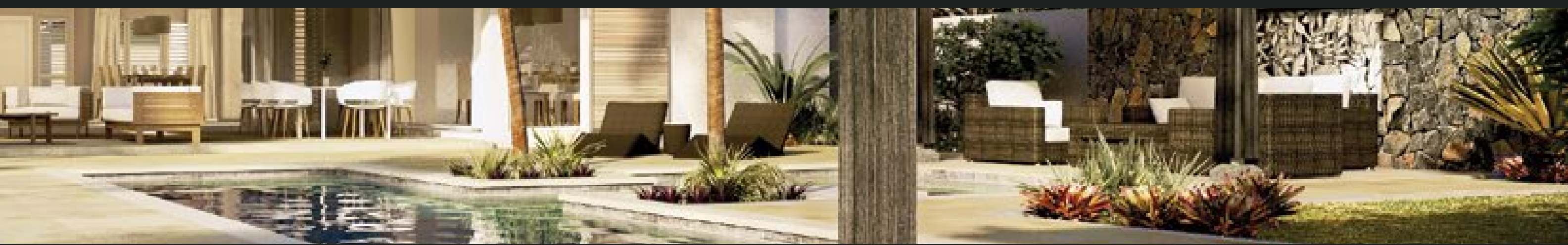
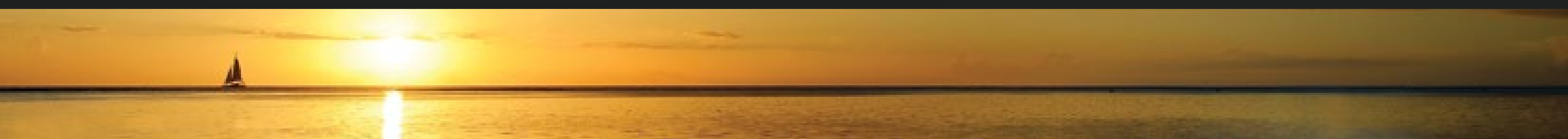
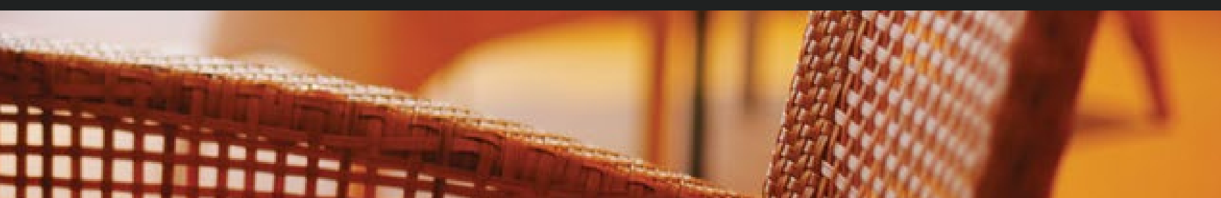
EVACO GROUP







Annual Report 2016

CONTENTS

EVACO

GROUP

2016

Our Vision

“ Owing to our forward-thinking approach, today we are designing the living spaces of tomorrow. Our rapid expansion highlights our aim of becoming a leader in the property and hospitality industries in Africa.”

Arnaud Mayer

CEO's Review

“The ambitious vision of the Group, fuelled by a clear strategy of expansion through improvement in quality and management of cost and time, is already showing encouraging results and the years to come should produce further improvements to our profits.”

The financial year 2015 - 2016 has been successful, laying solid foundations and giving us the impetus to be well prepared for future challenges in line with our Group strategy of total vertical integration and overseas expansion.

The Group has made major investments in more efficient processes and highly-qualified human resources, built up a development land bank in Mauritius, upgraded factory and production equipment and moved into a new head office. The financial year has also been marked by a substantial investment in a large plot of land located at Cap Malheureux, earmarked for future development. Additionally, the Group has developed and implemented a number of key strategic innovations over the past two years, with the reorganisation of the management and operations resulting in a more streamlined business model.

We are now totally integrated in all key areas of engineering and design, with a full team of architects, engineers, interior decorators, quantity surveyors and other relevant professionals. Our Research and Development team has developed new building solutions that will greatly improve the time, cost and quality of our constructions in Mauritius and abroad and, in parallel, our factory and production division is now manufacturing nearly all interior fit-outs, built-in furniture and equipment for property interiors.

Our property sales continued to perform well during the financial year and the Group is still the top RES project developer in terms of numbers of units sold. We believe that sales should increase significantly next year with Clos du Littoral Phase 2 and our local residential project to be launched in Highlands.

Our hospitality division has been extensively re-organized and an improved marketing strategy is starting to show good results. The Evaco Holidays group of companies is on the right track to contribute much more to the Group consolidated profit next year.

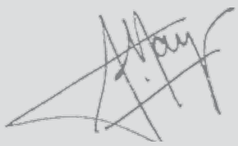
The drop of Group revenue from Rs 1,530M in 2015 to Rs 624M in 2016 is only a result of changes in accounting standards. With the early adoption of IFRS 15 from 1st July 2015, income on sale of property projects is recognised based on milestones and amounts invoiced which are incorporated in clients’ title deeds. This change in accounting procedures will allow for better visibility of real performance and avoid high and low peaks year on year.

In a continued effort to manage our fixed costs, administrative expenses dropped from Rs 163M to Rs 142M. We ended the year with a profit before tax of Rs 107M which we aim to increase significantly next year.

Our total assets for the year 2016 reached Rs 1,043M compared to Rs 830M last year. It is also important to note that our retained earnings reached Rs 494M.

The ambitious vision of the Group, fuelled by a clear strategy of expansion through improvement in quality and management of cost and time, is already showing encouraging results and the years to come should produce further improvements to our profits.

I would like to take this opportunity to thank the Directors and the personnel of the Group for their commitment during this financial year. Their hard work and enthusiasm will ensure that we continue to move forward confidently and successfully in the years ahead.



Arnaud Mayer,

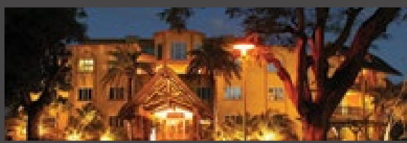
Chief Executive Officer

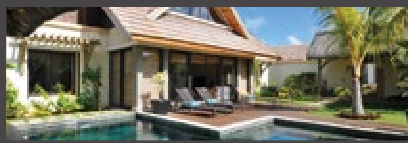
Our History

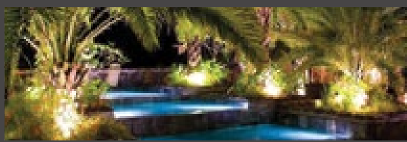
2001
Arnaud Mayer
founded Evaco

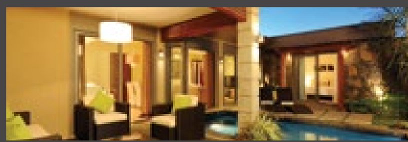
2003
Construction of Grand Baie Business Park
1st business centre in Grand Baie

2008
Launching of the second phase,
Oasis Villas II









2004
Opening of the 1st private residential complex,
Oasis Villas

2010
Launching of Athenas Villas,
1st RES project in Mauritius

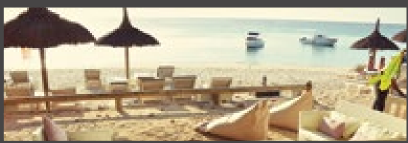
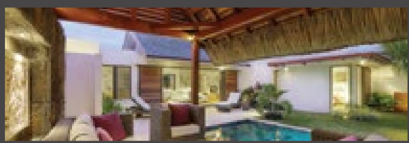
EVACO, Unbridled Ambition

The Evaco Group has completed its intensive restructuring centred around the complementary nature of its three core business activities: construction, property development and tourism. Thanks to its continuous development since it was established, it is now expanding beyond the borders of Mauritius as it strives to attract and conquer new markets.

2011
Development of a luxury Beach Club at Trou aux Biches

2014
Opening of Le Clos du Littoral, comprising of 63 high standard villas in Grand Baie

2016
Launching of Le Clos du Littoral phase II



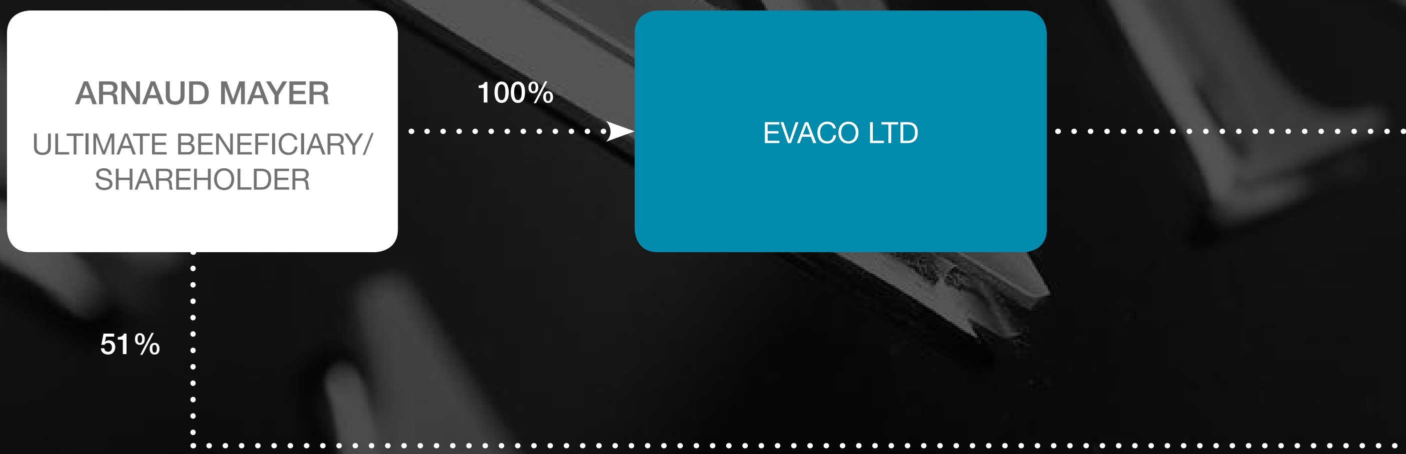
2013
Opening of Le Domaine des Alizées, 1st hotel residence of the island

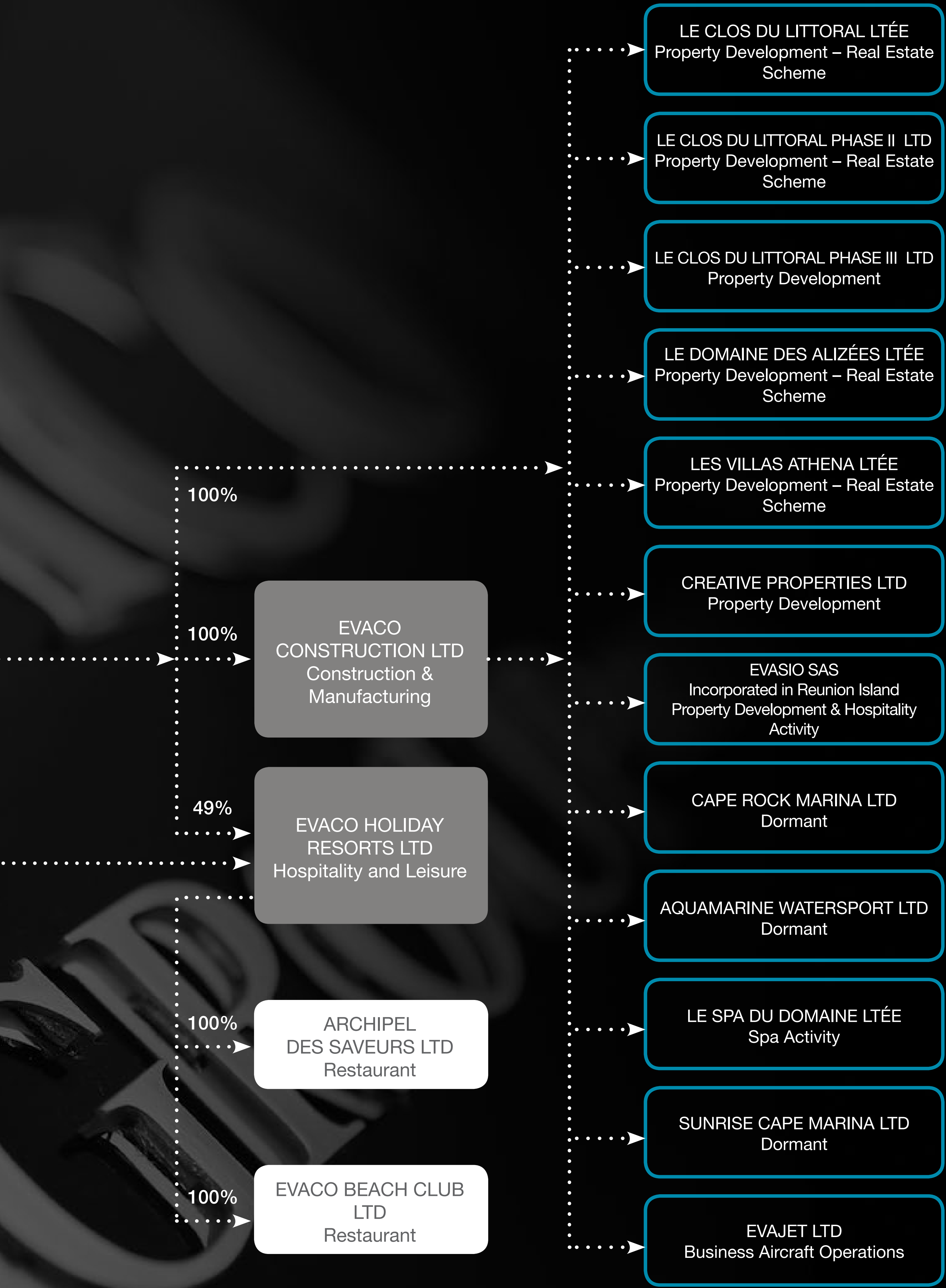
2014
International expansion of the group

2016
Inauguration of new head office

Today Evaco is extending its vision and expertise into the international market. Dynamic and experienced, solidly rooted through a network consolidated over the years, the Group aims to become one of the key players in the African and Indian Ocean markets. “Evaco Group has its sights set on an ambitious future”, says founder Arnaud Mayer.

Group Structure




LE CLOS DU LITTORAL LTÉE
Property Development – Real Estate Scheme
LE CLOS DU LITTORAL PHASE II LTD
Property Development – Real Estate Scheme
LE CLOS DU LITTORAL PHASE III LTD
Property Development
LE DOMAINE DES ALIZÉES LTÉE
Property Development – Real Estate Scheme
LES VILLAS ATHENA LTÉE
Property Development – Real Estate Scheme
CREATIVE PROPERTIES LTD
Property Development
EVASIO SAS
Incorporated in Reunion Island
Property Development & Hospitality Activity
CAPE ROCK MARINA LTD
Dormant
AQUAMARINE WATERSPORT LTD
Dormant
LE SPA DU DOMAINE LTÉE
Spa Activity
SUNRISE CAPE MARINA LTD
Dormant
EVAJET LTD
Business Aircraft Operations
100%
100%
EVACO CONSTRUCTION LTD
Construction & Manufacturing
49%
EVACO HOLIDAY RESORTS LTD
Hospitality and Leisure
100%
ARCHIPEL DES SAVEURS LTD
Restaurant
100%
EVACO BEACH CLUB LTD
Restaurant

EVACO
CONSTRUCTION

AT THE CUTTING EDGE OF TECHNOLOGY

The Evaco Group has made significant investment in its Construction subsidiary, equipping it with the latest technologies, unparalleled in Mauritius. The equipment used for construction and interior design enable us to design and implement the Group's future property developments in-house.

Board of Directors, Committees and Administration

Board of Directors – EVACO LTD

Chairman and Chief Executive Officer
Mr Arnaud MAYER

Executive Directors
Mr Guillaume DURANT
Mr Mouez RAYABI
Ms Karen ANGUS
Ms Rubeena DINA
(appointed as Director on 22 August 2016)

Non-Executive Director
Mr Philippe D B HARDY

Independent Directors
Mrs Brigitte TOMI
Mr Jean Marc LAGESSE

Audit and Risk Committee – constituted on 25 April 2016
Mrs Brigitte TOMI - Chairman
Mr Philippe D B HARDY
Mr Jean Marc LAGESSE

Corporate Governance Committee – constituted on 25 April 2016
Mr Jean Marc LAGESSE - Chairman
Mr Arnaud MAYER
Mr Philippe D B HARDY
Mrs Brigitte TOMI

Administration

Registered Office
Rivière Citron,
20101 Arsenal

Company Secretary
Box Office Ltd
2nd Floor, Palm Square,
90906 La Mivoie,
Tamarin

Registry and Transfer Office (ordinary shares)
Box Office Ltd
2nd Floor, Palm Square,
90906 La Mivoie,
Tamarin

For Noteholders

Registrar, Calculation, Transfer and Paying Agent
SBM Fund Services Ltd
SBM Tower,
1, Queen Elizabeth II Avenue,
Port-Louis

Sponsoring Broker
Swan Securities Ltd
Swan Centre,
10, Intendance Street,
Port-Louis

Security Agent
SBM Fund Services Ltd
SBM Tower,
1, Queen Elizabeth II Avenue,
Port-Louis

Noteholders' representatives
SBM Fund Services Ltd
SBM Tower,
1, Queen Elizabeth II Avenue,
Port-Louis

Licensed auditors
Cays Associates,
5th Floor, GM Tower,
7 Maupin Street,
Port Louis

Bankers
The Mauritius Commercial Bank Ltd
SBM Bank (Mauritius) Ltd
AfrAsia Bank Ltd

Directors' Profiles

MR. ARNAUD MAYER

Executive Director and Chairman

Born in 1974 in Mauritius, Mr. Arnaud MAYER holds a diploma in business management from University Paul Sabatier in France. He is the sole founder-owner and Chief Executive Officer of the EVACO Group. In 2008 he was recognized as one of the best entrepreneurs of the year. He is also the President of the Mauritius Real Estate Association (REAM).

MR. GUILLAUME DURANT

Executive Director

Born in 1983 in France, Mr. Guillaume DURANT holds a Masters' Degree from ENSAM (Ecole Nationale Supérieure d'Arts et Métiers), Paris, France. He has performed most of his career with international exposure, working for large French industrial and engineering conglomerate (AREVA, ALSTOM) before joining EVACO Construction Ltd as Managing Director in 2015. He held several positions throughout his career as Projects Manager, Projects Director and Branch Office Manager, successfully managing complex projects and organizations worldwide.

MR. MOUEZ RAYABI

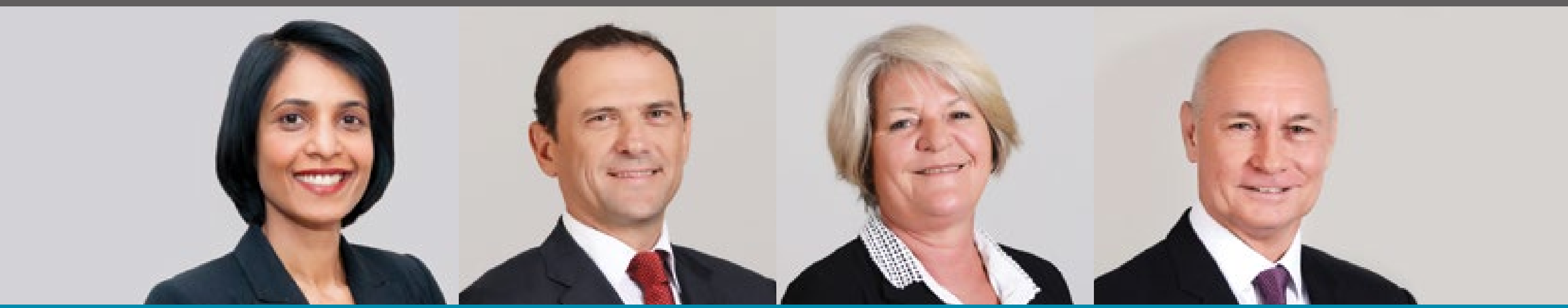
Executive Director

Born in 1974 in France, Mr. Mouez RAYABI joined EVACO Group in February 2015 as the Managing Director of 3 companies: EVACO HOLIDAY RESORTS LTD, ARCHIPEL DES SAVEURS LTD and EVACO BEACH CLUB LTD. He has been working in the Tourism and Hotel Industry for the past 20 years, first in the Accor Group and in several Club Med hotels around the world. He is experienced and skilled with expertise in hotel management, food and beverage operations, profit and loss management, strategy and marketing.

MS. KAREN ANGUS

Executive Director

Born in 1981 in France, Ms. Karen ANGUS joined EVACO Group in 2008 as Group Sales and Marketing Director. She holds a Masters' degree from an International Business School (IGS group) in Commerce and Marketing. With twelve years in sales, she has a solid experience in planning all the sales activities and increasing the revenue for each project. She has a strong built-up relation with customers and succeeds to target her sales goals, coming-up with strategies to generate quality new business.



MS. RUBEENA DINA
Executive Director

Born in 1971, Rubeena joined the company in August 2016 as Group Finance Director. She is a UK Chartered Accountant (ICAEW) and holds a degree in Accounting and Financial Analysis from Warwick University (UK). Her experience over the past 20 years was at an international level working for a diverse range of industries in the UK, UAE and Australia. She has a strong exposure to the construction and property development sector. During her career she has gained a wealth of experience at senior level in financial strategy and planning, financial management and reporting, tax planning and compliance, acquisition and integration.

MR. PHILIPPE D B HARDY
Non Executive Director

Born in 1972 in UK, Mr. Philippe HARDY is a founding member of PSG Wealth Ltd. He has a very diversified exposure to finance having held various roles spanning investment management, business development, corporate planning and transaction advisory. He is the leading partner of PSG's corporate finance advisory services in Mauritius, having coordinated and advised on several capital structuring as well as M&A transactions across many industries in the past 13 years, with a particular expertise in dealing with family held enterprises and owner managed businesses of all sizes.

Philippe holds an Honours degree in Mathematics and Financial Management and is an Associate of the Royal College of Science of London through the Imperial College of Science, Technology & Medicine. He acts as Director on several public and private companies, chairing audit committees in various instances.

MRS. BRIGITTE TOMI
Independent Director

Born in 1958, Mrs. Brigitte TOMI has been involved in the Construction Industry for over 27 years. In 1997, she joined as Chief Executive Officer the "Société de Concassage et de Préfabrication de la Réunion" (SCPR), a subsidiary of a recognized group in Réunion Island with expertise in construction known as Group Tomi founded in 1961. The group has developed and industrialised the concept of pre-fabricated house in Reunion Island. SCPR, during Mrs. Brigitte Tomi's tenure, was generating annual turnover of more than EUR 35,000,000 with a headcount of 200 employees. After several successful years, the company was finally sold to the COLAS consortium in 2005.

MR. JEAN-MARC LAGESSE
Independent Director

Born in 1960, Mr. Jean-Marc D LAGESSE holds a Bachelor in Hospitality Management from GLION Institute of Higher Education of Switzerland. He started his career in the Tourism and Hospitality Industry and has worked for 30 years at New Mauritius Hotels Ltd as the Hotel Director of two 5 star hotels namely; Paradis Hotel & Golf Club & Dinarobin Hotel Golf & Spa. Moreover, he has been a member of NMH Board of Directors & President of the Association of Hotels & Restaurants of Mauritius.

In 2014, he was appointed General Manager of Ephélia Resorts in Seychelles. Jean-Marc Lagesse is also the founder and Director of "Lakaz Chamarel" boutique hotel and of "Pro-Resort Consulting Ltd", a firm specialised in hotel management consulting. Over the years, he has acquired significant experience and has shown outstanding interpersonal, management and leadership skills.

Statement of Directors' Responsibilities

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 30 June 2016, the statement of comprehensive income, the statement of changes in equity, and statement of cash flows, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

The Director's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The director has made an assessment of Company's ability to continue as a going concern and has no reason to believe the business will not be a going concern in the year ahead.

Approved by the Board of Directors on 29 September 2016 and signed on its behalf by:

Arnaud MAYER
Chairperson

Rubeena DINA
Director

29 September 2016

Corporate Governance Report

CORPORATE GOVERNANCE REPORT
for the year ended 30 June 2016

STATEMENT OF COMPLIANCE

The Directors of EVACO LTD (the "Company" or "EVACO") have pleasure in presenting the Company's annual report and the audited financial statements for the year ended 30 June 2016.

EVACO LTD is a public interest entity under the Financial Reporting Act and is required to adopt good governance practices in keeping with The Report on Corporate Governance for Mauritius issued in October 2003 (the "Code").

The Board of Directors of EVACO LTD ensures that the principles of good Corporate Governance, as applicable in Mauritius, are fully adhered to and form an integral part of the Company's business practices. It is also committed to fair financial disclosure to its shareholder and all the stakeholders at large.

The Company has not complied with the following sections:

- 2.2.6 – Annual reelection of Directors;
- 2.5 – Role and function of the Chairperson;
- 2.6.1 – Separation of the title, function and role of the Chief Executive Officer and that of the Chairperson and
- 2.10 – Board appraisal;

Reasons for non-compliance are provided below.

During the year in review the board structure was reviewed; new Directors were appointed and the Board is now composed of Executive, Non-Executive and Independent Directors. As the Directors are newly appointed no self-appraisal or training was carried during the year.

Regarding other areas of non-compliance with the Code, reasons and alternate practices adopted have been disclosed.

The Company's structure

EVACO LTD is a public company incorporated on 3 April 2002 and domiciled in the Republic of Mauritius.

The Company's registered office is at Rivière Citron, 20101, Arsenal.

The Company's website is: www.evacogroup.com

Principal Activity

The main activity of EVACO LTD is to hold shares in other companies that are involved in the property development, construction or tourism sector. EVACO Group successfully brought to completion several large-scale commercial and residential projects.

Constitution of the Company

The Company has adopted a Constitution on 16 May 2016. The constitution is in conformity with the Companies Act 2001.

THE ROLE OF THE BOARD AND ITS COMPOSITION

Board of Directors

The Company has a unitary board composed of eight Directors, with a suitable mix of executive, non-executive and independent Directors. The functions and responsibilities of the Chairperson and the Executive Directors are not separate. As founder and Sole Ordinary Shareholder Mr. P P Arnaud MAYER is the Chief Executive Officer and also acts as Chairman of the Company.

A quorum for a Board meeting shall be the majority of Directors.

New Directors are encouraged to meet with the Company's Executive Directors and Senior Officers to benefit from a better insight into the operations of the Company and its subsidiaries.

The Constitution of the Company does not provide for annual re-election and/or re appointment of Directors. The names of all present Directors, their profile and categories as well as their directorships in other listed companies are set out on page 14-15.

Board Charter

The Board has not yet approved a Board charter and intends to do so in the future.

Board Evaluation

The Directors having been appointed only recently, no board evaluation is scheduled during the next financial year end.

Board activity during the year

The Board met once during the financial year ended 30 June 2016. Other decisions were approved by unanimous resolutions signed in lieu of holding Board Meetings. Individual attendance by Directors is detailed on page 22.

Dealing in shares of the Company

During the year under review, there were no share dealings by Directors.

The Ordinary Shares are not listed; only the five-year redeemable secured floating rate notes are listed on the official list of the Stock Exchange of Mauritius.

The Directors endeavour to follow the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules 2000. Any Director purporting to deal in the shares of the Company should inform the Chairperson accordingly.

In terms of the Companies Act 2001 and the Securities Act 2005, the Company keeps an updated Interests Register and Insiders Register respectively. These registers are regularly updated with the information submitted by the Directors and/or other Insiders as applicable.

Interests of Directors

The sole Director holding Ordinary Shares in the Company is Mr. P P Arnaud MAYER. As at 30 June 2016, Mr. P P Arnaud MAYER held directly and/or indirectly shares of the Company as follows:

Director	Direct
	%
Mr P P Arnaud MAYER	100

There was no dealing in the Ordinary Shares of the Company during the financial year in review.

Board Committees

During the financial year ended 30 June 2016 the Board constituted two sub committees – the Audit and Risk Committee and the Corporate Governance (Nomination and Remuneration) Committee.

Audit and Risk Committee

The first Audit and Risk Committee was held on the 19 September 2016

The Audit and Risk Committee's duties is to assist the Board, among other things, in overseeing:

- The quality and integrity of group financial statements and public announcements related thereto;
- The Company's compliance with legal and regulatory requirements;
- The scope and effectiveness of the external audit function as well as the qualifications, experience and independence of the external auditors;
- The effectiveness of the Company's systems of internal control and practices;
- The policies and procedures established to minimize business risks, including the risk of money laundering through the tote system;
- The adequacy of the insurance cover subscribed to by the Company and its subsidiaries.

Please refer to page 26 for disclosures in respect of internal control and risk management.

Corporate Governance (Nomination and Remuneration) Committee

The first Corporate Governance (Nomination and Remuneration) Committee was held on 19 September 2016.

The objectives of the Corporate Governance (Nomination and Remuneration) Committee are as follows:

Corporate Governance

- To assist the Board in the implementation of the Code of Corporate Governance;
- To ensure that the Company's Annual Report complies with the provisions of the Code of Corporate Governance.

Nomination

- To ascertain whether potential new Directors are fit and proper and are not disqualified from being Directors;
- To ensure that potential new Directors are fully cognisant of what is expected from a Director;
- To ensure that the right balance of skills, expertise and independence is maintained on the Board;
- To ensure that potential new Directors are free from material conflict of interests and not likely to simply act in the interests of a major shareholder, substantial creditor or significant supplier of the Company.

Remuneration

- To recommend to the Board the appropriate level of Directors' fees.

Shareholding

At 30 June 2016, the Company's share capital amounted to MUR 100,000 divided into 100 Ordinary Shares of No Par Value. The sole Shareholder of the Company is Mr. P P Arnaud MAYER.

Information on major shareholders as at 30 June 2016

Major shareholders	Holding (%)
Mr. P P Arnaud MAYER	100

Except for the above, no other entity or individual owns 5% or more in the ordinary share capital of the Company.

Share Price Information

The shareholding of EVACO LTD has not changed since the incorporation of the Company. The shares are not listed and there are no indications on the share price other that the issue price of MUR 100,000 for 1,000 shares.

Dividend Policy

The Company has no formal dividend policy. The payment of dividends is subject to the performance of the Company, its cash flow and its capital expenditure requirements. For the year ended 30 June 2016 the Directors have not declared any dividend.

Shareholders' Agreement

The Company does not have a Shareholders' Agreement.

Shareholders communication and events

The Company sole shareholder is Mr. P P Arnaud MAYER, also a Director and the Company's Chief Executive Officer. Information to the investment community and other stakeholders is via press releases, publication of quarterly results and the Annual Report which is also available on the Company's website www.evacogroup.com

The key events and shareholder communications of the Company are set out below:

Month	Event
September	Abridged end of year results
December	Annual Report and Annual Meeting of Shareholder
February, May, November	Publication of quarterly financial reports

Statement of Remuneration Policy

Total remuneration paid to Directors for the year under review amounted to MUR 17,155,733.38 (2015: MUR 9,108,075). The remuneration of Executive Directors has not been disclosed on an individual basis as the directors consider this information as very sensitive in their working environment.

The remuneration structure with regards to Directors' attendance fees is as follows:

	Per attended Board Meeting Rs.	Per attended Committee Meeting Rs.
Independent Director	65,000	12,000

Remuneration of Directors

For the year ended 30 June 2015	Remuneration (Rs)
Executive Directors	9,108,075
Non-executive Directors	-
Independent Directors	-

For the year ended 30 June 2016	Remuneration (Rs)
Executive Directors	17,155,733
Non-executive Directors	-
Independent Directors	130,000

Director's service contracts

There are no service contracts between the Company and its Directors that would require disclosure under section 221 of the Companies Act.

Attendance at board meeting

Only one Board Meeting was held during the financial year ended 30 June 2016. The table below sets out the details of attendance of Directors at the said board meeting. No committees were held during the reporting financial year.

Name of Director	Board meeting 25/04/2016
Mr. P P Arnaud MAYER	√
Mr. Jean-Marc D LAGESSE	√
Mr. Guillaume C P DURANT	√
Mr. Mouez RAYABI	√
Ms. Karen F ANGUS	√
Mr. C Philippe D B HARDY	√
Mrs. Brigitte M T D C TOMI	√
Mr. R J Enrico GÉBERT (resigned on 19 August 2016)	√

Employees

EVACO Group currently employs, on a full time basis, 267 persons who are involved in the daily operations of the Company.

SENIOR MANAGER'S PROFILE

Mélanie MAUJEAN – Personal Assistant to the CEO & Head of Projects

Mélanie Maujean joined EVACO Group in September 2010 as Personal Assistant to the Chief Executive Officer. With strong interpersonal and organizational skills with a solid ability to multitask a variety of challenges and responsibilities, she gives support to the Group CEO at strategic level. Additionally, Melanie is responsible for the coordination of specific projects and research.

In parallel, Melanie is currently pursuing a 'Bachelor Degree in Business Administration' in distance learning with the University of South Africa and also conducting a 'Chartered Secretaries Qualifying Scheme' professional qualification with the Institute of Chartered Secretaries and Administrators.

Xavier CLEMENT – Group Procurement Manager

Xavier Clement joined Evaco Group in February 2013 as the Group Procurement Manager. He has been working in Investment Banking Sector for 18 years in Europe and ran his own company of sourcing in Mauritius for 10 years in Freeport sector. He has a strong knowledge of sourcing and suppliers network in a large panel of sectors activity.

Lauriane PALLANY – Group Human Resource Manager

Lauriane Pallany joined Evaco Group in April 2016. With more than 10 years of hands-on experience in the field of Human Resources Management, Lauriane is a holder of a BSc in Management with specialisation in Human Resources. Her strength and ability to manage the HR department with the related processes lie in the fact that she has been exposed to various levels of responsibilities and jobs throughout her career, thus enabling her to get a realistic view of people's backgrounds, skills, problems and coming forward with relevant solutions to promote a good work environment.

Thomas EMPEIGNE – Group Development Officer

Thomas Empeigne joined Evaco Group in March 2016. He holds a Master Degree in International Business from the "Institut Superieur Européen de Gestion" (ISEG) and a Master in Business Administration from the Saint John's University. With several international experiences, rigor, and deep sense of analysis, he will have to actively develop the group activities at a local and abroad level.

Interests of Senior Officer – excluding Directors

The Senior Officer does not hold any interests in the shares of the Company whether directly or indirectly.

Sustainability Reporting

The Company endeavours to adopt environmentally, socially and ethically sound business behaviour and understands that sustainability reporting is not an increased burden but a tool towards making better resource allocation decisions.

The group care about the sustainable development for a better environment and, in its CSR program, is working in a lasting partnership with the Mauritius Wildlife Foundation, committed to the protection of endangered endemic species and the rehabilitation of their natural habitat.

Carbon Reduction Commitment

The Company because of its activity has little impact on the environment but is conscious that each effort counts and firmly intends to reduce its carbon footprint over time.

Human Resources Issues

Ethics

The Company does not have a Code of Ethics but is mindful of its interest for other stakeholders such as suppliers, clients and the public at large when running its operations. The Company is committed to the highest standards of compliance with laws and regulations, integrity and ethics in dealing with all its stakeholders.

Health and safety

The Company is committed to providing a safe and healthy working environment to all employees and creates an environment that would perform at their best. The Human Resources Department works in partnership with the management team to follow up on Health and Safety working conditions prevailing in the Company.

Social issues

Remuneration policy

The Company practices fair policies, based on merit, in recruitment and promotion of its team members.

Employee Share Option Plan

There is no share option plan for the employees of the Company.

Corporate Social Responsibility

The group's vision: 'Together, translating our corporate responsibility into economic, social and environmental development throughout Mauritius'

Evaco Group's contribution to the CSR at 30 June 2016 amounted to MUR 5,428,000, spent on numerous projects.

The areas of contribution were:

1. Education – in partnership with:
    a. College Technique St Gabriel by offering 20 education scholarships to needy students to held them pursue their studies; and
    b. with SEED Caritas Roche Bois to empower adult literacy and social leadership through projects such as the Life Skills Management Functional, entrepreneurship and marketing with an aim to access to new sources of income through agri-business.
2. Excellence through sports – by financial supporting
    a. the 'Jeux du Nord 2016' organized by the District Council Riviere du Rempart in collaboration with the Ministry of Youth; and
    b. 'Jeux de la NHDC'
3. Health – by providing medical to vulnerable Mauritian children care in partnership with Caritas Centre D'Eveil of Roche Bois
4. Community Development – by participating in the national initiative to eradicate absolute poverty and to restore human dignity among the underprivileged.
5. Preservation of the Environment – with the Mauritius Wildlife Foundation.

Donations

The Company has made political donations for the year under review amounting Rs 500,000/-

MUR
5,428,000
CONTRIBUTION TO CSR

CORPORATE GOVERNANCE REPORT

for the year ended 30 June 2016

Management Agreement

The Company has two management agreements with its subsidiary, Le Clos du Littoral Phase II Ltd, for providing marketing support as well as management and administrative services.

Related Party Transactions

Please refer to Note 33 to the Financial Statements.

Internal Control and Risk Management

Due to the costs involved, the directors have resolved not to appoint an internal auditor for the time being. The Audit Committee, which also includes the Risk committee, works closely with the Management and external auditors to ensure that the Company's system of control effectively enables the Company to mitigate the risks inherent to its activity.

Risk Management

The Board is responsible for the overall management of risks and will delegate to the Audit Committee the responsibility of implementing a structure and process to help identify, assess and manage risks. Risk reviews are regularly conducted and mitigating measures implemented accordingly.

P P Arnaud MAYER
Chairperson

Rubeena DINA
Director

29 September 2016

Statement of Compliance

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: EVACO LTD

Reporting Period: Financial year ended 30 June 2016

The Directors of EVACO LTD confirm that to the best of their knowledge the PIE has not complied with the following Sections of the Code of Corporate Governance:

- 2.2.6 – annual reelection of Directors;
- 2.5 – Role and function of the Chairperson;
- 2.6.1 – separation of the title, function and role of the Chief Executive Officer and that of the Chairperson and
- 2.10 – Board appraisal;

Reasons for non-compliance are contained in the Corporate Governance Report.

Arnaud MAYER
Chairperson

Rubeena DINA
Director

29 September 2016

EVACO PROPERTY

INNOVATIVE CONCEPTS

Property development remains the Group's core business activity. From the design to the marketing of property developments, the Evaco Property team draws on unique experience and expertise gained over the years, thus ensuring the delivery of exceptional projects.

Secretary's Certificate

EVACO LTD

Under Section 166(d) of the Companies Act 2001

We certify that, to the best of our knowledge and belief, the Company as filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001, in terms of section 166(d).

Sophie GELLÉ, ACIS
For Box Office Ltd
Company Secretary

Port Louis
Republic of Mauritius.

29 September 2016

Other Statutory Disclosures

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 of the Company was materially interested either directly or indirectly.

Indemnity Insurance

There are no indemnity insurance currently availed for Directors.

Auditors' Remuneration

The fees paid to the Auditors, for audit and other services were:

	2016 **Rs'000**	2015 Rs'000
Audit fees	**1,550**	1,405
Tax services fees	**78**	69

P P Arnaud MAYER
Chairperson

Rubeena DINA
Director

29 September 2016

HOSPITALITY

As both operator and administrator, Evaco Holidays has in-depth expertise of the tourism industry. Its teams' skills in operational and sales management boosts the Group's exposure to the holiday accommodation sector. We offer tailor-made solutions based on the client's needs and requirements, with a diversified offering and personalised service.

Independent Auditors' Report to the Members

Report on the financial statements

We have audited the accompanying financial statements of **Evaco Ltd** (the Company) and its subsidiaries (together referred as the Group), which comprise the Statements of Financial Position as at 30 June 2016 and the Statements of Comprehensive Income, Statements of Changes of Equity and Statements of Cash Flows for the year then ended and a summary of significant accounting policies and other notes.

Directors' responsibility

The directors are responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group at 30 June 2016 and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on other legal requirements

Companies Act 2001

- We have no relationship with, or interest in, the Company and any of its subsidiaries, other than in our capacity as auditors and tax advisors 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 it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the code.

In our opinion, the disclosure in the Corporate Governance report is consistent with the requirements of the Code.

Other matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Cays Associates	**C. Ah Yuk Shing FCCA**
Public Accountants	*Licensed by FRC*

29 September 2016

Financial Statements

STATEMENT OF FINANCIAL POSITION

at 30 June 2016

	Note	Group 2016 Rs'000	Group 2015 Rs'000	Company 2016 Rs'000	Company 2015 Rs'000
Non current assets					
Property, plant & equipment	16	**296,084**	233,325	**63,179**	97,900
Intangible assets	17	**6,431**	7,415	**1,191**	1,787
Interests in subsidiaries	18	**-**	-	**602,452**	271,753
Investment in equity securities	19	**70**	-	**70**	-
Deferred tax assets	27	**-**	529	**-**	-
		302,585	241,269	**666,892**	371,440
Current assets					
Inventories	21	**593,645**	487,323	**-**	-
Trade & other receivables	22	**116,609**	72,729	**22,088**	33,966
Loan receivable	20	**-**	12,000	**-**	-
Tax receivable	27	**-**	-	**524**	-
Cash at bank & in hand		**30,347**	17,594	**12,258**	1,578
		740,601	589,646	**34,870**	35,544
Current liabilities					
Bank overdrafts	23	**64,174**	16,515	**257**	-
Loans payable	30	**32,134**	35,077	**-**	861
Finance lease liabilities	31	**12,335**	9,476	**3,758**	3,203
Trade & other payables	24	**149,545**	149,011	**7,150**	3,989
Provision	25	**1,540**	14,332	**-**	-
Deposits from customers	26	**9,310**	25,766	**-**	-
Tax payable	27	**11,486**	63,844	**-**	-
		280,524	314,021	**11,165**	8,053
Net current assets		**460,077**	275,625	**23,705**	27,491
		762,662	516,894	**690,597**	398,931
Capital & reserves					
Stated capital		**100**	100	**100**	100
Retained earnings		**494,363**	383,609	**448,958**	265,540
Surplus on revaluation of property, plant & equipment		**-**	17,079	**-**	17,079
Attributable to owners of the Company		**494,463**	400,788	**449,058**	282,719
Non controlling interests		**(21,058)**	(14,795)	**-**	-
		473,405	385,993	**449,058**	282,719
Non current liabilities					
Loans from ultimate shareholder	28	**34,216**	60,236	**-**	26,020
Redeemable secured notes	29	**169,050**	-	**169,050**	-
Loans payable	30	**52,609**	37,648	**60,418**	76,280
Finance lease liabilities	31	**27,431**	27,066	**7,764**	9,605
Retirement benefit liabilities	32	**5,951**	5,951	**4,307**	4,307
		289,257	130,901	**241,539**	116,212
		762,662	516,894	**690,597**	398,931

These financial statements were approved & authorised for issue by the Board of Directors on 29 September 2016.

Arnaud MAYER
Chairperson

Rubeena DINA
Director

29 September 2016

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

for the year ended 30 June 2016

		Group		Company	
	Note	**2016**	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue	7	**624,465**	1,530,142	**12,719**	866
Cost of sales	8	**(370,793)**	(974,877)	**-**	(54)
Gross profit		**253,672**	555,265	**12,719**	812
Dividend income	9	**-**	-	**180,000**	280,000
Other income & gains	10	**15,467**	2,562	**11,844**	923
Gain/(loss) on foreign exchange	11	**(364)**	(1,625)	**21**	(194)
Administrative & selling expenses	12	**(142,538)**	(163,497)	**(16,785)**	(26,347)
Other expenses & losses	13	**-**	(1,074)	**-**	(2,794)
Finance costs (net)	14	**(18,658)**	(18,536)	**(3,588)**	(3,766)
		107,579	373,095	**184,212**	248,634
Non recurring items		**-**	21,741	**(17,873)**	(442)
Profit before tax		**107,579**	394,836	**166,339**	248,192
Tax expense	27	**(20,156)**	(65,312)	**-**	-
Profit for the year		**87,423**	329,524	**166,339**	248,192
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign entity		**(11)**	82	**-**	-
Items that will not be reclassified to profit or loss					
Remeasurement of employee benefit liabilities	32	**-**	156	**-**	(145)
Other comprehensive income/(loss) for the year		**(11)**	238	**-**	(145)
Comprehensive income for the year		**87,412**	329,762	**166,339**	248,047
Profit for the year attributable to					
Owners of the Company		**86,858**	329,402		
Non controlling interests		**565**	122		
		87,423	329,524		
Conprehensive income for the year attributable to					
Owners of the Company		**86,847**	329,640		
Non controlling interests		**565**	122		
		87,412	329,762		

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

Group

	Attributable to owners of the Company					
	Stated capital* Rs'000	**Surplus on revaluation of property** Rs'000**	**Retained earnings Rs'000**	**Total Rs'000**	**Non-controlling interests Rs'000**	**Total equity Rs'000**
a) **2015**						
At 01 July 2014	100	17,079	53,969	71,148	(14,917)	56,231
Profit for the year	-	-	329,402	329,402	122	329,524
Other comprehensive income	-	-	238	238	-	238
Total comprehensive income for the year	-	-	329,640	329,640	122	329,762
At 30 June 2015	**100**	**17,079**	**383,609**	**400,788**	**(14,795)**	**385,993**
b) **2016**						
At 01 July 2015	100	17,079	383,609	400,788	(14,795)	385,993
Profit for the year	-	-	86,858	86,858	565	87,423
Other comprehensive income	-	-	(11)	(11)	-	(11)
Total comprehensive income for the year	-	-	86,847	86,847	565	87,412
Transfer of revaluation surplus	-	(17,079)	17,079	-	-	-
Change in % holding in non controlling interest in subsidiaries	-	-	6,828	6,828	(6,828)	-
At 30 June 2016	**100**	**-**	**494,363**	**494,463**	**(21,058)**	**473,405**

Company

	Attributable to owners of the Company			
	Stated capital* Rs'000	**Surplus on revaluation of property** Rs'000**	**Retained earnings Rs'000**	**Total Rs'000**
a) **2015**				
At 01 July 2014	100	17,079	17,203	34,382
Profit for the year	-	-	248,192	248,192
Remeasurement of retirement benefit liabilities	-	-	145	145
Total comprehensive income for the year	-	-	248,337	248,337
At 30 June 2015	**100**	**17,079**	**265,540**	**282,719**
b) **2016**				
At 01 July 2015	100	17,079	265,540	282,719
Profit for the year	-	-	166,339	166,339
Remeasurement of retirement benefit liabilities	-	-	-	-
Total comprehensive income for the year	-	-	166,339	166,339
Transfer of revaluation surplus	-	(17,079)	17,079	-
At 30 June 2016	**100**	**-**	**448,958**	**449,058**

Group & Company

	2016 Rs'000	2015 Rs'000
* **Stated capital**		
Issued & fully paid		
100 ordinary shares of Rs 1,000 each	**100**	100

** **Reserves**

The surplus on revaluation of property arose on the revaluation of the property situated at Grand Bay sold in FY16 and transferred in retained earnings.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Note	Group 2016 Rs'000	Group 2015 Rs'000	Company 2016 Rs'000	Company 2015 Rs'000
Operating activities					
Profit before tax		**107,579**	394,836	**166,339**	248,192
Adjustment for:					
Depreciation	16	**19,006**	17,655	**9,755**	11,705
Amortisation	17	**984**	431	**596**	-
Allowance for credit losses	22	**306**	(6,661)	**-**	(1,768)
Gain on disposal of property, plant & equipment	10	**(11,853)**	(752)	**(11,788)**	(752)
Interest income	14	**(262)**	(2,859)	**(5)**	(15)
Retirement benefit liabilities		**-**	1,416	**-**	787
Interest expenses	14	**19,674**	21,395	**3,593**	3,781
Change in working capital:					
Inventories	*	**(111,022)**	298,960	**-**	-
Trade & other receivables		**(44,186)**	122,330	**11,878**	(17,749)
Trade & other payables		**(351)**	(108,662)	**3,161**	(4,564)
Provision		**(12,792)**	12,100	**-**	-
Deposits from customers		**(16,456)**	(685,820)	**-**	-
		(49,373)	64,369	**183,529**	239,617
Interest received	14	**262**	2,859	**5**	15
Interest paid	14	**(19,674)**	(21,395)	**(3,593)**	(3,781)
Tax paid	27	**(71,985)**	(939)	**(524)**	-
Net cash from /(used in) operating activities		**(140,770)**	44,894	**179,416**	235,851
Investing activities					
Acquisition of of property plant & equipment		**(96,585)**	(78,000)	**(5,413)**	(1,151)
Disposal of property plant & equipment		**45,874**	17,204	**44,739**	752
Acquisition of intangible assets	17	**-**	(2,603)	**-**	(1,787)
Loan recouped/(granted)		**12,000**	(12,000)	**-**	(2,299)
Net cash (used in) investing activities		**(38,711)**	(75,399)	**39,326**	(4,485)
Financing activities					
Acquisition of investment in subsidiaries	19	**-**	-	**-**	(4,187)
Acquisition of investment		**(70)**	-	**(70)**	-
Financing of subsidiaries		**-**	-	**(330,699)**	(224,828)
Loans received		**181,937**	11,229	**181,937**	-
Loans repaid		**(26,880)**	(76,156)	**(55,630)**	(2,655)
Repayment of finance lease		**(10,412)**	(8,540)	**(3,857)**	(3,253)
Net cash from (used in) financing activities		**144,575**	(73,467)	**(208,319)**	(234,923)
Increase/(decrease) in cash & cash equivalent		**(34,906)**	(103,972)	**10,423**	(3,557)
Cash & cash equivalents at 1 July		**1,079**	105,051	**1,578**	5,135
Cash & cash equivalents at 30 June		**(33,827)**	1,079	**12,001**	1,578
Cash at bank & in hand		**30,347**	17,594	**12,258**	1,578
Bank overdrafts		**(64,174)**	(16,515)	**(257)**	-
		(33,827)	1,079	**12,001**	1,578

* Change in inventories	
Inventory property held for sale	**148,421**
Property held for development	**(235,464)**
Inventory property held for construction	**(27,526)**
Other inventories	**3,547**
	(111,022)

1 GENERAL INFORMATION

Evaco Ltd is a public company incorporated and domiciled in the Republic of Mauritius. Its registered address is at Riviere Citron, 20101 Arsenal, Republic of Mauritius.

Its main business activities of the Group are:

- Property development, construction or tourism sector.

2 BASIS OF PREPARATION

These financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention as modified by the revaluation of office property.

3 FUNCTIONAL & PRESENTATION CURRENCY

The financial statements are presented in rupees (the Company's functional currency), rounded to nearest thousand (Rs'000) unless otherwise stated. Comparative figures have been amended, where necessary, to conform to change in presentation in the current year.

4 CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

In preparing these financial statements, management makes estimates and assumptions based on historical experience and expectations of future events that are considered reasonable under the appropriate circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Critical estimates and assumptions made during the year that might have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

(a) *Depreciation of property, plant & equipment*

Estimated useful lives of property, plant & equipment are determined based on management's historical experience and comparable market available data.

4 CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS (continued)

(b) *Employee benefit liabilities*

The present value of retirement benefit obligations depends on a number of factors that are assessed annually by an independent firm of consulting actuaries. The actuarial valuation involves making assumptions on discount rates, future pension increases, mortality rates, salary increases and expected rates of return on plan assets (note 29)

5 APPLICATION OF NEW IFRS & INTERPRETATIONS

New IFRS & interpretations to existing standards – effective for the reporting period

Certain standards & interpretations to existing standards (effective for the reporting period) are not specifically relevant to the Company's operations and have no impact on the financial statements of the Company in terms of results, presentation or disclosure.

New IFRS & interpretations to existing standards – not yet effective

The Company is still evaluating the applicability & relevance of certain new standards & interpretations to existing standards (which are not yet effective) on the Company's operations and its impact on the financial statements of the Company in terms of results, presentation or disclosure. Those that may be relevant to the Company are set out below;

- IFRS 16 'Leases', (effective for period beginning on or after 01 January 2019).introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non- financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. Consequently, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

5 APPLICATION OF NEW IFRS & INTERPRETATIONS (continued)

New IFRS & interpretations to existing standards – not yet effective

It contains expanded disclosure requirements. A lessee will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.

- IFRS 9 'Financial Instruments' (effective for period beginning on or after 01 January 2018) addresses the classification, measurement and recognition of financial assets and liabilities.

6 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.
The accounting policies set out below are, as far as possible, presented in the same chronological order, as the items/headings in the statement of financial position & statement of profit or loss. Accounting policies in respect of financial instruments are described under the relevant financial assets and liabilities.

6.1 Property, plant & equipment

All property, plant & equipment are initially recognised at cost, except for land and are subsequently measured at cost less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value using the straight-line method over their estimated useful lives and is recognised in profit or loss, unless it is required to be capitalised to another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

6 ACCOUNTING POLICIES (continued)

6.1 Property, plant & equipment (continued)

The estimated useful lives for the current and comparative periods are as follows:-

- Buildings 50 years
- Furniture & equipment 3 years
- Motor vehicles 5 years
- Aircraft 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant & equipment are derecognised when these are disposed of or permanently withdrawn from use. Any gain or loss arising on the disposal or retirement of an item of property, plant & equipment is determined as the difference between the sales proceeds and the carrying amount of that item and is recognised in profit or loss at the date of disposal or retirement.

6.2 Intangible assets

Computer software

Intangible assets that consist of purchased computer software are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and any impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation of intangible assets is calculated, using the straight line method, so as to allocate their cost less their residual values over their estimated useful lives of 3 years and is recognised in profit or loss.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

6.3 Investments in subsidiaries

In Group FS

The Group's financial statements include the Company and all its subsidiaries.

(i) Control of a subsidiary

- The results of any subsidiary acquired or disposed of during the year are included in the Group's profit or loss from the date on which control is transferred to the Group or up to the date that control ceases.

6 ACCOUNTING POLICIES
(continued)

6.3 Investments in subsidiaries (continued)

In Group FS

(i) Control of a subsidiary

- The purchase consideration of an acquisition of subsidiary is allocated to the assets and liabilities based on fair value at the respective date of acquisition. Any excess of the purchase consideration over the fair value of the net assets acquired is recognised as goodwill on consolidation under intangible assets.(para 6.2).
- If the fair value of the net assets acquired is less than the purchase consideration the difference is recognised directly in profit or loss as a bargain purchase.

(ii) Loss of control of a subsidiary

- Investments in subsidiaries are derecognised when the Group disposes or ceases to have control on a subsidiary.
- The gain or loss on disposal of a subsidiary is determined as the difference between the sales proceeds and the carrying value of the net assets including any goodwill of that subsidiary and is recognised in profit or loss.

(iii) Consolidation procedures

- Like items of assets, liabilities, equity, income, expenses & cash flows of the parent & its subsidiaries are combined.
- The carrying amount of the parent investment in each subsidiary & the parent's portion of equity of each subsidiary are eliminated resulting in goodwill on consolidation.
- Intra-group balances & transactions (including unrealised gains or losses thereon) are eliminated.
- Uniform accounting policies are applied for like transactions.
- Any non-controlling interest in a subsidiary is recognised at its proportionate share of the net assets of that subsidiary.

In Separate FS

- Investments in subsidiaries are initially recognised at cost and subsequently measured at cost less any impairment losses.
- Investments in subsidiaries are derecognised when these are disposed of and or the Company ceases to control. Any gain or loss on disposal of a subsidiary is determined as the difference between the sales proceeds and the carrying amount of the investment in the subsidiary and is recognised in profit or loss at the date of disposal.

6 ACCOUNTING POLICIES
(continued)

6.4 Loans receivable

Funds disbursed to a subsidiary which are used as equity financing of the Company, are initially recognised as loan receivable at cost and subsequently measured at cost less any impairment losses and are classified as non-current assets under 'Interests in subsidiaries'

These loans are derecognised when the receivables have been collected or the rights to receive the cash flows have expired.

These are classified as current assets except for maturities greater than 12 months after the reporting date. These are then classified as non-current assets.

6.5 Inventory property held for sale

Land acquired and construction costs of real estates for sale are initially recognised at cost as 'Property under construction held for sale' and are subsequently measured at the lower of cost and net realisable value.

Cost includes:

- Acquisition costs of freehold land & related property taxes on acquisition.
- Construction costs and costs for land preparation, design costs, professional fees for legal and other services and other related costs.
- Borrowing costs directly attributable to this asset are recognised as part of its cost until such time that it is substantially ready for its intended sale.
- Borrowing costs directly attributable to this asset are recognised as part of its cost until such time that it is substantially ready for its intended sale.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date less the estimated cost to sell.

Units of real estates completed are recognised at cost as 'Inventory property held for sale' and are subsequently measured at the lower of cost and net realisable value. The cost of units sold recognized as cost of sales in profit or loss is determined with reference to the specific costs of the unit of real estate sold and an allocation of non-specific costs based on the unit sold over the total saleable units.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date less the estimated cost to sell.

6 ACCOUNTING POLICIES
(continued)

6.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average /first in first out method.

In the case of manufactured inventories and work in progress cost includes an appropriate share of production overheads based on normal operating capacity.

When inventories are sold, the carrying amount of those inventories are recognised as cost of sales in the period in which the related revenue is recognised.

6.7 Trade & other receivables

Trade & other receivables are initially recognised at fair value when the Company becomes a party to the contract with the customer for sales of goods or services and are subsequently measured at amortised cost net of any allowance for credit losses, estimated by management based on prior experience and the economic environment.

Trade & other receivables are classified as current assets as they are short term in nature.

Trade & other receivables are derecognised when the receivables have been collected and/or the contractual rights to receive the cash flows have expired.

6.8 Impairment of assets

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

6.9 Cash & cash equivalents

Cash and cash equivalents consist of cash in hand and at bank less bank overdrafts.

6.10 Loans payable & overdrafts

Loans payable & overdrafts are initially recognised at fair value, net of transaction costs when the Company becomes a party to the contractual provisions of the contract and are subsequently measured at amortised cost using the effective interest method. These liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. These are then classified as non-current liabilities.

6 ACCOUNTING POLICIES
(continued)

The liabilities are derecognised when, and only when, the company's obligations have been discharged, cancelled or expired.

6.11 Leases

Leased assets

Leases that transfer to the company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the relevant asset.

Leased payments

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

6.12 Trade & other payables

Trade & other payables are initially recognised at fair value, which is normally the invoiced price, by the suppliers when the company becomes a party to the contract with the suppliers for purchase of goods or services and are subsequently measured at amortised cost.

Trade & other payables are classified as current liabilities as they are short term in nature.

Trade & other payables are derecognised when and only when the obligations have been discharged, cancelled or have expired.

6.13 Provisions

Provisions are recognised when there has a present or constructive obligation as a result of past events, and when it is probable that this obligation will result in an outflow of economic benefits that can be reasonably estimated. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

6 ACCOUNTING POLICIES
(continued)

6.14 Income tax

Tax expenses

Tax expense comprises current & deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. .The tax expenses are calculated using tax rates enacted or substantively enacted at the reporting date.

Tax payable/receivable

Tax payable or receivable for the current and prior periods is measured at the amount expected to be paid or recoverable to/from the tax authorities

Deferred tax liabilities or assets

Deferred tax liabilities or assets for tax payable or recoverable in future periods are recognised on all temporary differences arising between the tax bases of the liabilities and assets and their carrying values for financial reporting purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves

6.15 Stated capital

Stated capital is classified as equity.

6.16 Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised as an expense in profit or loss as the related service is provided. A liability (accrued expense) is recognised for any amount not yet paid during the reporting period for which the Company has a legal or constructive obligation to pay as a result of past service provided by the employees and the amount can be estimated reliably.

Other post-retirement benefits

The net present value of gratuity on retirement payable under the Employment Rights Act for employees who are not covered (or who are insufficiently covered by the above pension plan) is calculated by a qualified actuary every two years and recognised as a non-current liability. The obligations arising under this item are not funded.

6 ACCOUNTING POLICIES
(continued)

State plan

Contributions to the National Pension Scheme are recognised as short-term employee benefits in profit or loss in the period in which these fall due.

6.17 Foreign currency translation

Transactions in foreign currencies are translated to Mauritian rupees at the exchange rates prevailing at the date of the transactions. Difference in exchange resulting from the settlement of such transactions is recognised as gain or loss on foreign exchange in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated to Mauritian rupees at the exchange rates ruling at the end of the reporting date. Difference in exchange thereon is recognized as gain or loss on foreign exchange in profit or loss.

6.18 Revenue recognition

Real estate completed

Revenue from the sale of real estate completed is recognized when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts in the presence of a public notary.

Real estates in construction

Revenue from the sale of real estate in construction is recognised to depict the transfer of the real estates promised to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the real estates ie on the percentage of completion method as construction progresses on the following basis:

15% on reservation

15% on signature of contract;

5% on completion of foundation;

35% on completion of building structure;

25% on completion of testing of mechanical & electrical works

5% on submission of key

Sales of goods

Revenue from the sales of goods is recognised net of returns, trade discounts, volume rebates and value added tax on the transfer to the customer of the significant risks and rewards of ownership of the goods.

6 ACCOUNTING POLICIES
(continued)

6.18 Revenue recognition

Rendering of services

Revenue from the rendering of services is recognised net of trade discounts, volume rebates and value added tax in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed based on surveys of worked performed.

Commission income

Commission income is recognised as revenue when the company acts as agent (rather than as the principal) in the performance of the obligation.

6.19 Adoption of IFRS 15 (contracts with customers)

The Group has opted for an early adoption of IFRS 15 as from 01 July 2015 in respect of contracts with customers for the construction of real estates started during the year and not completed by end of the year. Prior to 01 July 2015, the sales of real estate's products were recognised at time of transfer of ownership of properties. During 2015 the RES project, Clos Du Littoral Phase 1, reached its delivery phase and all income on these sales were recorded during the financial year ended 30 June 2015.

With the early adoption of the new IFRS15 from 01 July 2015, income on sale of property projects are recognised based on milestones and amounts invoiced which are incorporated in the contracts with customers.

Full retrospective application of the new accounting policy is not deemed practical, as an objective assessment of the effect of the change in accounting policy is not feasible within the prescribed reporting timeframe due to the inability to reconstruct the data required accordingly.

6 ACCOUNTING POLICIES
(continued)

6.20 Dividend income

Dividend from investments in subsidiaries are recognised in profit or loss only when the company's right to receive payment of the dividends is established.

6.21 Finance cost

Finance costs on borrowings directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are recognised as part of the cost of the assets until such time that the assets are substantially ready for their intended use or sale. Otherwise, finance costs are recognised in profit or loss in the period in which these are incurred.

Interest income is recognised using the effective interest method and is deducted from interest expenses shown as finance costs (net).

6.22 Dividends payable

Dividends payable to the Company's shareholders are recognised as a current liability in the period in which the dividends are declared.

6.23 Non-recurrent items

Material items of income or expense due to the significance of their nature and amount are disclosed separately in profit or loss where it is necessary to provide further understanding of the financial performance.

7 REVENUE

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	Sales of real estates	**467,088**	1,341,613	**-**	866
	Sales of goods	**55,202**	108,036	**-**	-
	Rendering of services	**20,728**	22,213	**12,719**	-
	Rental of apartments	**81,447**	58,280	**-**	-
		624,465	1,530,142	**12,719**	866

8 COST OF SALES

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of real estates sold	**197,858**	756,807	**-**	54
Land transfer tax	**51,524**	66,974	**-**	-
Comission paid to real estate agents	**11,150**	50,520	**-**	-
Cost of goods sold	**23,129**	10,162	**-**	-
Cost of services rendered	**8,653**	19,489	**-**	-
Cost of rental apartments	**49,769**	45,734	**-**	-
Cost of manufacturing	**18,421**	12,459	**-**	-
Depreciation	**5,185**	3,443	**-**	-
Operating cost of aircraft	**5,104**	9,289	**-**	-
	370,793	974,877	**-**	54

9 DIVIDEND INCOME

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income from subsidiaries	**-**	-	**180,000**	280,000

10 OTHER INCOME & GAINS

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Commission & other income	**3,614**	1,810	**56**	171
Gain on disposal of property, plant & equipment	**11,853**	752	**11,788**	752
	15,467	2,562	**11,844**	923

11 FOREIGN EXCHANGE

Gain/(loss) on foreign exchange

Gain/(loss) on foreign exchange arises on the settlement of transactions in foreign currencies and on the transactions of monetary assets and liabilities denominated in foreign currencies.

12 ADMINISTRATIVE & SELLING EXPENSES

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term employee benefits	**77,110**	71,933	**8,836**	6,415
Overseas travelling	**8,691**	5,350	**-**	5,006
General administrative & selling expenses	**39,355**	52,218	**16,521**	5,464
Depreciation	**13,821**	14,206	**9,755**	11,705
Amortisation	**981**	431	**596**	-
Corporate social responsibility	**2,580**	8,031	**-**	-
GFA charges	**-**	11,328	**-**	-
Less: refund of overheads from subsidiaries	**-**	-	**(18,923)**	(2,243)
	142,538	163,497	**16,785**	26,347

13 OTHER EXPENSES & LOSSES

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loss on disposal of property, plant & equipment	**-**	1,074	**-**	-
Loss on disposal of investments in equity securities	**-**	-	**-**	2,794
	-	1,074	**-**	2,794

14 FINANCE COSTS (NET)

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	*Interest expenses*				
	Bank overdrafts	**8,148**	9,142	**3**	1,493
	Finance lease liabilities	**3,678**	-	**1,037**	-
	Loans from ultimate shareholder	**5,456**	5,516	**2,553**	2,288
	Bank loan	**2,392**	5,147	**-**	-
	Other	**-**	1,590	**-**	-
		19,674	21,395	**3,593**	3,781
b	*Interest income*				
	Deposits with notary	**754**	-	**-**	-
	Bank deposits	**262**	2,859	**5**	15
		1,016	2,859	**5**	15
	Finance costs (net)	**18,658**	18,536	**3,588**	3,766

15 NON RECURRING ITEMS

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Impairment of receivables from related parties	**-**	1,513	**-**	-
Impairment of receivables from subsidiary	**-**	-	**17,873**	-
Creditors written back	**-**	20,228	**-**	(442)
	-	21,741	**17,873**	(442)

16 PROPERTY, PLANT & EQUIPMENT

	Group	Freehold Land Rs'000	Building Rs'000	Aircraft Rs'000	Furniture & equipment Rs'000	Motor vehicles Rs'000	Building in progress Rs'000	Total Rs'000
a	2016							
	Cost							
	At 01 July 2015	7,748	44,742	50,133	37,528	26,992	101,927	269,070
	Reclassification	-	101,927	-	-	-	(101,927)	-
	Acquisitions	13,205	56,172	5,027	21,445	14,371	-	110,220
	Disposals	-	(36,716)	-	(1,601)	(2,589)	-	(40,906)
	Transfer from inventory property held for sale	-	5,566	-	-	-	-	5,566
	At 30 June 2016	20,953	171,691	55,160	57,372	38,774	-	343,950
	Accumulated depreciation & impairment							
	At 01 July 2015	-	4,435	8,085	12,476	10,749	-	35,745
	Depreciation charge	-	1,330	5,097	7,371	5,208	-	19,006
	Disposals adjustment	-	(3,195)	-	(1,545)	(2,145)	-	(6,885)
	At 30 June 2016	-	2,570	13,182	18,302	13,812	-	47,866
	Carrying amount							
	At 30 June 2016	20,953	169,121	41,978	39,070	24,962	-	296,084
b	2015							
	Cost							
	At 01 July 2014	20,805	39,323	49,042	29,674	28,438	39,167	206,449
	Reclassification	-	-	-	-	-	71	71
	Acquisitions	-	5,419	1,091	7,952	849	62,689	78,000
	Disposals	(13,057)	-	-	-	(2,295)	-	(15,352)
	Other adjustments	-	-	-	(98)	-	-	(98)
	At 30 June 2015	7,748	44,742	50,133	37,528	26,992	101,927	269,070
	Accumulated depreciation & impairment							
	At 01 July 2014	-	2,732	3,072	6,998	7,586	-	20,388
	Depreciation charge	-	1,703	5,013	5,481	5,458	-	17,655
	Disposals adjustment	-	-	-	-	(2,295)	-	(2,295)
	Other adjustments	-	-	-	(3)	-	-	(3)
	At 30 June 2015	-	4,435	8,085	12,476	10,749	-	35,745
	Carrying amount							
	At 30 June 2015	7,748	40,307	42,048	25,052	16,243	101,927	233,325
	Carrying amount of leased assets:							
c	*At 30 June 2016*	-	8,114	-	14,289	24,473	-	46,876
d	*At 30 June 2015*	-	-	-	15,693	16,242	8,155	40,090

e Refer to note 23 for assets pledged as securities for borrowing facilities granted to the Group.

16 PROPERTY, PLANT & EQUIPMENT (continued)

Company

		Office Building Rs'000	Aircraft Rs'000	Furniture & Equipment Rs'000	Motor vehicle Rs'000	Total Rs'000
a	**2016**					
	Cost					
	At 01 July 2015	45,380	50,133	4,131	22,146	121,790
	Acquisitions	-	5,027	387	2,570	7,984
	Disposals	(35,930)	-	(1,601)	(1,367)	(38,898)
	At 30 June 2016	9,450	55,160	2,917	23,349	90,876
	Accumulated depreciation & impairment					
	At 01 July 2015	4,155	8,085	3,446	8,204	23,890
	Depreciation charge	19	5,097	398	4,241	9,755
	Disposal adjustment	(3,195)	-	(1,545)	(1,208)	(5,948)
	At 30 June 2016	979	13,182	2,299	11,237	27,697
	Carrying amount					
	At 30 June 2016	8,471	41,978	618	12,112	63,179
b	**2015**					
	Cost					
	At 01 July 2014	45,380	49,042	4,071	24,441	122,934
	Acquisitions	-	1,091	60	-	1,151
	Disposals	-	-	-	(2,295)	(2,295)
	At 30 June 2015	45,380	50,133	4,131	22,146	121,790
	Accumulated depreciation & impairment					
	At 01 July 2014	2,649	3,072	2,806	5,953	14,480
	Depreciation charge	1,506	5,013	640	4,546	11,705
	Disposals adjustment	-	-	-	(2,295)	(2,295)
	At 30 June 2015	4,155	8,085	3,446	8,204	23,890
	Carrying amount					
	At 30 June 2015	41,225	42,048	685	13,942	97,900
	Carrying amount of leased assets:					
c	*At 30 June 2016*	-	-	-	12,113	12,113
d	*At 30 June 2015*	-	-	-	13,944	13,944

e Refer to note 23 for assets pledged as securities for borrowing facilities granted to the Company.

17 INTANGIBLE ASSETS

a **2016**

	Group			Company
	Goodwill on consolidation Rs'000	Computer software Rs'000	Total Rs'000	Computer software Rs'000
Cost				
At 01 July 2015	4,898	3,282	8,180	1,787
Acquisitions	-	-	-	-
At 30 June 2016	4,898	3,282	8,180	1,787
Accumulated amortisation & impairment				
At 01 July 2015	-	765	765	-
Amortisation charge	-	984	984	596
At 30 June 2016	-	1,749	1,749	596
Carrying amount				
At 30 June 2016	4,898	1,533	6,431	1,191

b **2015**

	Group			Company
	Goodwill on consolidation Rs'000	Computer software Rs'000	Total Rs'000	Computer software Rs'000
Cost				
At 01 July 2014	4,951	672	5,623	-
Acquisitions	-	2,603	2,603	1,787
Transfer	(53)	7	(46)	-
At 30 June 2015	4,898	3,282	8,180	1,787
Accumulated amortisation & impairment				
At 01 July 2014	-	334	334	-
Amortisation charge	-	431	431	-
At 30 June 2015	-	765	765	-
Carrying amount				
At 30 June 2015	4,898	2,517	7,415	1,787

18 INTERESTS IN SUBSIDIARIES

		Group		Company	
		2016 Rs'000	2015 Rs'000	**2016 Rs'000**	2015 Rs'000
a	*Investment in subsidiaries*				
	Cost				
	At 1 July	**-**	-	**38,412**	34,225
	Acquisitions	**-**	-	**-**	4,187
	Disposal			**(3)**	-
	At 30 June	**-**	-	**38,409**	38,412

18 INTERESTS IN SUBSIDIARIES (continued)

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
b	*Loan receivable from subsidiaries*				
	Cost	**-**	-	**581,916**	233,341
	Allowance for impairment				
	At 01 July	**-**	-	**-**	-
	Impairment charge (note 15)	**-**	-	**17,873**	-
	At 30 June			**17,873**	**-**
		-	**-**	**602,452**	271,753

c The subsidiaries, incorporated in the Republic of Mauritius, are as follows:

	Principal activity	% holding	
held directly by the Company			
Evaco Construction Ltd	Construction	100	100
Evaco Holiday Resorts Ltd	Hospitality and Leisure	49 *	49 *
Evasio SAS (incorporated in Reunion Island)	Property Development and Hospitality Activity	100	100
Evajet Ltd	Business Aircraft Operations	100	100
Le Clos du Littoral Ltée	Property Development - Real Estate Scheme	100	100
Le Clos du Littoral Phase II Ltd	Property Development - Real Estate Scheme	100	100
Le Clos du Littoral Phase III Ltd	Property Development	100	100
Le Domaine des Alizées Ltée	Property Development - Real Estate Scheme	100	100
Creative Properties Ltd	Property Development	100	100
Le Spa du Domaine Ltée	Spa	100	100
Les Villas Athénas Ltée	Property Development - Real Estate Scheme	100	100
Aquamarine Watersports Ltd	Dormant	100	100
Cape Rock Marina Ltd	Dormant	75	75
Sunrise Cape Marina Ltd	Dormant	100	100

* The Board of Directors of Evaco Ltd has effective control of Evaco Holiday Resorts Ltd.

held by a subsidiary (effective holding)

Archipel des Saveurs Ltd	Operation of a restaurant	100	100
Evaco Beach Club Ltd	Operation of a restaurant	100	100

19 INVESTMENT IN EQUITY SECURITIES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	Cost				
	Acquisition	**70**	-	**70**	-
	At 30 June	**70**	-	**70**	-

b The directors consider that the cost of the investment approximates its fair value.

20 LOAN RECEIVABLE

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loan receivable from related party	**-**	12,000	**-**	-

21 INVENTORIES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	Inventory property held for sale	**169,866**	322,987	**-**	-
	Property held for development	**294,464**	59,000	**-**	-
	Inventory property held for construction	**101,321**	73,795		
	Goods held for sale	**3,512**	11,179	**-**	-
	Goods in transit	**3,654**	-	**-**	-
	Works in progress	**3,897**	11,729	**-**	-
	Raw materials	**16,931**	8,633	**-**	-
		593,645	487,323	**-**	-

b The inventories are pledged as securities for banking facilities granted to the Group.

22 TRADE & OTHER RECEIVABLES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	Trade receivables	**56,298**	14,258	**160**	-
	Less: Accumulated allowance for credit losses	**(345)**	(39)	**-**	-
	Net trade receivables	**55,953**	14,219	**160**	-
	Prepayments & other receivables	**21,931**	22,955	**5,364**	5,890
	Amount receivable from subsidiaries	**-**	-	**10,953**	25,754
	Amount receivable from ultimate shareholder	**2,015**	-	**2,015**	-
	Amount receivable from related parties	**36,710**	35,555	**3,596**	2,322
		116,609	72,729	**22,088**	33,966
b	*Accumulated allowances for credit losses*				
	At 01 July	**39**	6,700	**-**	1,768
	Impaiment losses recognised on receivables	**306**	-	**-**	608
	Impairment losses reversed on receivables	**-**	(6,661)	**-**	(2,376)
	At 30 June	**345**	39	**-**	-
c	*Ageing of net trade receivables not impaired*				
	Not later than 4 months	**32,162**	2,419	**-**	-
	Later than 4 months	**23,791**	11,800	**-**	-
		55,953	14,219	**-**	-

d The trade receivables arise from credit facilities offered by the Group in the normal course of business for which the Company does not hold any collateral as securities. Taking into consideration the credit quality of the trade receivables, the Group considers that an allowance for credit losses of Rs 345k is necessary on trade receivables. No additional allowance for credit losses is necessary on trade receivable of later than 4 months (not due or past due).

23 BANK OVERDRAFTS

The bank overdrafts are secured on floating charges on the property, plant & equipment (other than those on finance lease) and inventories of the Group.

Average interest rate is 7.7% per annum.

Bank overdrafts facilities are generally for a period of one year subject to renewal after negociations between each borrowing company and its bankers.

24 TRADE & OTHER PAYABLES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	Trade payables	**91,501**	90,990	**2,954**	368
	Accruals & other payables	**44,055**	45,703	**3,050**	803
	Amount payable to subsidiaries	**-**	-	**1,146**	2,818
	Amount payable to other related parties	**9,031**	3,983	**-**	-
	Corporate social responsibility	**4,958**	8,335	**-**	-
		149,545	149,011	**7,150**	3,989

b Trade payables are non-interest bearing and are generally on 30 to 90 days' term.

25 PROVISION

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	Provision for warranty				
	At 01 July	**14,332**	-	**-**	-
	Warranty cost for the year	**1,540**	14,332	**-**	-
	Warranty provision reversed	**(14,332)**	-	**-**	-
	At 30 June	**1,540**	14,332	**-**	-

26 DEPOSITS FROM CUSTOMERS

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	Funds collected from customers in respect of the sale of real estates not yet completed at the end of the year	**9,310**	25,766	**-**	-

b The deposits received from customers are in respect of the sales of real estates not yet completed at year end. These deposits are set off against the sales proceeds recognised on the date of the signature of the unconditional exchange of contracts in the presence of the notary.

27 INCOME TAX

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	*Tax expense*				
	Tax on the adjusted profit for the year	**19,627**	65,841	**-**	-
	Deferred tax expenses for the year	**529**	(529)	**-**	
		20,156	65,312	**-**	-

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
b	*Tax payable/(receivable)*				
	At 01 July	**63,844**	-	**-**	-
	Tax on the adjusted profit for the year	**19,627**	65,841	**-**	-
	Adjustment for previous period	**-**	(1,058)	**-**	-
	Less: paid during the year	**(71,985)**	(939)	**(524)**	-
	At 30 June	**11,486**	63,844	**(524)**	-

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
c	*Reconciliation of tax expense & tax on accounting profit*	**15%**	15%	**15%**	15%
	Profit before tax	**107,579**	394,836	**166,339**	248,192
	Adjustment for:				
	Difference - capital allowance & depreciation	**(13,807)**	(2,203)	**401**	(3,500)
	Expenses not deductible for income tax purposes	**20,342**	29,888	**20,712**	4,902
	Expenses relating to exempt income	**(5,081)**	-	**6,707**	16,844
	Income not subject to tax	**(10,560)**	14,144	**(191,788)**	(280,752)
	Tax losses no longer available	**-**	45,459	**-**	45,459
	Tax losses of previous year	**(102,188)**	(146,079)	**(28,242)**	(59,388)
	Tax losses for future use	**134,562**	102,188	**25,871**	28,242
	Under provision of tax in previous years	**-**	707	**-**	-
	Adjusted chargeable profit for the year	**130,847**	438,940	**-**	-
	Tax on the adjusted profit for the year	**19,627**	65,841		
	Average effective tax rate	**18%**	17%		

27 INCOME TAX (continued)

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
d	*Deferred tax assets*				
	At 01 July	**529**	-	**-**	-
	Deferred tax expense (income) for the year	**(529)**	529	**-**	-
	At 30 June	**-**	529	**-**	-
	Made up of:				
	Difference between capital allowance & depreciation	**-**	(72)	**-**	-
	Retirement benefit liabilities	**-**	(122)	**-**	-
	Other provisions	**-**	(335)	**-**	-
		-	(529)	**-**	-

The MRA has made an assessment of Rs 5,321k for the assessment years 2012 & 2013. The Group is resisting the claim & is of the view that the claim would be disregarded at the Assessment review committee. No provision has, consequently, been made in these financial statements.

28 LOANS FROM ULTIMATE SHAREHOLDER

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest bearing loans from ultimate shareholder with no predetermined repayment terms	**34,216**	60,236	**-**	26,020

29 REDEEMABLE SECURED NOTES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	169,050 five-year redeemable secured notes of Rs 1,000 each	**169,050**	-	**169,050**	-

b Security:

The mortgaged land of an extent of 14,570m² and buildings of an extent of 7.910 m² situated at Riviere Citron, Solitude, and belonging to Evaco Construction Ltd, a wholly owned subsidiary.

c The pledged shares of Creatives Properties Ltd, a wholly owned subsidiary, which owns an extent of land at Anse La Raie, Cap Malheureux,

d Interest: Repo rate + 3.00%

e Maturity date: 16 June 2021

30 LOANS PAYABLE

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	*Other loans*				
	Bank loans - secured	**48,200**	48,208	**-**	-
	Loans from related parties	**36,543**	23,656	**36,543**	23,656
	Loan from subsidiaries	**-**	-	**23,875**	52,624
	Sundry	**-**	861	**-**	861
		84,743	72,725	**60,418**	77,141
b	*Current loan payable*				
	Not later than one year				
	Bank loans - secured	**32,134**	34,215	**-**	-
	Sundry	**-**	862	**-**	861
		32,134	35,077	**-**	861
c	*Non current loan payable*				
	Bank loans - secured	**16,067**	13,992	**-**	-
	Loans from related parties	**36,542**	23,656	**36,543**	23,656
	Loan from subsidiaries	**-**	-	**23,875**	52,624
		52,609	37,648	**60,418**	76,280

d The bank loans are secured on floating charge on all assets of the Company.

e The average interest rate is 7.7% per annum.

31 FINANCE LEASE LIABILITIES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	*Minimum lease payments*				
	Not later than one year	**15,337**	12,375	**4,636**	4,226
	Later than one year & not later than five years	**30,314**	30,334	**8,558**	10,790
		45,651	42,709	**13,194**	15,016
	Finance charges for future periods	**(5,885)**	(6,167)	**(1,672)**	(2,208)
	Present value of finance lease liabilities	**39,766**	36,542	**11,522**	12,808
b	Present value of finance lease obligations				
	Current				
	Not later than one year	**12,335**	9,476	**3,758**	3,203
	Non current				
	Later than one year & not later than five years	**27,431**	27,066	**7,764**	9,605
		39,766	36,542	**11,522**	12,808

c *Lease arrangements*

The Group has the option to purchase the assets concerned for a nominal amount at the conclusion of the lease arrangements. Lease liabilities are effectively secured as the rights of the leased assets revert to the lessor in the event of default.

32 RETIREMENT BENEFIT LIABILITIES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
	Other retirement benefits (a)	**5,951**	5,951	**4,307**	4,307
a.1	*Amount recognised in the statement of profit or loss:*				
	Current service cost	**-**	969	**-**	476
	Net interest cost	**-**	447	**-**	311
		-	1,416	**-**	787
a.2	*Reconciliation of the present value of obligations*				
	At 1 July	**5,951**	4,379	**4,307**	3,665
	Expenses as above (a.1)	**-**	1,416	**-**	787
	Actuarial gains	**-**	156	**-**	(145)
	At 30 June	**5,951**	5,951	**4,307**	4,307
a.3	The principal assumption used for the purpose of computing the present value of the unfunded retirement benefit obligations:-				
	Discount rate	**6.75%**	6.75%	**6.75%**	6.75%
	Future long term salary increase	**4.25%**	4.25%	**4.25%**	4.25%

b The retirement benefit liabilities are determined by an actuary every 2 years and any gain or loss thereon are then recognised in the financial statemts. The last actuarial valuation report was as at 30 June 2015.

33 RELATED PARTIES

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
a	*Transactions with related parties*				
	Sales of goods & services to				
	- fellow subsidiaries	**-**	-	**12,719**	-
	Recharge of goods & services to				
	- fellow subsidiaries	**-**	-	**18,923**	2,243

b *Outstanding balances with related parties*

Outstanding balances with related parties are disclosed in the respective note of the appropriate assets or liabilities.

Amount receivable from related parties arise in the normal course of business and are to be collected within the normal operating business cycle of the business.

There are no impaired trade receivables nor allowance for credit losses from related parties.

Amount payable to related parties arise in the normal course of business and are payable within the normal operating business cycle of the business.

33 RELATED PARTIES (continued)

c Compensation of key management personnel of the Company

	Group		Company	
	2016	2015	**2016**	2015
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term employee benefits incurred by the Company/subsidiaries	**40,557**	39,935	**2,096**	2,195

34 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to financial risks:

- Credit risk;
- Liquidity risk.
- Market risk (foreign exchange risk; interest rate risk)

a Credit risk

The Group has policies in place to ensure that credit sales are made to customers after a credit assessment has been carried out. There is no significant concentration of credit risk. The Group's credit risk is primarily attributable to its receivables. the amounts presented in the Statement of Financial Position are net for allowance for credit losses, estimated by management based on prior experience and the economic environment.

Refer to note 22 (trade & other receivables) for aged analysis of trade receivables

b Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available.

Contractual maturities of outflows in respect of financial liabilities are disclosed in the respective note of the appropriate liability.

c Market risk (foreign exchange risk; interest rate risk)

c.1 *Foreign exchange risk*

The Group is exposed to foreign exchange risk on certain transactions denominated in foreign currencies.

c.2 Currency risk analysis

The financial instruments exposed to foreign currency changes are summarised as follows:

	(in respective currency)			
	Group		Company	
	2016	2015	**2016**	2015
Financial assets				
€ ('000)	**241**	321	**2**	21
Us$ ('000)	**-**	6	**-**	-
£ ('000)	**-**	-	**-**	-
Financial liabilities				
€ ('000)	**517**	64	**-**	-
Us$ ('000)	**60**	4	**-**	-
£ ('000)	**-**	-	**-**	-

34 FINANCIAL RISK MANAGEMENT (continued)

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
c.3	*Sensitivity analysis on foreign currency risk*				
	Assuming a 1% change + (-) in the foreign currency rate on the above financial assets & liabilities, the result would have been impacted by	**80**	94	**1**	8

c.4 The Group's income and operating cash flow are exposed to interest rate risk as it sometimes borrows at variable rates. The Group uses a proper mix of fixed and variable rate borrowings, whenever possible, to manage the interest rate risk.

Sensitivity analysis on interest rate risk				
Assuming a 25 basis points change + (-) in the interest rate on all variable interest bearing borrowings, the result would have been impacted by	**412**	158	**81**	60

Capital risk management

a The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or raise shareholders loan or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio calculated as net borrowing divided by total equity of the Company.

		Group		Company	
		2016	2015	**2016**	2015
		Rs'000	Rs'000	**Rs'000**	Rs'000
b	*Gearing ratio*				
	Interest bearing borrowings				
	Bank overdrafts	**64,174**	16,515	**257**	-
	Redeemable secured notes	**169,050**	-	**169,050**	-
	Loans payable	**84,743**	72,725	**60,418**	77,141
	Finance lease liabilities	**39,766**	36,542	**11,522**	12,808
		357,733	125,782	**241,248**	89,949
	Less: Cash & cash equivalents	**(30,347)**	(17,594)	**(12,258)**	(1,578)
	Net debts	**327,386**	108,188	**228,990**	88,371
	Shareholders equity	**473,405**	385,993	**449,058**	282,719
	Total capital employed	**800,791**	494,181	**678,048**	371,090
	Gearing ratio %	**41**	22	**34**	24

35 CONTINGENT LIABILITIES

a Trade payables include an amount of Rs 68,342k payable to 2 suppliers in respect of the construction of Le Domaine des Alizées Ltée's real estates project. Payments of these invoices have not been made, at this stage, pending the rulings of the court cases in litigation between the parties.

b Le Domaine des Alizées Ltée has obtained an interim order restraining and prohibiting the owner of a property from renting its property outside the scope of the Real Estate Scheme proposed by Le Domaine des Alizée Ltée and its related company. Subsequently, the owner of the property has lodged a claim against Le Domaine des Alizées Ltée for damages.

c Evaco Ltd & Others have lodged a claim and are praying the Court to order payment from the defendants for non-payment of properties acquired namely the Restaurant & Spa of the RES Project, loss of rent for the occupation and use of the properties, unpaid suppliers and employee related costs. On the other side, the previous operator of the restaurant and spa of Le Domaine des Alizées Ltée has lodged a claim for damages against Evaco Ltd & Others. An amount of Rs.5,043k was disbursed by Defendant to the notary of Le Domaine des Alizées Ltée in an escrow account in respect of this matter has been recognised as receivable in these financial statements.

d Except for 35(a) above, no provision has been made in these financial statements as the Directors, taking into consideration legal advice, consider that it is unlikely that significant liabilities will arise in respect of these court cases.

36 EVENT AFTER THE REPORTING PERIOD

There were no events after the reporting period that require disclosures.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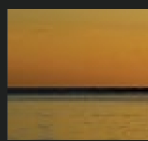
NOTES



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