreign exchange rate changes	(23)	(28)	-	-
Cash and cash equivalents at end of the year	(578,487)	(491,712)	(459,386)	(408,202)
Analysis of cash and cash equivalents				
Bank and cash balances	2,838	2,244	9	60
Bank overdrafts	(581,325)	(493,956)	(459,395)	(408,262)
	(578,487)	(491,712)	(459,386)	(408,202)

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

These abridged audited financial statements were approved for issue by the Board of Directors on October 16th 2020.

By order of the board

MCB Group Corporate Services Ltd
Secretary

October 16th 2020

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

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

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

MRs000	THE GROUP 30 Jun 20	THE GROUP 30 Jun 19	THE COMPANY 30 Jun 20	THE COMPANY 30 Jun 19
Revenue	587,307	599,081	146,568	345,459
Operating expenses	(500,839)	(474,359)	(69,210)	(71,923)
	86,468	124,722	77,358	273,536
Net impairment on financial assets	(6,093)	(6,472)	-	-
Net finance costs	(91,614)	(81,702)	(57,454)	(60,447)
Net gain from fair value adjustment on investment property	-	225,864	-	14,700
Other income	-	-	20,001	136,866
Profit on disposal of associates	-	8,466	-	-
Impairment of goodwill	(5,571)	-	-	-
Impairment loss in associate	-	(678)	-	-
Gain on remeasurement of equity interests	-	3,708	-	-
Share of results of associates	(112,752)	136,491	-	-
(Loss)/profit before taxation	(129,562)	410,399	39,905	364,655
Taxation	(17,911)	(39,752)	72	(2,145)
(Loss)/profit for the year	(147,473)	370,647	39,977	362,510

Other comprehensive income:

Items that will not be reclassified to profit or loss:

Remeasurement of retirement benefit obligations, net of deferred tax	(16,509)	(3,846)	(17,105)	466
Group's share of other comprehensive income of associates	(120,686)	36,669	-	-
Changes in fair value of financial assets through other comprehensive income	(412,031)	124,177	(411,386)	124,198
Changes in fair value of investments in subsidiaries	-	-	(53,744)	(79,617)
Changes in fair value of investments in associates	-	-	(597,905)	(473,714)

Items that may be reclassified subsequently to profit or loss:

Group's share of other comprehensive income of associates	(57)	348	-	-
Currency translation differences	-	153	-	-
Other comprehensive income for the year, net of tax	(549,283)	157,501	(1,080,140)	(428,667)

Total comprehensive income for the year

	(696,756)	528,148	(1,040,163)	(66,157)
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(Loss)/profit for the year attributable to:

Owners of the parent	(149,022)	306,372	39,977	362,510
Non-controlling interests	1,549	64,275	-	-
	(147,473)	370,647	39,977	362,510

Total comprehensive income for the year attributable to:

Owners of the parent	(698,480)	465,095	(1,040,163)	(66,157)
Non-controlling interests	1,724	63,053	-	-
	(696,756)	528,148	(1,040,163)	(66,157)

MRs

(Loss)/earnings per share	(3.83)	7.87	-	-
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Notes

The abridged financial statements have been audited by Ernst & Young and have been extracted from the audited financial statements for the year ended June 30th 2020 which have been prepared in compliance with the Companies Act 2001 and in accordance with International Financial Reporting Standards (IFRSs) for the year under review.

Net assets value per share (NAV)

Company NAV stood at MRs141.87 at June 30th 2020 compared to MRs169.93 at the start of the financial year, a decrease of 16.5 per cent whilst group NAV decreased by 6.7 per cent to stand at MRs275.44. The drop in NAV is largely attributable to the loss recorded on our equity investment portfolio. The advent of the COVID-19 pandemic created significant social and economic disruption in the second half of the financial year, causing extreme economic uncertainty, and resulting in extreme fluctuations in the local and global stock markets.

Adjusted (loss)/earnings

(Loss)/earnings adjusted to remove the effect of unusual revenue and expenses and one-time influences:

MRs000	THE GROUP 30 Jun 20	THE GROUP 30 Jun 19	THE COMPANY 30 Jun 20	THE COMPANY 30 Jun 19
(Loss)/profit attributable to owners of the parent	(149,022)	306,372	39,977	362,510
Gain on remeasurement of equity interests	-	(2,619)	-	-
Other gains-associates	3,264	(13,122)	-	-
Impairment of goodwill (net of non-controlling interests)	3,934	-	-	-
Non-recurring items (Exceptional dividends from associate)	-	-	-	(136,866)
Gain on bargain purchase	(1,503)	-	-	-
Net gain from fair value adjustment on investment property (net of non-controlling interests and deferred tax)	-	(141,342)	-	(14,583)
Adjusted (loss)/earnings attributable to owners of the parent	(143,327)	149,289	39,977	211,061
Adjusted (loss)/earnings per share (MRs)	(3.68)	3.83	-	-

(Loss)/earnings for the year

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

MRs000	THE GROUP 30 Jun 20	THE GROUP 30 Jun 19
(Loss)/profit attributable to owners of the parent	(149,022)	306,372

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

	38,912,420	38,936,387
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Results

The profit attributable to shareholders amounted to MRs40.0m at company level, in comparison to MRs362.5m last year whilst at group level, a loss of MRs 149.0m was registered (June 2019: profit of MRs306.3m).