

NOVUS PROPERTIES LTD

(FORMERLY ACMS PROPERTY LTD)

AND

ITS SUBSIDIARY

ANNUAL REPORT

2014

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

CORPORATE INFORMATION

Directors

Jean Didier Merven
Michel Guy Rivalland
Laurent Bourgault Du Coudray (appointed on 03.04.14)
Swadicq Nuthay (resigned on 25.03.14)

Secretary

FWM Secretarial Services Ltd
Bowen Square
Dr Ferrière Street
Port Louis

Registered office

C/o FWM Secretarial Services Ltd
Bowen Square
Dr Ferrière Street
Port Louis

Auditors


Lutchmun & Associates
Chartered Certified Accountants
61/62 First Floor, Georgetown Building
St Jean Road, Quatre Bornes

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

COMPANY'S SECRETARY CERTIFICATE

(Pursuant to Section 166 (d) of the Companies Act 2001)

We certify that, based on the records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 30 June 2014, all such returns as are required of the Company under the Companies Act 2001.


.....
FWM Secretarial Services Ltd
Company Secretary
Bowen Square
Dr Ferrière Street
Port Louis

Date: 18 NOV 2014
.....

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

ANNUAL REPORT

The directors are pleased to present their annual report together with the audited financial statements of the Company and the Group for the year ended 30 June 2014.

Nature of Business

The principal activity of the Company is property development for sale and / or rent.

Group Structure

On 31 May 2013, Powertech Engineering Ltd became a wholly owned subsidiary of the Company. There has been no change in the group structure during the year under review.

Business Review

Results

Company

The results for the year are shown on page 9.

The Company's rental, investment and other revenue for the year amounted to Rs. 7,504,443 (2013: Rs. 7,306,511). The profit for the year after taxation amounted to Rs. 4,261,406 (2013: Rs. 32,500,593).

Group

The Group's rental, investment and other revenue for the year amount to Rs. 9,878,377 (2013: Rs. 7,490,312) and the profit for the year after tax amounted to Rs. 4,018,220 (2013: Rs. 32,371,812).

State of affairs

The state of affairs of the Group and Company at the reporting date is set out on page 8.

Directors

The following persons held office as directors of the Company as at 30 June 2014:

Mr. Jean Didier Merven
Mr. Michel Guy Rivalland
Mr. Laurent Bourgault Du Coudray

All the directors of the Company were also directors of the subsidiary as at 30 June 2014.

Dividends

Dividends in specie amounting to Rs.16,599,000 were declared for the year under review. (2013: Nil)

Particulars of entry in the interest register

No entry was made in the interest register during the year.

Directors' service contracts

There were no service contracts between the Company and any of its Directors during the year under review.

Directors' remuneration and benefits

There were no remuneration or benefits accruing to the directors in office.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

ANNUAL REPORT

Contract of significance - Deposit on shares

As at 30 June 2014, a call of 185,185 shares were issued at a 10% discount to Net Asset Value amounting to Rs. 29,999,972. Calls received at 30 June 2014 amounted to Rs. 17,178,147 and the balances of Rs. 12,821,825 represented calls-in-arrears.

Donations


The Company and its subsidiary did not make any donations during the year.

Auditors' fees

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Audit fees paid to:				
Lutchmun & Associates	50,000	60,000	50,000	60,000
Other firms	50,000	38,500	-	-
	<u>100,000</u>	<u>98,500</u>	<u>50,000</u>	<u>60,000</u>

18 NOV 2014

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


.....
Director


.....
Director

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

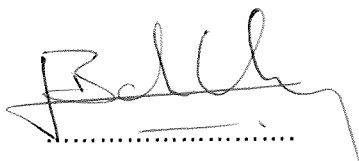
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the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

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

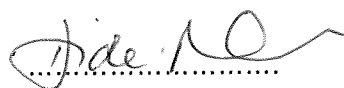
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The Board of directors (the 'Board') acknowledges its responsibility for ensuring the preparation of the financial statements in accordance with the International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal control and risk management.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'R. Bell', written over a horizontal dotted line.

Director

A handwritten signature in black ink, appearing to be 'J. de No', written over a horizontal dotted line.

Director



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NOVUS PROPERTIES LTD**

This report, including the opinion, has been prepared for and only for the shareholders 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.

Report on the financial statements

We have audited the group financial statements of Novus Properties Ltd (the "Company") (formerly ACMS Property Ltd) and its subsidiary (together referred as the "Group") and the financial statements of the Company on pages 8 to 36 which comprise of the statements of financial position as at 30 June 2014 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

.../7

**INDEPENDENT AUDITORS' REPORT THE SHAREHOLDERS
OF NOVUS PROPERTIES LTD (CONTINUED)**

Opinion

In our opinion, the financial statements on pages 8 to 36 give a true and fair view of the financial position of the Group and the Company as at 30 June 2014, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Report on other legal requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or its subsidiary other than in our capacity as auditors.

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

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

Lutchmun & Associates

.....
Lutchmun & Associates
Chartered Certified Accountants

Date: 18 NOV 2014

S.A Shorab Cadarsaib

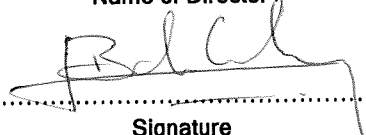
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S.A Shorab Cadarsaib, FCCA
Signing Partner
Licensed by FRC

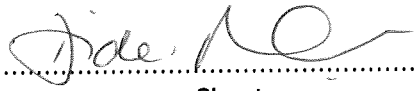
NOVUS PROPERTIES LTD AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2014

	NOTES	THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs.	Rs. Restated	Rs.	Rs. Restated
ASSETS					
Non current assets					
Property, plant & equipment	4	535,210	89,286	11,891	-
Investment properties	5	115,707,200	115,587,085	86,500,000	86,500,000
Investment in subsidiary	6	-	-	4,350,000	4,350,000
Investment in financial assets at fair value through profit or loss	7	47,973,338	49,228,350	47,973,338	49,228,350
Deferred tax assets	21	1,893,907	1,833	1,892,074	-
Goodwill	8	2,038,641	2,038,641	-	-
		<u>168,148,296</u>	<u>166,945,195</u>	<u>140,727,303</u>	<u>140,078,350</u>
Current assets					
Trade and other receivables	9	15,170,169	3,938,564	42,956,115	3,483,784
Cash and cash equivalents	10	19,675,793	168,331	19,283,217	124,178
		<u>34,845,962</u>	<u>4,106,895</u>	<u>62,239,332</u>	<u>3,607,962</u>
TOTAL ASSETS		Rs. 202,994,258	171,052,090	202,966,635	143,686,312
EQUITY AND LIABILITIES					
Equity					
Issued share capital	11	76,042,915	76,042,915	76,042,915	76,042,915
Retained earnings		17,617,801	30,198,581	17,989,768	30,327,362
Calls on right issue of ordinary shares	12	29,999,972	-	29,999,972	-
		<u>123,660,688</u>	<u>106,241,496</u>	<u>124,032,655</u>	<u>106,370,277</u>
Non-Current Liabilities					
Borrowings	15	60,000,000	838,336	60,000,000	-
Current liabilities					
Trade and other payables	13	2,734,570	3,473,584	2,334,980	4,216,044
Dividends in specie payable	14	16,599,000	-	16,599,000	-
Borrowings	15	-	60,498,674	-	33,099,991
		<u>19,333,570</u>	<u>63,972,258</u>	<u>18,933,980</u>	<u>37,316,035</u>
TOTAL EQUITY AND LIABILITIES		Rs. 202,994,258	171,052,090	202,966,635	143,686,312

18 NOV 2014

These financial statements have been approved for issue by the Board of Directors on the

Laurent Bargaunt
 Name of Director

 Signature

Didier Merven
 Name of Director

 Signature

The notes on pages 12 to 36 form an integral part of these financial statements.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	THE GROUP		THE COMPANY	
		2014 Rs.	2013 Rs. Restated	2014 Rs.	2013 Rs.
REVENUE					
Rental income	3(c)	8,781,089	6,660,326	6,407,155	6,476,701
Investment and other income	16	1,097,288	829,986	1,097,288	829,810
		<u>9,878,377</u>	<u>7,490,312</u>	<u>7,504,443</u>	<u>7,306,511</u>
EXPENSES					
Direct operating expenses relating to investment properties		(1,190,680)	(262,814)	(1,059,066)	(260,424)
Administrative expenses		(636,323)	(795,595)	(281,995)	(766,985)
Finance costs	18	(6,420,800)	(4,043,587)	(4,303,189)	(3,766,527)
		<u>(8,247,803)</u>	<u>(5,101,996)</u>	<u>(5,644,250)</u>	<u>(4,793,936)</u>
Net gain on fair value movements in financial assets at fair value through profit or loss	17	509,139	-	509,139	-
Revaluation gain on investment property	5	-	29,988,018	-	29,988,018
PROFIT FOR THE YEAR BEFORE TAXATION	19	<u>2,139,713</u>	<u>32,376,334</u>	<u>2,369,332</u>	<u>32,500,593</u>
Income tax credit/(charge)	21(i)	1,878,507	(4,522)	1,892,074	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>Rs. 4,018,220</u></u>	<u><u>32,371,812</u></u>	<u><u>4,261,406</u></u>	<u><u>32,500,593</u></u>
EARNINGS PER SHARE- AS REPORTED	20	Rs. <u>7.98</u>	<u>64.64</u>		
EARNINGS PER SHARE- AS RESTATED	20	Rs. <u>7.98</u>	<u>64.26</u>		

The notes on pages 12 to 36 form an integral part of these financial statements.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Share Capital	Retained earnings	Calls on right issue of ordinary shares	Total
	Rs.	Rs.	Rs.	Rs.
THE GROUP				
Balance at 1 July 2012	20,000	(2,173,231)	-	(2,153,231)
Profit for the year- as reported	-	32,560,024	-	32,560,024
Effect of restating finance costs	-	(188,212)	-	(188,212)
Profit for the year- as restated	-	32,371,812	-	32,371,812
Issue of shares	76,022,915	-	-	76,022,915
Balance at 30 June 2013	Rs. 76,042,915	30,198,581	-	106,241,496
Balance at 1 July 2013	76,042,915	30,198,581	-	106,241,496
Profit for the year	-	4,018,220	-	4,018,220
Dividends in specie declared	-	(16,599,000)	-	(16,599,000)
Calls on right issue	-	-	29,999,972	29,999,972
Balance at 30 June 2014	Rs. 76,042,915	17,617,801	29,999,972	123,660,688
	Share Capital	Retained earnings	Calls on right issue of ordinary shares	Total
	Rs.	Rs.	Rs.	Rs.
THE COMPANY				
Balance at 1 July 2012	20,000	(2,173,231)	-	(2,153,231)
Profit for the year	-	32,500,593	-	32,500,593
Issue of shares	76,022,915	-	-	76,022,915
Balance at 30 June 2013	Rs. 76,042,915	30,327,362	-	106,370,277
Balance - 01 July 2013	76,042,915	30,327,362	-	106,370,277
Profit for the year	-	4,261,406	-	4,261,406
Dividends in specie declared	-	(16,599,000)	-	(16,599,000)
Calls on right issue	-	-	29,999,972	29,999,972
Balance at 30 June 2014	Rs. 76,042,915	17,989,768	29,999,972	124,032,655

The notes on pages 12 to 36 form an integral part of these financial statements.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	THE GROUP		THE COMPANY	
		2014 Rs.	2013 Rs. Restated	2014 Rs.	2013 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		2,139,713	32,376,334	2,369,332	32,500,593
<i>Adjustments for:</i>					
Depreciation on property, plant and equipment	4	62,306	2,613	202	-
Loss on scrapped property, plant and equipment		28,920	-	-	-
Finance costs	18	6,420,800	4,043,587	4,303,189	3,766,527
Dividend income	16	(1,095,531)	-	(1,095,531)	-
Interest income	16	(1,757)	(5,710)	(1,757)	(5,534)
Net gain on fair value movements in financial assets at fair value through profit or loss	17	(509,139)	-	(509,139)	-
Revaluation gain on investment property	5	-	(29,988,018)	-	(29,988,018)
Adjustment on consolidation		(12,510)	-	-	-
Adjustment on amalgamation		-	(691,131)	-	814,565
<i>Movements in working capital:</i>					
(Decrease)/increase in trade and other payables		(1,785,972)	1,913,878	(1,881,064)	2,960,836
Decrease/(increase) in trade and other receivables		4,583,440	2,261,132	(26,397,095)	(413,168)
Cash generated from/(absorbed by) operations		9,830,270	9,912,685	(23,211,863)	9,635,801
Interest paid		(8,114,708)	(4,043,587)	(4,303,189)	(3,766,527)
Interest received	16	1,757	5,710	1,757	5,534
Net cash generated from/(used in) operating activities		1,717,319	5,874,808	(27,513,295)	5,874,808
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	4	(537,150)	-	(12,093)	-
Additions to investment property	5	(120,115)	-	-	-
Proceed from disposal of investments in financial assets	7	1,764,151	-	1,764,151	-
Dividends received		842,120	-	842,120	-
Investment in subsidiary	6	-	-	-	(4,350,000)
Net cash outflow on acquisition of subsidiary	8.1	-	(4,907,275)	-	-
Net cash generated from/ (used) in investing activities		1,949,006	(4,907,275)	2,594,178	(4,350,000)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of ordinary shares		-	25,980,000	-	25,980,000
Calls on right issue of ordinary shares		17,178,147	-	17,178,147	-
Proceeds from long-term borrowings		60,973,320	-	60,000,000	-
Repayment of unsecured loan from shareholders		-	(25,980,000)	-	(25,980,000)
Repayment of long-term borrowings		(61,680,946)	(5,000,000)	(33,072,035)	(5,000,000)
Net cash generated from/(used in) financing activities		16,470,521	(5,000,000)	44,106,112	(5,000,000)
Net increase/(decrease) in cash and cash equivalents		20,136,846	(4,032,467)	19,186,995	(3,475,192)
Cash and cash equivalents at the beginning of the year		(461,053)	3,571,414	96,222	3,571,414
Cash and cash equivalents at the end of the year	Rs.	19,675,793	(461,053)	19,283,217	96,222
REPRESENTED BY:					
Bank overdraft (Note 15)		-	(629,384)	-	(27,956)
Cash at bank (Note 10)		19,675,793	168,331	19,283,217	124,178
	Rs.	19,675,793	(461,053)	19,283,217	96,222

The notes on pages 12 to 36 form an integral part of these financial statements.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. GENERAL INFORMATION

Novus Properties Ltd (the "Company") is a limited liability company incorporated in Mauritius under the Companies Act 2001. The addresses of its registered office and principal place of business are at Bowen Square, Dr Ferrière Street, Port-Louis. The principal activities of the Company is property development for sale and/or rent.

2.1 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for certain properties and financial instruments that are valued at fair values, as explained in the accounting policies below.

Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

The consolidated and separate financial statements of Novus Properties Ltd and its subsidiary (the "Group") are presented in Mauritian rupees and all values are presented in Rs.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB').

2.2 BASIS OF CONSOLIDATION

The financial statements include the consolidated financial statements of the Company and its subsidiary (the "Group") and the separate financial statements of the parent company (the "Company").

A subsidiary is an entity controlled by the Company. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 APPLICATION OF NEW REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and amended standards adopted by the Company

The following standards and amendments have been adopted by the Company for the first time and are mandatory for financial year beginning on or after 1 January 2013:

Standard	Title
IAS 1	Presentation of financial statements
IFRS 13	Fair Value Measurement

The amendment to IAS 1, 'Presentation of financial statements' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The resulting impact is increased disclosure.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The resulting impact is increased disclosure.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

The Board has assessed the relevance of the standards, interpretations and amendments to existing standards that have been published and mandatory for accounting periods beginning on or after 1 January 2014 and which the Company and the Group has not early adopted and concluded these will not have a significant impact on the financial statements for the year ended 30 June 2014.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

		<i>Effective date:</i>
· IFRS 9	Financial Instruments: Classification and Measurement	Jan 2015
· IFRS 10, IFRS 12 and IAS	Investment Entities (Amendments)	Jan 2014
· IFRIC 21	IFRIC Interpretation 21 Levies	Jan 2014
· IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments)	Jan 2014
· IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (Amendments)	Jan 2014

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the more important accounting policies which have been applied consistently, is set out below:

(a) Investment in subsidiary*Separate financial statements of the investor*

In the separate financial statements of the investor, investment in subsidiary is carried at cost. The carrying amount is reduced to recognise any impairment in the value of the individual investments.

Consolidated financial statements

The consolidated financial statements include the statement of financial position of the Company and that of its subsidiary "Powertech Engineering Ltd" as at 30 June 2014. The Company acquired 100% of the ordinary shares of the subsidiary on 31 May 2013, date at which the Company directly had power to exercise control over its financial and operating policies. The results of the subsidiary for the year ended 30 June 2014 are included in the consolidated statement of profit or loss and other comprehensive income. The audited financial statements of the subsidiary ended at 30 September 2014 and the results and balances were adjusted to reflect the financial position at 30 June 2014. The acquisition method of accounting is used to account for business combinations by the Group.

Acquisition-related costs are expensed as incurred. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

All significant intercompany transactions and balances between Group entities are eliminated on consolidation.

Goodwill

Goodwill represents the excess of cost of acquisition over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of profit or loss and other comprehensive income as bargain purchase gain.

Goodwill is recognised as an asset and is tested for impairment annually, or on such other occasions or events or changes in circumstances that might indicate impairment.

Goodwill has been restated as permitted under IAS 8 - Changes in accounting policies which is shown in Note 8.

(b) Functional and Presentation Currency

These financial statements are prepared in Mauritian Rupees (Rs.), which is the Company's functional currency.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

Rental income from investment properties is recognised in the statement of profit or loss and other comprehensive income on an accrual basis in accordance with the substance of the relevant agreement. Revenue is stated net of value added tax and allowances.

Interest income is recognised on a time-proportion basis, using the effective interest method.

Dividend income is accounted for when the shareholder's right to receive payment is established.

(d) Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

(e) Property, plant and equipment

Property, plant and equipment held in the production and the supply of goods and services, or for administrative purposes are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write off the cost or amount of each asset to their residual values over their estimated useful lives. The annual rates used are as follows:

	%
Office equipment	10
Plant & Machinery	10
Tools	25
Furniture & Fittings	20
Motor vehicles	20

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(f) Investment property

Investment property, which is property held to earn rentals or capital appreciation or both and not occupied by the group is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, representing open market value determined by external valuers.

Changes in the fair value are included in the profit or loss and in the period in which they arise.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Related parties

A party is considered to be related to the Company if it:

- (i) has the ability to, directly or indirectly control the Company or exercise significant influence over the Company's operational and financial decisions, or where the Company is subject to common control;
- (ii) is a member of key management personnel of the Company;
- (iii) is an associate of the Company;
- (iv) is a close member of family of any individuals referred in (i) or (ii) above.

(h) Taxation

- *Deferred Taxation*

Deferred tax is provided, using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets and tax losses carried forward.

Deferred tax assets are recognised for all deductible differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

- *Taxation*

Income tax on the profit for that period comprises current tax. Income tax is recognised in the statement of profit or loss except to the extent it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Financial instruments****(i) Financial assets****(A) Categories of financial assets**

The Group classifies its financial assets in the following categories: financial assets through profit or loss, inventories, loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held-for-trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months to the end of the reporting period.

The Company has changed the classification of investment from "Investment in other financial assets" to "Investment in financial assets at fair value through profit or loss" (FVTPL) as permitted under IAS 8 which would result in the financial statements providing more reliable and more relevant information.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months after the end of the reporting period or non-current assets for maturities greater than twelve months.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

(B) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss and other comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at their fair values. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the statement of profit or loss and other comprehensive income.

(ii) Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

(k) Inventories

Inventories arise where there is a change in use of investment properties as evidenced by the commencement of development with a view to sale, and the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of profit or loss and other comprehensive income.

(m) Cash and cash equivalents

Cash and cash equivalents include cash at bank only. Bank overdrafts are shown within borrowings in current liabilities on statement of financial position.

(n) Share capital

Ordinary shares are classified as equity.

(o) Deposit on shares

Deposit on shares is classified as equity but ignored in earnings per share calculations.

(p) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group/Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

(q) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

(s) Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Changes in accounting policy - financial asset

The Board reviewed and assessed the classification of the Company's available for sale financial assets in accordance to IAS 39. The directors concluded that the Company's investments classified as available for sale financial should be classified as financial assets at fair value through profit or loss, considering that the revised classification will provide more relevant and reliable information to users of the financial statements of the Company.

The change in accounting of the investments was applied retrospectively in accordance to the provisions set out by IAS 8. The change in accounting policy has no financial impact on the Company's financial statements.

(u) Restatements - Material error

The Company and the Group must correct all material prior period errors retrospectively in the first set of financial statements authorised for issue after the discovery of the error by:

- restating the comparative amounts for the prior period presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

The Group has discovered that interest payable was understated in the financial statements of the subsidiary at acquisition date. Considering the material nature of the error, the financial statements of the Group have been restated retrospectively in accordance with IAS 8.

The effects on the statements of financial position are as follows:

	Trade and other payables	Goodwill
	Rs.	Rs.
THE GROUP		
Balance as reported at 30 June 2013:		
- as previously reported	1,779,676	532,945
- effect of restatement	<u>1,693,908</u>	<u>1,505,696</u>
- as restated	<u><u>3,473,584</u></u>	<u><u>2,038,641</u></u>

The effect on profit or loss is as follows:

	2013
	Rs.
THE GROUP	
Increase in finance costs	<u>(188,212)</u>
Decrease in profit	<u><u>(188,212)</u></u>

The effect on earnings per share is as follows:

	2013
	Rs.
THE GROUP	
Earnings per share	(0.66)

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1. CRITICAL ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which is described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and the other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Inventories

Investment properties intended for sale or expected to be sold are classified as inventories. This reclassification is based on management's intentions and best estimates. Actual results may differ from those estimates or following a change in the intended purpose of properties reclassification may be required again.

Impairment of financial assets at fair value through profit or loss

The Group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, amongst other factors, the duration and extent to which the fair value of an investment is less than cost, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit and loss and other comprehensive income. The Group engaged independent valuation specialists (the 'Valuer') on a regular basis to determine fair value of its investment properties held for capital appreciation or rental. The Valuer has assessed the fair value on an open-market basis, valuation which is based on a number of assumptions using their best expertise as well as judgements. The estimated fair value could differ from actual market value.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.1. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)*****Asset lives and residual values***

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group and the Company would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of the assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangibles assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

	Motor Vehicles Rs.	Office Equipment Rs.	Plant & Equipment Rs.	Tools Rs.	Computer Equipment Rs.	Furniture & Fittings Rs.	Total Rs.
Cost:							
At 1 July 2013	815,652	1,021,585	1,612,363	474,371	65,494	212,059	4,201,524
Additions	-	14,500	425,993	-	-	96,657	537,150
Scrapped	(815,652)	(913,312)	(1,612,363)	(474,371)	(65,494)	(212,059)	(4,093,251)
At 30 June 2014	-	122,773	425,993	-	-	96,657	645,423
Depreciation:							
At 1 July 2013	815,652	932,299	1,612,363	474,371	65,494	212,059	4,112,238
Charge for the year	-	15,782	39,030	-	-	7,494	62,306
Scrapped	(815,652)	(884,391)	(1,612,363)	(474,371)	(65,494)	(212,060)	(4,064,331)
At 30 June 2014	-	63,690	39,030	-	-	7,493	110,213
Net Book Value:							
At 30 June 2014	-	59,083	386,963	-	-	89,164	535,210
At 30 June 2013	-	89,286	-	-	-	-	89,286

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY

	Plant & Equipment Rs.
Cost:	
Additions	12,093
At 30 June 2014	<u>12,093</u>
Depreciation:	
Charge for the year	202
At 30 June 2014	<u>202</u>
Net Book Value:	
At 30 June 2014	<u>11,891</u>
At 30 June 2013	<u>-</u>

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5. INVESTMENT PROPERTIES	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Fair value				
Completed investment properties	115,707,200	115,587,085	86,500,000	86,500,000
Balance at beginning of the year	115,587,085	56,511,982	86,500,000	56,511,982
Additions	120,115	-	-	-
Acquisition through business combination	-	29,087,085	-	-
Revaluation gain (see note (a))	-	29,988,018	-	29,988,018
Balance at closing of the year	115,707,200	115,587,085	86,500,000	86,500,000

- (a) The freehold land and building included in investment properties have been valued at 30 June 2013 on an open-market basis by Gexim Real Estate Ltd, an independent professional qualified valuer. Investment properties are re-valued every three years.

Details of rental income and the direct operating expenses relating to them is shown on the statement of profit or loss and other comprehensive income.

6. INVESTMENT IN SUBSIDIARY

THE COMPANY

Rs.

At 30 June 2013 and 2014

4,350,000

The details of the Company's subsidiary is as follows:

NAME	COUNTRY OF INCORPORATION	CLASS OF SHARES	HOLDING	
			2014	2013
Powertech Engineering Ltd	Mauritius	Ordinary	100%	100%

Powertech Engineering Ltd became a wholly owned subsidiary of Novus Properties Ltd as from 31 May 2013 date when the latter acquired all the shares of Powertech Engineering Ltd. Details of assets acquired and liabilities recognised on acquisition of Powertech Engineering Ltd are given in Note 8.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

7. INVESTMENT IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) The movement in investments in financial assets may be summarised as follows:

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
At 1 July	49,228,350	-	49,228,350	-
Acquisition through amalgamation (Note 25)	-	49,228,350	-	49,228,350
Share buy back disposal	(21,654,344)	-	(21,654,344)	-
Acquisition through consideration received from share buy back transaction	15,525,598	-	15,525,598	-
Fair value gain	4,873,734	-	4,873,734	-
At 30 June	47,973,338	49,228,350	47,973,338	49,228,350

Change in accounting policy

The Company has changed the classification of investment held from "Investment in other financial assets" to "Investment in financial assets at fair value through profit or loss" as permitted under IAS 8 which would results in the financial statements providing relevant and reliable and more relevant information. The change in accounting of the investments was applied retrospectively in accordance to the provisions set out by IAS 8.

(b) Fair value of financial instruments

The financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1)
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	2014			2013
	Rs.	Rs.	Rs.	Rs.
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL (LEVEL 3)
The Group	16,599,000	-	31,374,338	47,973,338
The Company	16,599,000	-	31,374,338	47,973,338

(c) The financial assets at fair value through profit or loss are denominated in Rs.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

8. GOODWILL	<u>Rs.</u>
Consideration for acquisition of subsidiary	4,350,000
<i>Assets acquired and liabilities recognised at the date of acquisition:</i>	
<i>Non-Current Assets</i>	
Property, plant & equipment	91,899
Investment property	29,087,085
Deferred tax assets	1,833
<i>Current Assets</i>	
Trade and other receivables	3,133,602
Cash and cash equivalents	44,153
<i>Non-Current Liabilities</i>	
Borrowings	(838,336)
<i>Current Liabilities</i>	
Trade and other payables	(304,498)
Bank overdraft	(601,428)
Borrowings	(26,797,255)
Net assets acquired	<u>3,817,055</u>
Goodwill arising on acquisition - as reported	532,945
Effect of restating interest payable	1,505,696
Goodwill arising on acquisition - as restated	<u>2,038,641</u>
8.1 <i>Net cash outflow on acquisition of subsidiary:</i>	
Consideration	4,350,000
Less: Cash and cash equivalents acquired	(44,153)
Add: Bank overdraft	601,428
	<u>4,907,275</u>

9. TRADE AND OTHER RECEIVABLES	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Trade receivables	580,315	623,616	524,818	623,616
Less provisions for impairment	(29,302)	(172,162)	(29,302)	(172,162)
Trade debtors - net	551,013	451,454	495,516	451,454
Receivable from subsidiary (Note 23)	-	-	28,145,085	-
Calls on right issue of ordinary shares (Note 12)	12,821,825	-	12,821,825	-
Other receivables	1,543,920	2,662,834	1,240,278	2,208,054
Dividends receivable	253,411	824,276	253,411	824,276
	<u>15,170,169</u>	<u>3,938,564</u>	<u>42,956,115</u>	<u>3,483,784</u>

(i) The carrying amount of trade and other receivable approximate their fair value.

As of 30 June 2014, trade receivables of Rs. 29,302 (2013: Rs. 172,162) were impaired for the Group and the Company. The individually impaired receivables relate to tenants, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
3 to 6 months	<u>29,302</u>	<u>172,162</u>	<u>29,302</u>	<u>172,162</u>

As of 30 June 2014, trade receivables of Rs. 495,516 (2013: Rs. 451,454) for the Company and for the Group Rs. 551,013 (2013: Rs. 451,454) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
3 to 6 months	<u>551,013</u>	<u>451,454</u>	<u>495,516</u>	<u>451,454</u>

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupees	<u>15,170,169</u>	<u>3,938,564</u>	<u>42,956,115</u>	<u>3,483,784</u>

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements in the provision for impairment of trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
At 1 July,	172,162	-	172,162	-
Provision for receivable impairment	-	172,162	-	172,162
Unused amounts reversed	(142,860)	-	(142,860)	-
At 30 June,	29,302	172,162	29,302	172,162

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group and the Company do not hold any collateral as security.

10. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Cash at bank	19,675,793	168,331	19,283,217	124,178

11. ISSUED SHARE CAPITAL

	THE GROUP & THE COMPANY	
	2014 Rs.	2013 Rs.
<i>No par value shares</i>		
200 ordinary shares	20,000	20,000
Issue of 259,800 ordinary shares for cash	25,980,000	25,980,000
Issue of 243,750 ordinary shares for other than cash	50,042,915	50,042,915
	76,042,915	76,042,915

12. CALLS ON RIGHT ISSUE OF ORDINARY SHARES

As at 30 June 2014, a call of 185,185 shares was issued at a 10% discount to Net Asset Value amounting to Rs. 29,999,972. Calls received at 30 June 2014 amounted to Rs. 17,178,147 and the balances of Rs. 12,821,825 represented calls-in-arrears.

13. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Deposits on rent	1,299,594	1,049,489	1,096,842	1,040,240
Other payables and accrued expenses	1,434,976	2,424,095	1,238,138	434,938
Amount due to subsidiary (Note 23)	-	-	-	2,740,866
	2,734,570	3,473,584	2,334,980	4,216,044

14. DIVIDENDS IN SPECIE PAYABLE

	2014	2013
	Rs.	Rs.
THE GROUP & THE COMPANY		
Dividends in specie	16,599,000	-

On 23 May 2014, the Board of Directors of the Company approved the distribution of part of its investments in Ascencia Limited Class B, classified in the financial statements as investments in financial assets at fair value through profit or loss, in the form of dividends in specie. On authorisation of the distribution, the Group and the Company recognised a dividends payable of Rs. 16,599,000 representing the fair value of 11,066 class B shares.

15. BORROWINGS

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Non-current				
Bank borrowings	60,000,000	838,336	60,000,000	-
Current				
Bank overdraft	-	629,384	-	27,956
Bank borrowings	-	59,869,290	-	33,072,035
	-	60,498,674	-	33,099,991
Total borrowings	60,000,000	61,337,010	60,000,000	33,099,991

(a) The Company's borrowings include secured liabilities amounting to Rs. 60,000,000 (2013: Rs. 33,072,035). The bank borrowing is secured by a floating charge and a fixed charge on the Company's assets comprising of investment property (Note 5) and a pledge on 2,159,280 shares held as financial assets (Note 7) for a total charge of Rs. 60,000,000. The rate of interest is charged at 8.75% per annum.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

15. BORROWINGS (CONTINUED)

(b) The exposure of the Group's and the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	6 months or less Rs.	6 - 12 months Rs.	1 - 5 years Rs.	Over 5 years Rs.	Total Rs.
The Group					
At 30 June, 2014: Total borrowings	-	-	-	60,000,000	60,000,000
At 30 June, 2013: Total borrowings	60,498,674	-	838,336	-	61,337,010
The Company					
At 30 June, 2014: Total borrowings	-	-	-	60,000,000	60,000,000
At 30 June, 2013: Total borrowings	33,099,991	-	-	-	33,099,991

(c) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
After one year and before two years	-	838,336	-	-
After two years	60,000,000	-	60,000,000	-
	60,000,000	838,336	60,000,000	-

(d) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2014 %	2013 %	2014 %	2013 %
Bank overdrafts	-	8 - 10	-	8 - 10
Bank borrowings	8.75	8 - 11.5	8.75	8 - 11.5

(e) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currency:

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Mauritian Rupees	60,000,000	61,337,010	60,000,000	33,099,991

(f) The carrying amounts of borrowings are approximate to their fair value.

16. INVESTMENT AND OTHER INCOME

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Dividend income	1,095,531	824,276	1,095,531	824,276
Interest income	1,757	5,710	1,757	5,534
	1,097,288	829,986	1,097,288	829,810

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17. NET GAIN IN FAIR VALUE MOVEMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Realised loss on disposal of shares	(4,364,596)	-	(4,364,596)	-
Unrealised gain on financial assets at fair value through profit or loss	4,873,735	-	4,873,735	-
	<u>509,139</u>	<u>-</u>	<u>509,139</u>	<u>-</u>

18. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Interest on bank loans	6,298,460	4,036,064	4,301,392	3,765,223
Interest on bank overdraft	122,340	7,523	1,797	1,304
	<u>6,420,800</u>	<u>4,043,587</u>	<u>4,303,189</u>	<u>3,766,527</u>

19. PROFIT FOR THE YEAR BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Profit for the year before taxation	<u>2,139,713</u>	<u>32,376,334</u>	<u>2,369,332</u>	<u>32,500,593</u>
<i>Profit for the year before taxation is arrived at after charging:</i>				
Depreciation on property, plant and equipment:				
- Owned assets	62,306	2,613	202	-
Interest on bank loans	6,298,460	4,036,064	4,301,392	3,765,223
Interest on bank overdraft	<u>122,340</u>	<u>7,523</u>	<u>1,797</u>	<u>1,304</u>

(a) Neither the Group, nor the Company does not employ employees.

20. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on the following parameters:

	THE GROUP	
	2014	2013
	Rs.	Rs.
Profit attributable to the equity shareholders (Rs.)- as reported	4,018,220	32,560,024
Effect of restating finance costs	-	(188,212)
Profit attributable to the equity shareholders (Rs.)- as restated	<u>4,018,220</u>	<u>32,371,812</u>
Number of shares in issue	503,750	503,750
Number of shares after share split (Note 29)	13,778,700	-
Basic Earnings per share (Rs)- as reported	<u>7.98</u>	<u>64.64</u>
Basic Earnings per share (Rs)- as restated	<u>7.98</u>	<u>64.26</u>
Basic Earnings per share (Rs)- after share split (Note 29)	<u>0.29</u>	

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21. TAXATION	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
(i) STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Current tax on the adjusted profit for the year at 15%				
(2013: 15%) (see note (ii) below)	(13,567)	(4,522)	-	-
Deferred tax (see note (iii) below)	1,892,074	-	1,892,074	-
Tax charge	<u>1,878,507</u>	<u>(4,522)</u>	<u>1,892,074</u>	<u>-</u>
(ii) STATEMENTS OF FINANCIAL POSITION				
At 1 July	-	-	-	-
Current tax on the adjusted profit for the year at 15 % (2013: 15%)	13,567	4,522	-	-
Reclassified to other receivables	<u>(13,567)</u>	<u>(4,522)</u>	<u>-</u>	<u>-</u>
At 30 June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The tax on the Group's and the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Group and the Company as follows:

Profit before taxation	<u>2,139,713</u>	<u>32,376,334</u>	<u>2,369,332</u>	<u>32,500,593</u>
Tax calculated at a rate of 15%	320,957	4,856,450	355,400	4,875,089
Income not subject to tax	-	-	(257,265)	-
Capital allowances	(15,726)	(5,242)	(379,590)	-
Expenses not deductible for tax purpose	513	171	7,296	-
Utilisation of previously unrecognised tax losses	(292,177)	(4,846,857)	-	(4,875,089)
Tax losses brought forward	-	-	<u>274,159</u>	<u>-</u>
Tax charge for the year	<u>13,567</u>	<u>4,522</u>	<u>-</u>	<u>-</u>

Tax losses available for net off against future taxable profit of the Company are as follows:

	<u>Rs.</u>
Non-expiring tax losses on capital allowances (for the financial years from 30 June 2009 to 30 June 2013)	10,683,529
Non-expiring tax losses on capital allowances (for the financial year ended 30 June 2014)	1,827,730
Non-expiring tax losses on amalgamation (Note 25)	102,770
As at 30 June 2014	<u>12,614,029</u>

(iii) Deferred income tax

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2013: 15%)

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relates to the same fiscal authority on the same entity. The following amounts are shown in the statement of financial position.

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Deferred tax assets	<u>1,893,907</u>	<u>1,833</u>	<u>1,892,074</u>	<u>-</u>

At the end of the reporting period, the Company had unused tax losses of Rs.12,614,029 (2013: Rs. 10,786,299) available for offset against future profits. A deferred tax asset has been recognised in respect of Rs.12,614,029 (2013: Nil) of such losses. The tax losses is not subject to expiry since they comprise of tax losses on capital allowances and amalgamation.

- (b) The movement in the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
At 1 July	1,833	-	-	-
Credited to statements of profit or loss	1,892,074	1,833	1,892,074	-
At 30 June	<u>1,893,907</u>	<u>1,833</u>	<u>1,892,074</u>	<u>-</u>

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21. TAXATION

(iii) Deferred income tax (continued)

- (c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

<u>Net deferred tax assets</u>	Accelerated capital allowance	Tax losses	Total
	Rs.	Rs.	Rs.
<u>The Group</u>			
At 1 July 2012	-	-	-
Credited to statements of profit or loss	-	1,833	1,833
At 30 June 2013	-	1,833	1,833
Credited to statements of profit or loss	(30)	1,892,104	1,892,074
At 30 June 2014	Rs. (30)	1,893,937	1,893,907
<u>The Company</u>			
At 30 June 2013	-	-	-
Credited to statements of profit or loss	(30)	1,892,104	1,892,074
At 30 June 2014	Rs. (30)	1,892,104	1,892,074

22. FINANCIAL INSTRUMENTS

22.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sells assets to reduce debt.

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by shareholders' fund. Net debt is calculated as total borrowings (including current and non current borrowings) less cash and cash equivalents. The shareholders' fund comprise of issued capital, reserves and shareholders funding.

During 2014, the Company's gearing ratio increased slightly due to medium term loan contracted. The gearing ratio at 30 June 2014 were as follows:

	THE GROUP		THE COMPANY	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Total debt (Note 15)	60,000,000	61,337,010	60,000,000	33,099,991
Total equity	123,660,688	106,241,496	124,032,655	106,370,277
Net debt to equity ratio	49%	58%	48%	31%

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.2 Financial instruments by category

Financial assets

The carrying amounts of each of the categories of the financial instruments as at the date of the statement of financial position are as follows:-

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	19,675,793	168,331	19,283,217	124,178
Trade and other receivables	15,170,169	3,938,564	42,956,115	3,483,784
Investment in financial assets at fair value through profit or loss	47,973,338	49,228,350	47,973,338	49,228,350
	<u>82,819,300</u>	<u>53,335,245</u>	<u>110,212,670</u>	<u>52,836,312</u>
<u>Financial liabilities</u>				
Trade and other payables	2,734,570	3,473,584	2,334,980	4,216,044
Borrowings	60,000,000	61,337,010	60,000,000	33,099,991
	<u>62,734,570</u>	<u>64,810,594</u>	<u>62,334,980</u>	<u>37,316,035</u>

22.3 Financial risks management objectives

The Group's and the Company's activities expose it to various types of financial risks that are associated with the borrowings contracted to finance its property development business. These financial risks include liquidity risk, credit and counterparty risk, and market risk (including interest rate risk). The Group's and the Company's overall risk management program focuses on minimising potential adverse effects on being able its commitments towards the bank.

(i) *Liquidity risk*

This refers to the possibility of default by the Group and the Company to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared regularly and actions taken accordingly.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

22. FINANCIAL INSTRUMENTS (CONTINUED)
 22.3 Financial risks management objectives (Continued)
 (i) *Liquidity risk (Continued)*

The table below analysed the Group's and the Company's non-derivative financial liabilities and net-financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
<u>The Group</u>				
At 30 June 2014:				
Bank borrowings	-	-	-	60,000,000
Trade and other payables	2,734,570	-	-	-
At 30 June 2013:				
Bank borrowings	60,498,674	838,336	-	-
Trade and other payables	3,473,584	-	-	-
<u>The Company</u>				
At 30 June 2014:				
Bank borrowings	-	-	-	60,000,000
Trade and other payables	2,334,980	-	-	-
At 30 June 2013:				
Bank borrowings	33,099,991	-	-	-
Trade and other payables	4,216,044	-	-	-

(ii) ***Credit risk***

Credit risk relates to the possibility of default by customers in settling their obligations to the Group and the Company. The Group and the Company have established policies to ensure that sales of its products and services are made to customers with an appropriate credit history. Advance payments are requested where necessary until positive credit rating is established.

The Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group and the Company have policies in place to ensure that property is rented or sold to customers with an appropriate credit history.

(iii) ***Interest rate risk***

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's only significant interest earning financial asset is cash at bank and has contracted loans at prevailing interest rates. Interest income and charge may fluctuate in amount, in particular due to changes in interest rates.

Sensitivity analysis

The Group and the Company operates in an economy with more or less stable interest rates policy. If there is a 10% change in interest rates, earnings of the Group and the Company would increase or decrease by Rs.642,000 and Rs.430,319 respectively (2013: The Group Rs.407,505 and the Company Rs.379,801), if other factors remain constant.

22.4 **Insurable Risks**

The Group and the Company have adequate insurance cover for its properties and material contents, loss of profits and public liability. The sum insured for each insurance cover are reviewed annually in accordance with recommendations from professional advisers, where applicable.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

23. RELATED PARTY TRANSACTIONS	THE COMPANY	
	2014	2013
	Rs.	Rs.
Amount receivable from subsidiary	<u>28,145,085</u>	<u>-</u>
Amount due to subsidiary	<u>-</u>	<u>2,740,866</u>

24. GOING CONCERN

The financial statements have been prepared on a going concern basis and this assumes that there will be continued support from bankers and shareholders in the future. The validity of this assumption depends on the Group's and Company's bankers continued support by providing adequate banking facilities and financial support from the shareholders. The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

25. AMALGAMATION

Record Realty Ltd was amalgamated with the Company on 25 January 2013.

The ordinary shares of Record Realty Ltd were converted into ordinary shares of Novus Properties Ltd in the ratio of 160:1, based on the valuation of both companies by Comprehensive Financial Services, Chartered Certified Accountants.

Assets acquired and liabilities recognised at the date of amalgamation:

<i>Non-Current Assets</i>		<u>Rs.</u>
Investment in financial assets		49,228,350
<i>Current Liabilities</i>		
Trade and other payables		(150,000)
Borrowings		(26,651)
Net assets on amalgamation		<u>49,051,699</u>

26. NET ASSETS VALUE

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
		Restated		

The net assets value per share (NAV) as at the end of the reporting date is as follows:

At 30 June,	<u>245</u>	<u>211</u>	<u>246</u>	<u>211</u>
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At 30 June 2014, had the Company exercised its right on the deposit on shares (Note 12) and effected the share split of 19 additional shares for every ordinary no par shares (Note 29), the number of shares held by the Company would have been 13,778,700 and the NAV of the Company Rs. 9.00 and of the Group Rs. 8.97.

NOVUS PROPERTIES LTD AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

27. CHANGE OF NAME

The Company changed its name by special resolution from "ACMS Property Ltd" to "Novus Properties Ltd" with effect from 4 June 2014.

28. INCORPORATION

The Company is incorporated in the Republic of Mauritius under the Companies Act 2001.

29. EVENTS AFTER REPORTING DATE

Dividend distribution

The dividends in specie declared on 23 May 2014 has been distributed to the owners of the Company on 01 August 2014.

Share split

On 25 August 2014, the Company effected a share split of 19 additional shares issued for every ordinary no par shares held by each shareholder.

Listing on the Development & Enterprise Market

On 2 October 2014, the Listing Executive Committee of the Stock Exchange of Mauritius Ltd has granted to the Group the approval to the admission of 13,778,700 ordinary shares of no par value at a price of Rs 8.75 each of the Group, on the Development & Enterprise Market ('DEM') of the Stock Exchange of Mauritius Ltd by way of an introduction. Dealings in the ordinary shares of the Group started on 20 October 2014.