Cays Associates
Public Accountants

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)

Annual Report & Financial Statements

Year ended 30 September 2017

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Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Annual Report for the Year ended 30 September 2017

The directors have the pleasure in submitting the Annual Report of **Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)** together with the audited financial statements for the year ended 30 September 2017.

Principal activities

The main continuing business activities of the Group consist of:-

- Holding of investments,
- Trading in audio visual equipment, home appliances and sundry goods
- Distribution of consumer goods,
- The import of pharmaceutical products for sale on the domestic market
- Manufacturing, processing and bottling of fruit juices.
- Distribution of Nespresso products.
- Investment property for rental & capital appreciation.

Directors

The directors of the Company holding office at 30 September 2017 were as follows:-

- Mr Timothy Taylor (chairman)
- Mr Colin Hare
- Mr Matthew Taylor
- Mrs Fiona Taylor
- Mr Howard Buttery

Directors' service contracts

The directors have no service contract with the Company or its subsidiaries.

	2017 Rs'000	2016 Rs'000
Directors' remuneration and benefits		
Remuneration and benefits paid by the Company to directors of the company	4,590	3,650
Remuneration and benefits paid by subsidiaries to directors of the subsidiaries	12,226	9,491
Political donations		
Political donations made by the Company and its subsidiaries	Nil	Nil

Auditors' remuneration

	2017 Rs'000	2016 Rs'000
Fees payable to Cays Associates		
• Audit services for the Company	250	200
• Audit services for the Group	1,720	1,627

Approved by the Board of Directors on 15 MAR 2018
and signed on its behalf by:

Director **Director**

Port-Louis
Republic of Mauritius.

Date 15 MAR 2018

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited) Corporate Governance Report – Year ended 30 September 2017

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited) (SIL or the Company') is classified as a public interest entity under the Financial Reporting Act and is required to adopt corporate governance practices in keeping with The Report on Corporate Governance for Mauritius (the "Code").

1 Compliance Statement

For the period under review, the Company complied with the Code in most respects save that:

i. The Board is of the opinion that its size and composition are optimal for the effective execution of its responsibilities. There is one Executive Director as the Company is managed by only one Senior Executive.

ii. The Constitution of the Company does not provide for annual re-election of directors

iii. No committees were formed and no corporate governance and audit issues were taken up by the Board save as disclosed in paragraph 3 and 6 below.

iv. Remuneration of directors has not been disclosed on an individual basis given the commercially sensitive nature of such disclosure.

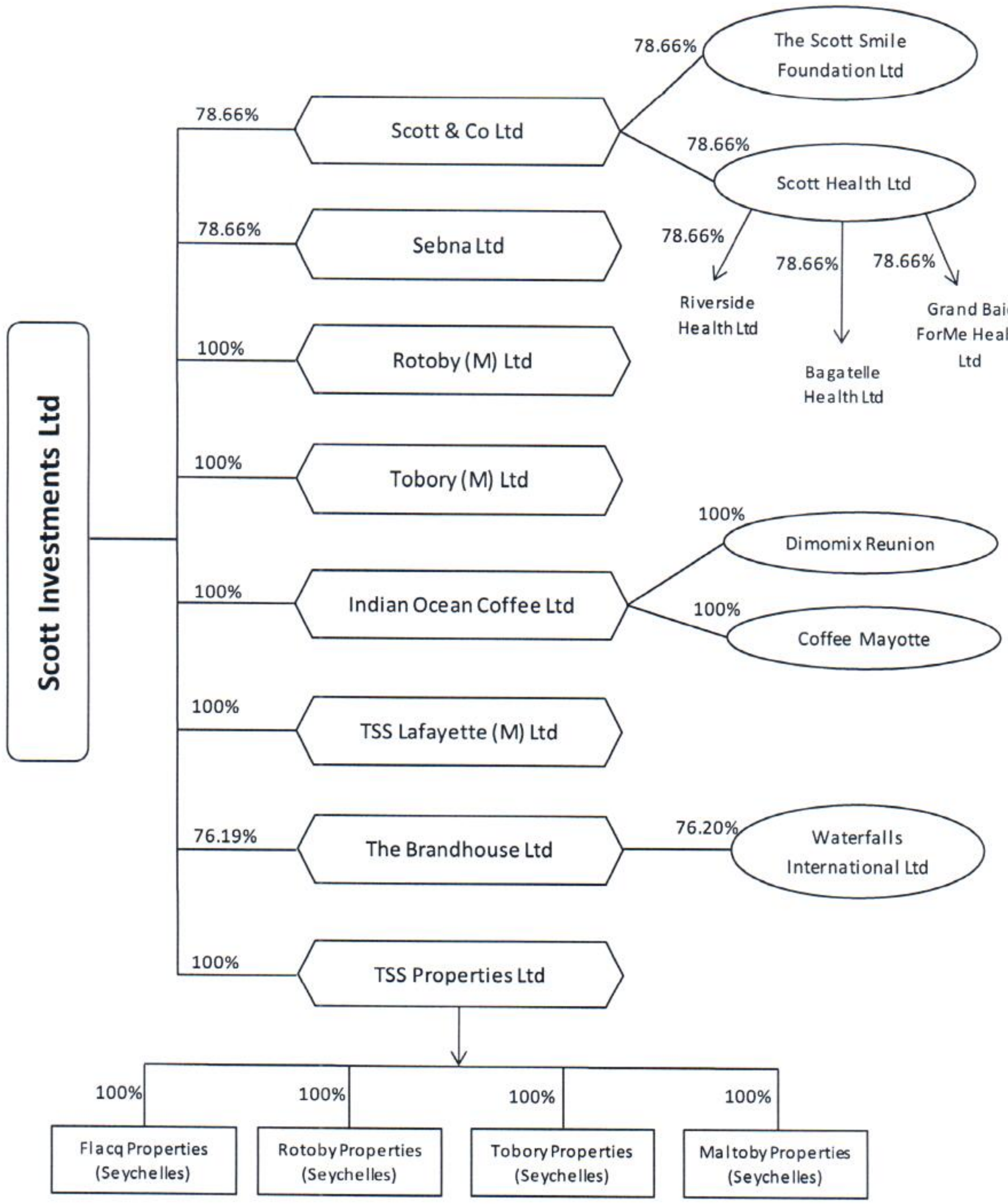
1.1 Holding structure and common directors

The Company is a public company limited by shares. The shareholders holding more than 5% as at 30 September 2017 are:

Name	%
Societe Rotoby	35.79%
TAYLOR, Estate Alexander Dennis	32.03%
Sylvia Scott Taylor, Jean Margaret Taylor, Dorothy Crocker, Emma Louise Farrar as Trustees of *The Donald Alastair Taylor No 1 Discretionary Settlement*	7.87%
TAYLOR, Sarah Anne	5.96%
Vorster, Danton I. Vorster, Peter D. Vorster and Irene M.	5.65%
VORSTER, Mrs Dorothy	5.65%

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Corporate Governance Report – Year ended 30 September 2017

Cascade holding structure is as follows:



The Company is governed by a constitution adopted in 2007.

1.2 Shareholder events and publications

The key shareholder events and publications are as follows:

Report	**Month**
Publication of Annual Report	March
Event	
Annual Meeting of Shareholders	March
Dividend Declaration	
Interim	April
Final	September
Dividend Payment	
Interim	May
Final	September

1.3 Dividend Policy

The Company has no formal dividend policy. Payment of dividends is subject to a solvency test under Companies Act 2001 and to the profitability of the Company, cash flow, working capital, foreseeable investments and capital expenditure requirements.

	2017	2016
Dividend paid	**Rs**	**Rs**
Interim	17,000,000	15,500,000
Final	23,000,000	21,000,000

1.4 Share price information

As the Company is not listed on any stock exchange, share price information is not available and the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius Ltd do not apply.

2 The Board

2.1 Board membership

As at 30 September 2017, the Board constituted of five (5) members, one executive, three non-executive and one independent non-executive. The Board is of the opinion that its size and composition are optimal for the effective execution of its responsibilities.

The names of the directors of the Company, their profile and category as well as their directorships in other listed companies are set out below.

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited) Corporate Governance Report – Year ended 30 September 2017

Timothy TAYLOR

Executive Director and Chairperson

Tim Taylor holds a BA (Hons) in Industrial Economics from Nottingham University in the United Kingdom. He worked in United Kingdom until 1972 when he returned to Mauritius and joined Rogers, a leading Mauritian Commercial and Services Group. He became Chief Executive of Rogers in 1999 and retired in December 2006. He became Chairman (non-executive) of Rogers in 2007, retiring in October 2012. He is currently Chairman (non-executive) of Scott & Co Ltd and a Director of Cim Financial Services Ltd. Mr Taylor is the Honorary Consul of Norway in Mauritius and a past Chairman of the Mauritius Chamber of Commerce and Industry. He is a past Chairman of the National Committee on Corporate Governance. He has always had an interest in environmental and conservation issues. He has been a member of the Council of the Mauritian Wildlife Foundation since 2006 and President since 2009.

Directorship in other listed companies: Cim Financial Services
Vivo Energy Mauritius Ltd

Matthew TAYLOR

Non-Executive Director

Matthew Taylor, born in 1974, holds a BSc (Hons) in Retail Management from the University of Surrey. He joined Rogers in 2000 as Project Manager in the Planning and Development Department. He is currently the Chief Executive Officer of Scott and Company Limited.

Directorships in listed companies: Cim Financial Services Ltd

Howard John BUTTERY

Independent

Howard Buttery was born in Durban, South Africa in 1946. After completing his studies and accounting articles he started his career with Bell Equipment Limited in March 1973 as Group Financial Director and was appointed as the Executive Chairman in 1977 a position he held until his retirement on the 30 June 2010. Howard also held the post as Chairman of Bank ABC where he served as a Director from 1st December 2004 to 31st December 2014. He has over 40 years of hands on experience in the forestry, mining, construction and sugar industries around the world. His particular interest is the development of trade between South Africa and the Sub Sahara African states. During his career he worked extensively in the West, Central and East African economies and served on a number of boards throughout this region. He is today the Executive Chairman of I.A. Bell & Company (Pty) Limited which holds the Bell family's investment in Bell Equipment Limited and a number of financial services companies. Howard continues to sit on the board of a number of private companies throughout the world and continues to make African inter-regional trade the centre of his interests.

Directorships in listed companies: none

Mrs Fiona Melissa Taylor

Non-Executive Director

Fiona Taylor, born in 1982, holds a BA (Hons) in Sociology from the University of York, UK and a Masters in Advertising and Marketing from Leeds Business School, UK. She started her career with Beachcomber Hotels in London as Sales Executive and later became Sales Manager for the UK and Ireland. She moved to Mauritius in 2009 and worked for Scott & Co. Ltd then Northfields International High School. Today she runs a fishing fly business, Victoria Tackle Ltd, with her husband supplying to the European and American market.

Directorship in listed companies: None

Colin A. HARE
Non-Executive Director
Born and educated in England, Colin came to Mauritius in 1953. He began his career in the Banking Sector and has had a rich and successful career with some of the leading companies in Mauritius, playing a strategic role in their growth and development. Colin has held the position of Honorary Consul for Japan in Mauritius and was chairman of The Mauritius Wild Life Foundation, where he made an invaluable contribution.

Directorships in listed companies: none

2.2 Board charter

For the year under review, the Board has not adopted a charter.

2.3 Meetings of the Board and conduct of meetings

The Board has three scheduled meetings each year during which it:

- examines all statutory matters;
- reviews the Company's performance;
- approves the Company's budget;
- monitors revised forecasts;
- approves the audited financial statements;
- oversees governance issues relating to the Company and its subsidiaries
- considers the declaration of interim and final dividends; and
- examines any proposed changes to capital structure and significant acquisitions, mergers, disposals and capital expenditure.

In addition, the Board meets whenever necessary between scheduled meetings to discuss urgent business. Certain decisions are taken by way of written resolutions.

The Chairman and the Company Secretary, agree the meeting agendas to ensure adequate coverage of key issues during the year. Board packs are usually sent to the directors in advance, except where urgent meetings are convened.

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

Directors are expected to attend each Board meeting unless there are exceptional circumstances that prevent them from so doing. For the year under review, the Board met thrice and the table below shows the attendance of directors at such board meetings and committee meetings.

Name of Director	Board Meeting
Timothy Taylor	3 out of 3
Alexander Matthew Taylor	3 out of 3
Howard John Buttery	3 out of 3
Colin Arthur Hare	0 out of 3
Fiona Melissa Taylor	3 out of 3

2.4 Director Induction and Board access to information and advice

An induction pack, including an induction programme to the Company's activities, is available for the newly elected directors.

All directors have access to the Company Secretary to discuss issues or to obtain information on specific areas or items to be considered at board meetings or any other area they consider appropriate. Furthermore, the directors have access to the records of the Company and they have the right to request independent professional advice at the expense of the Company.

The Board also has the authority to secure the attendance at meetings of third parties with relevant experience and expertise as and when required.

2.5 Board performance review

The board reviewed its performance end of 2015. A board evaluation exercise will be carried every two years.

2.6 Directors' Interests as at 30 September 2017

	% Direct holding	% Indirect holding
Timothy Taylor	-	32%
Alexander Matthew Taylor	-	4%
Fiona Melissa Taylor	-	4%
Howard John Buttery	-	-
Colin Arthur Hare	-	-

3 Board Committees

The board of Scott Investments Ltd considered that the setting up of board committees was not warranted as board committees were functioning at the subsidiary level that is by Scott & Co Ltd which was carrying out the Group's main activities. All other corporate governance issues are taken by the board of Scott Investments Ltd and by the board of The Brand House Ltd as far as this subsidiary is concerned.

4 Statement of Remuneration Philosophy

The remuneration package of the executive director is paid in accordance with market rates whilst non-executive directors are paid a monthly fee.

Remuneration and benefits received and receivable from the Company and other related corporation were as follows:

	2017 Rs			2016 Rs		
	Executive	**Non-Executive**	**Independent**	**Executive**	**Non-Executive**	**Independent**
The Company	600,000	3,750,000	240,000	600,000	2,765,000	285,000
The subsidiaries	1,133,884	4,609,134	419,079	919,150	4,512,400	659,727
TOTAL	1,733,884	8,359,134	659,079	1,519,150	7,277,400	944,727

The detailed remuneration per director has not been disclosed as such figures are commercially sensitive.

5 Share Option Scheme

There are no share option schemes at the level of the Company.

6 Internal Control, Internal Audit and Risk Management

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited), by the nature of its subsidiaries activities is faced with risks that could impact on its performance. A risk management programme is used by the subsidiary to mitigate such risks.

The Board of the subsidiaries are responsible for the establishment and oversight of the subsidiaries risk management programme, which incorporates internal control and risk management procedures.

The Board addresses aspects covered by a Risk Management and Audit Committee (RMAC) as far as Scott Investments Ltd (previously known as Taylor Smith & Sons Limited) and The Brand House Ltd are concerned. Besides a RMAC is established at the level of Scott & Co Ltd and, to assist its Board in fulfilling its responsibilities by monitoring decisions and processes designed to ensure the integrity of financial reporting and sound systems of internal control and risk management.

The Risk and Audit department of Scott & Co Ltd report to the RMAC, (that of The Brand House Ltd to its board) and use a risk based methodology to ensure that the internal audit function operates to professional standards and discharges its responsibilities under the approved audit plan. It also acts as a facilitator in ensuring that there is an effective system of risk management.

Management is accountable to the Board to establish processes and procedures for identifying, evaluating and managing the significant risks faced by the Company.

6.1 Internal control

The Group maintains a sound system of internal control with a view to safeguard shareholders' investments and the Company's assets. It is designed to identify, evaluate and manage risks that may impede the achievement of the Company's business objectives and can therefore provide reasonable assurance against material misstatement or loss.

The internal control system is designed to provide timely, uniform and accurate accounting for all the business processes and transactions. It ensures compliance with, accounting and financial reporting standards.

6.2 Internal audit

The Risk and Audit department of Scott & Company Limited is headed by an internal auditor who reports to the Chairman of the RMAC and administratively to Mr Matthew Taylor (Chief Executive Officer of the subsidiary) for internal audit procedures and control. The Brand House Ltd is supported by an outsourced Audit and Assurance Team which provides independent and objective assurance on adequacy and effectiveness of the system of internal controls in place.

Audit reports are circulated to senior management of the subsidiary and RMAC members. High risks issues are regularly reported and monitored at RMAC. The Chairman of the RMAC has a dedicated session at each board meeting of the subsidiary to report on all aspects of internal audit and risk management which thereafter was reported back to the Company's Board.

6.3 Risk Management

The risk management framework is designed to align the strategy and culture with the appropriate processes in place whilst encouraging the sense of entrepreneurship -helping management to take reasonable risks to fuel growth and improve business performance

All identified risks are compiled in a risk register which acts as a vehicle for capturing all the assessment and decisions made in respect thereof.

Regular meetings are carried out with Management to monitor and review the risks. Emerging risks are taken on board and existing risks are rated according to impact and likelihood. Risks which are no longer relevant are excluded from the risk register.

A follow up mechanism is in place to ensure that mitigating actions have been implemented.

The register is tabled at the subsidiaries's Board of the Company and the key risks are reported to the subsidiary's RMAC and to the subsidiary's Board.

Risks are managed within an established framework with three main building blocks:

- RMAC operates within a formal charter and is chaired by a non-executive director.
- Business units manage their risks including the outsourcing of certain risks to insurance companies.
- Internal Audit independently reviews, monitors and tests business units' compliance with policies and procedures.

Management monitors risks in the day-to-day operations and the list below shows the main risks which could materially affect its performance and the strategies employed by management to mitigate the risks.

The key risks which require focus and on-going monitoring are described below

FINANCIAL RISKS

The Group is exposed to various risks namely credit, liquidity, interest rate and currency risks. The policies adopted to minimise those risks are summarised below.

- **Credit risks**

Management closely monitors the performance of debtors and collection of debts and has recourse to credit insurance for overseas debtors.

- **Liquidity risk**

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

- **Interest rate risk**

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

- **Foreign Exchange risk**

The company is exposed to foreign exchange risk on certain transactions denominated in foreign currencies. The company uses forward contracts whenever possible, to manage its exposure to foreign currency risk.

Operational Risk

The subsidiary may be faced with the risks of loss or incident resulting from insufficient or unsuccessful internal processes, people and systems, external events which cause damage and disruption to the business.

The subsidiary adheres to its internal policies and control procedures to minimise its exposure to operational risks.

Health, Safety, Security and Environment (HSSE) Risks

The subsidiary is potentially exposed to HSSE risks due to the diversity of its daily operations.

Awareness sessions, risk assessment exercises and training programmes are carried out by the Health and Safety officers and other related service providers to comply with the requirements of Occupational Safety and Health Act (OSHA) 2005. Appropriate action plans are drawn and Health & Safety committees are regularly held for follow up purposes and update of new risks.

The Group is committed to continuously upgrade the healthy and safe working environment of its employees.

Hazard Risk

The Company continues to review the adequacy of insurance cover with the insurance partner taking into account new risks and where applicable, corresponding insurance covers are taken to mitigate such risk exposures. Group covers have been taken to benefit from better rates and increased limits.

7 Profile of Senior Management Team

The Senior Management of the Company is as follows:

Name	Position
Timothy TAYLOR	Executive Director

Mr Timothy Taylor's profile is found on page 2 (iv) of the report.

8 Code of Ethics

The Company is committed to the highest standards of compliance with laws and regulations, integrity and ethics in dealing with all of its stakeholders.

9 Recruitment, Remuneration and Health and Safety Policy

The Company is an equal opportunities employer and complies with health and safety laws and regulations.

10 Management Contract

The Company has a management agreement with its subsidiaries The Brand House Ltd, Dimomix SARL and Coffee Mayotte SARL for their day-to-day operations.

11 Related Party Transactions

For details on related party transactions, please refer to pages 37 and 38..

12 Donations

The Company made no political donations for the year under review.

ECS SECRETARIES LTD
Company Secretary

Date 15 MAR 2018

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ('PIE'): Scott Investments Ltd

Reporting Period: 1st October 2016 – 30th September 2017

We, the Directors of Scott Investments Ltd, confirm that to the best of our knowledge the PIE has not complied with Sections 2.2.3, 2.2.6, 2.5.5, 2.8.2 and 3 of the Code. Reasons for non-compliance are set out in Paragraphs 1,3 and 6 of the Corporate Governance Report.

SIGNED BY:

Names: ....

CHAIRPERSON **DIRECTOR**

DATE: 15 MAR 2018

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Corporate Governance Report for the year 30 September 2017

Statement of Directors' Responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. 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 Financing Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company
- Ensure that the financial statements of the Group and the Company comply with the Companies Act 2001
- Safeguard the assets of the Group and the Company
- Take reasonable steps to prevent and detect fraud and other irregularities.
- Ensure that the code of corporate governance has been adhered to and reasons have been provided where there has not been compliance.

The directors confirm that they have complied with the above requirements in preparing the financial statements and that adequate accounting records and an effective system of internal control and risk management have been maintained.

....
Director **Director**

1 5 MAR 2018

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Secretary's Certificate for the Year ended 30 September 2017

In our capacity as Company Secretary of **Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)** (the "Company"), we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the year ended 30 September 2017, all such returns, as are required, in terms of the Companies Act 2001.

Padow

Company Secretary

ECS Secretaries Ltd.

Port Louis
Republic of Mauritius.

Date 15 MAR 2018

Report of the Independent Auditors to the Shareholders of Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)

Report on the audit of the financial statements

Opinion
We have audited the financial statements of **Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)** which are made up of the consolidated financial statements (the Group) and of its separate financial statements (the Company) and which comprise the Statements of Financial Position as at 30 September 2017 and the Statements of Profit or Loss & Other 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 September 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 2001.

Basis of our opinion
- We conducted our audit in accordance with International Standards on Auditing (ISAs). Refer to paragraph entitled '*Auditors' responsibilities for the audit of the financial statements*' below.
- We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements (in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)).
- We have fulfilled our other ethical responsibilities in accordance with these requirements and
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors of the Company
The directors of the Company are responsible:
- for the preparation and fair presentation of the financial statements in accordance with IFRSs and 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.
- for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, having no realistic alternative but to do so.

Responsibilities of the auditors for the audit of the financial statements
Our objectives are:
- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and
- to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report of the Independent Auditors to the Shareholders of Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)

Refer to our website at: www.caysassociates.com for further details of our responsibilities forming part of this report.

Report on other legal and regulatory requirements

Companies Act 2001

- We have no relationship with, or interest in, the Company, 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 as 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.

Cays Associates

Cays Associates
Public Accountants

C. Ah Yuk Shing FCCA
Licensed by FRC

Date: 15 MAR 2018

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Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Statements of Financial Position at 30 September 2017

	Note	Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets					
Plant & equipment	7	161,989	133,340	-	-
Investment properties	8	138,550	27,019	-	-
Intangible assets	9	286,089	288,387	-	-
Interests in subsidiaries	10	-	-	492,144	411,883
Investment in joint venture	11	1,597,632	1,177,015	1,220,780	1,220,780
Investment in associate	12	14,119	14,469	9,259	9,259
Investments in equity securities	13	330,200	240,501	330,167	240,501
Loans receivable	14	9,000	9,247	72,500	72,500
Deferred tax assets	21	1,041	1,801	-	-
		2,538,620	1,891,779	2,124,850	1,954,923
Current assets					
Inventories	15	1,142,111	966,559	-	-
Trade & other receivables	16	706,102	515,075	163,921	96,676
Loans receivable	14	-	4,540	-	4,540
Deposits receivable	17	71,454	26,390	71,454	26,390
Tax prepaid	21	-	-	257	-
Cash at bank & in hand		284,793	405,421	137,567	279,430
		2,204,460	1,917,985	373,199	407,036
Current liabilities					
Bank overdrafts	18	244,387	153,521	-	-
Loans payable	22	152,448	105,826	-	17,000
Finance lease capital repayments	23	12,210	9,888	-	-
Trade & other payables	19	924,314	906,318	4,492	42,671
Provisions	20	47,378	26,459	-	-
Tax payable	21	20,074	18,685	-	4,295
Dividend payable	Page 7(ii)	23,000	21,000	23,000	21,000
		1,423,811	1,241,697	27,492	84,966
Net current assets		780,649	676,288	345,707	322,070
		3,319,269	**2,568,067**	**2,470,557**	**2,276,993**
Capital & reserves					
Share capital		1,693	1,693	1,693	1,693
Reserves		3,089,929	2,384,032	2,462,861	2,273,134
Attributable to owners of the Company		3,091,622	2,385,725	2,464,554	2,274,827
Non-controlling interests		135,626	116,530	-	-
	Page 7	3,227,248	2,502,255	2,464,554	2,274,827
Non-current liabilities					
Loans payable	22	43,532	8,492	-	-
Finance lease capital repayments	23	27,132	24,204	-	-
Employee benefit liabilities	24	21,357	33,116	6,003	2,166
		92,021	65,812	6,003	2,166
		3,319,269	**2,568,067**	**2,470,557**	**2,276,993**

These financial statements were approved & authorised for issue by the Board of Directors on 15 MAR 2018

Director **Director**

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Statements of Profit or Loss & Other Comprehensive Income
for the Year ended 30 September 2017

	Note	Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
Revenue	25	4,692,897	4,070,418	38,501	39,162
Cost of sales	26	(3,783,467)	(3,344,031)	-	-
Gross profit		909,430	726,387	38,501	39,162
Other income & gains	27	155,132	78,548	-	-
Dividend income	28	7,656	16,215	180,146	108,492
Interest income	29	3,042	2,836	6,447	5,537
Share of profit of joint venture	11	540,067	176,500	-	-
Share of profit of associate	12	766	2,418	-	-
Gain/(loss) on foreign exchange	30	55,205	26,262	(10,409)	(13,510)
Administrative & selling expenses	31	(900,938)	(684,837)	(27,610)	(33,288)
Interest cost	32	(18,729)	(23,077)	(243)	(4,196)
Impairment of goodwill	9	-	(117)	-	-
		751,631	321,135	186,832	102,197
Non-recurrent items	33	-	225,932	-	225,932
Profit before tax		751,631	547,067	186,832	328,129
Tax expense	21	(34,590)	(29,265)	(4,596)	(6,352)
Profit for the year	Page 7	**717,041**	**517,802**	**182,236**	**321,777**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Share of other reserve of joint venture	11	12,050	6,350	-	-
Gain/(loss) on translation of associate	12	(580)	215	-	-
Gain/(loss) on translation of foreign entities		947	(644)	-	-
Gain/(loss) on fair value of investment in equity securities	13	50,457	(53,248)	50,457	(53,248)
Items that will not be reclassified to profit or loss					
Remeasurement of employee benefit liabilities	24	2,191	5,433	(2,966)	-
Other comprehensive income/(loss)		**65,065**	**(41,894)**	**47,491**	**(53,248)**
Comprehensive income for the year		**782,106**	**475,908**	**229,727**	**268,529**
Profit for the year attributable to					
Owners of the Company		683,656	492,737		
Non-controlling interests		33,385	25,065		
		717,041	**517,802**		
Comprehensive income for the year attributable to					
Owners of the Company		747,561	449,536		
Non-controlling interests		34,545	26,372		
		782,106	**475,908**		

Group

	Attributable to owners of the Company									
	Stated capital*	Reserves of joint venture	Exchange difference on translation of associate & foreign entities	Actuarial gain/ (loss) in employee benefit liabilities	Treasury shares	Fair value reserve - investment in equity securities	Retained earnings	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
a **2016**										
At 01 October 2015	1,727	788,439	(1,548)	(5,198)	-	33,537	1,188,344	2,005,301	49,975	2,055,276
Profit for the year (page 6)	-	-	-	-	-	-	492,737	492,737	25,065	517,802
Other comprehensive loss for the year (page 6)	-	6,350	(429)	4,126	-	(53,248)	-	(43,201)	1,307	(41,894)
Comprehensive income / (loss) for the year (page 6)	-	6,350	(429)	4,126	-	(53,248)	492,737	449,536	26,372	475,908
Consolidation adjustment										
Non-controlling interests in new subsidiaries	-	-	-	-	-	-	-	-	33,811	33,811
Adjustment - change in shareholding in subsidiaries	-	-	-	(17)	-	-	1,063	1,046	(797)	249
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	15,790	15,790
Acquisition of additional shares in subsidiaries	-	-	-	-	-	-	(793)	(793)	-	(793)
Acquisition of treasury shares	-	-	-	-	(32,865)	-	-	(32,865)	-	(32,865)
Cancellation of treasury shares	(34)	-	-	-	32,865	-	(32,831)	-	-	-
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	(8,621)	(8,621)
Dividends (page 7 (ii))	-	-	-	-	-	-	(36,500)	(36,500)	-	(36,500)
At 30 September 2016	**1,693**	**794,789**	**(1,977)**	**(1,089)**	**-**	**(19,711)**	**1,612,020**	**2,385,725**	**116,530**	**2,502,255**
b **2017**										
At 01 October 2016	1,693	794,789	(1,977)	(1,089)	-	(19,711)	1,612,020	2,385,725	116,530	2,502,255
Profit for the year (page 6)	-	-	-	-	-	-	683,656	683,656	33,385	717,041
Other comprehensive loss for the year (page 6)	-	12,050	367	1,031	-	50,457	-	63,905	1,160	65,065
Comprehensive income / (loss) for the year (page 6)	-	12,050	367	1,031	-	50,457	683,656	747,561	34,545	782,106
Consolidation adjustment										
Non-controlling interests in new subsidiaries	-	-	-	-	-	-	-	-	(2,756)	(2,756)
Acquisition of additional shares in subsidiaries	-	-	-	(10)	-	-	(1,654)	(1,664)	1,186	(478)
Dividends to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	-	(13,879)	(13,879)
Dividends (page 7 (ii))	-	-	-	-	-	-	(40,000)	(40,000)	-	(40,000)
At 30 September 2017	**1,693**	**806,839**	**(1,610)**	**(68)**	**-**	**30,746**	**2,254,022**	**3,091,622**	**135,626**	**3,227,248**

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Statements of Changes in Equity for the Year ended 30 September 2017

Company

	Share capital*	Reserves of joint venture	Treasury shares***	Fair value reserve - investments in equity securities	Retained earnings	Total
	Attributable to owners of the Company					
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
a **2016**						
At 01 October 2015	1,727	1,220,775		33,537	819,624	2,075,663
Profit for the year (page 6)	-	-	-	-	321,777	321,777
Other comprehensive income for the year (page 6)	-		-	(53,248)	-	(53,248)
Comprehensive income for the year (page 6)	-	-	-	(53,248)	321,777	268,529
Acquisition of treasury shares	-	-	(32,865)	-	-	(32,865)
Cancellation of treasury shares	(34)	-	32,865	-	(32,831)	-
Dividends**	-	-	-	-	(36,500)	(36,500)
At 30 September 2016	**1,693**	**1,220,775**	-	**(19,711)**	**1,072,070**	**2,274,827**
b **2017**						
At 01 October 2016	1,693	1,220,775	-	(19,711)	1,072,070	2,274,827
Profit for the year (page 6)	-		-	-	182,236	182,236
Other comprehensive income for the year (page 6)	-	-	-	47,491	-	47,491
Comprehensive income for the year (page 6)	-	-		47,491	182,236	229,727
Dividends**	-	-	-	-	(40,000)	(40,000)
At 30 September 2017	**1,693**	**1,220,775**	-	**27,780**	**1,214,306**	**2,464,554**

	Group & Company			
	2017		2016	
	No of shares	Rs'000	No of shares	Rs'000
* **Share capital**				
Issued & fully paid				
Ordinary shares of Rs 10 each	169,354	1,694	169,354	1,694
** **Dividends**				
a *Declared & paid*				
Interim for the current year (Rs 100.38/share: 2016 - Rs 89.74)		17,000		15,500
b *Declared & payable*				
Final for the current year (Rs 135.81/share : 2016 - Rs 121.58)		23,000		21,000
		40,000		36,500

*** The treasury shares are in respect of the acquisition by the Company of 3,370 of its shares, subsequently cancelled during the year. These were paid after the reporting date.

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Statements of Cash Flows for the Year ended 30 September 2017

	Note	Group 2017 Rs'000	Group 2016 Rs'000	Company 2017 Rs'000	Company 2016 Rs'000
Operating activities					
Profit before tax	Page 6	751,631	547,067	186,832	328,129
Adjustment for:					
Dividend income	28	(7,656)	(16,215)	(180,146)	(108,492)
Interest income	32	(3,042)	(2,836)	(6,447)	(5,537)
Gain on disposal of plant & equipment	27	(3,509)	(140)	-	-
Gain on disposal of investments in equity securities	33	-	(225,932)	-	(225,932)
Depreciation		66,925	47,804	-	-
Amortisation		1,762	991	-	-
Allowance for credit losses	31	(1,336)	8,258	-	-
Interest cost	32	18,729	23,077	243	4,196
Share of profit of joint venture	11	(540,067)	(176,500)	-	-
Share of profit of associate	12	(766)	(2,418)	-	-
Impairment of goodwill	9	-	117	-	-
Employee benefit liabilities		3,540	3,055	871	-
Change in working capital:					
Inventories		(157,356)	(20,437)	-	-
Trade & other receivables		(85,625)	(35,111)	14,685	(23,761)
Trade & other payables		13,447	(125,714)	(38,178)	4,924
Provisions		7,130	5,936	-	-
		63,807	31,002	(22,140)	(26,473)
Less:-					
Interest received	32	1,693	2,836	5,097	5,068
Interest paid	32	(18,729)	(23,077)	(243)	(4,196)
Tax paid	21	(42,045)	(17,198)	(9,148)	(3,344)
Net cash from/(used in) operating activities		4,726	(6,437)	(26,434)	(28,945)
Investing activities					
Acquisition of plant & equipment		(71,042)	(29,089)	-	-
Acquisition of investment properties	8	(112,633)	(27,019)		
Acquisition of intangible assets	9	(4,987)	(1,146)	-	-
Acquisition of subsidiaries, net of cash	36	(13,564)	(134,371)	-	(268,026)
Acquisition of additional shares in	Page 7	(478)	(793)	(478)	(793)
Other funds invested in subsidiaries		-	-	(95,535)	-
Acquisition of investments in equity securities	13	(39,209)	(69,656)	(39,209)	(69,656)
Proceeds from disposal of plant & equipment		4,622	2,399	-	-
Dividend received		75,952	72,748	115,317	92,252
Proceeds from disposal of investments in equity securities		-	593,594	-	593,594
Loans granted (net)	14	4,540	16,213	4,540	(23,540)
Net cash from/(used in) investing activities		(156,799)	422,880	(15,365)	323,831

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Statements of Cash Flows for the Year ended 30 September 2017

	Note	Group 2017 Rs'000	Group 2016 Rs'000	Company 2017 Rs'000	Company 2016 Rs'000
Financing activities					
Loans received		147,871	84,859	-	72,000
Loan paid		(98,322)	(67,686)	(17,000)	(55,000)
Finance lease capital repayments		(11,665)	(14,224)	-	-
Issue of shares to non-controlling interests	Page 7	-	15,790	-	-
Dividends paid to NCI in subsidiaries		(14,365)	(5,446)	-	-
Dividends paid	Page 7	(38,000)	(35,500)	(38,000)	(35,500)
Net cash (used in) financing activities		(14,481)	(22,207)	(55,000)	(18,500)
Increase/(decrease) in cash & cash equivalents		(166,554)	394,236	(96,799)	276,386
Cash & cash equivalents at 1 October		278,290	(115,946)	305,820	29,434
Gain on foreign exchange on cash & cash equivalent		124	-	-	-
Cash & cash equivalents at 30 September		**111,860**	**278,290**	**209,021**	**305,820**
Cash & cash equivalents are:					
Cash at bank & in hand	Page 5	284,793	405,421	137,567	279,430
Deposits receivable	Page 5	71,454	26,390	71,454	26,390
Bank overdrafts	Page 5	(244,387)	(153,521)	-	-
		111,860	**278,290**	**209,021**	**305,820**
Non cash transactions					
Non cash transactions excluded from the above cash flow statement are acquisition of plant & equipment by means of finance lease		**16,931**	**13,173**	-	-

1 General information

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited) is a limited liability company incorporated and domiciled in the Republic of Mauritius. Its registered address is Rogers Riche Terre 1, Riche Terre, Republic of Mauritius.

The main business activities of the Group are

- Holding of investments,
- Distribution of consumer goods,
- The import of pharmaceutical products for sale on the domestic market,
- Manufacturing, processing and bottling of fruit juices.
- Distribution of Nespresso products
- Investment property for rental & capital appreciation.
- Trading in Audio Visual Equipment, Home Appliances and Sundry goods.

The Company changed its name from Taylor Smith & Sons Limited to Scott Investments Ltd on 26 September 2017.

2 Basis of preparation

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

- the valuation of investments in equity securities at fair value;

These financial statements are made up of:

- the consolidated financial statements comprising the Company, all its subsidiaries and joint venture & associate (accounted for on an equity basis) collectively the 'Group' and
- the separate financial statements of the Company (the 'Company').

3 Functional & presentation currency

The financial statements are presented in Mauritian rupees (the Group's functional currency), rounded to nearest thousand (Rs'000) unless otherwise stated.

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 to be 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 Group's assets and liabilities are as follows:

- *Depreciation of investment properties and plant & equipment*

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

- *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit, to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

- *Valuation of investments in equity securities*

The fair value of investments not quoted in active market is determined by using valuation technique earnings, net asset value or discounted cash flows whichever is appropriate. Refer also to para. 13.

4 Critical accounting estimates & judgements (cont'd)

- *Provision for warranty repairs*

Refer to para. 6.14.

- *Employee benefit liabilities*

The present value of Employee benefit liabilities depends on a number of factors that are assessed annually by an independent firm of consulting actuaries except for the Company where the valuation is carried out every 2-3 years. 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 24)

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 Group's operations and have no impact on the financial statements of the Group in terms of results, presentation or disclosure.

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

  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 15 'Revenue from contracts with customers' (effective for period beginning on or after 01 January 2018) addresses revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

  It requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. It will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

- 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 Investment properties, plant & equipment

All investment properties, plant & equipment are initially recognised at cost 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 Group.

Depreciation is calculated to write off the cost of items of investment properties, 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 Group will obtain ownership by the end of the lease term.

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

• Investment properties	50 years
• Refurnishment of showrooms	4 – 6.67 years
• Plant & machinery	6 - 7 years
• Furniture & equipment	15 -10 years
• Motor vehicles	15 - 25 years

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

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 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, which 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 2 – 7 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 Accounting policies (cont'd)

6.2 Intangible assets (cont'd)

- ***Goodwill on consolidation***

Goodwill on consolidation (as more fully described in para. 6.3) is initially recognised at cost and is subsequently measured at cost less any impairment losses.

6.3 Investments in subsidiaries

In the Financial Statements of the Group

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

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.
- 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.

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.

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 the Financial Statements of the Company

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 Group 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 (cont'd)

6.4 Investments in joint ventures/associates

In the Financial Statements of the Group

Investments in joint ventures (joint control)/associates (shareholding of 20% to 50%) are accounted for under the equity method of accounting from the date on which they become joint ventures/associates. Under this method, the investments are initially recognised at cost and subsequently adjusted for the post-acquisition change in the Group's share of net assets of the joint ventures/associates.

Any excess between the cost of the investment over the share of the net fair value of the joint venture's/associate's net assets (goodwill) is included in the carrying amount of that investment.

The results of joint ventures/associates acquired or disposed of during the year are included in the Group's profit or loss from the date of their acquisition or up to the date of their disposal. The Group's share of the changes in the joint ventures/associates' equity that has not been recognized in the Group's profit or loss is recognized directly in the Group's other comprehensive income.

Dividends receivable from the joint ventures/associates are deducted from the carrying amount of the investments.

Investments in joint ventures/associates are derecognised when these are disposed of. Any gain or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of these investments in joint ventures/associates in the group financial statements and is recognised in profit or loss at the date of disposal.

In the Financial Statements of the Company

Investments in joint ventures (joint control)/associates (shareholding of 20% to 50%) are initially recognised at cost and subsequently measured at cost less any impairment losses.

Investments in joint ventures/associates are derecognised when these are disposed of. Any gain or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of these investments in joint ventures/associates in the separate financial statements and is recognised in profit or loss at the date of disposal.

6.5 Investments in equity securities

Acquisition and disposal of investments in equity securities are recognized on the trade-date and are initially measured at fair value plus transaction costs.

The investments in equity securities is classified between available-for-sale investments and held-for-trading investments. Available-for-sale investments are those investments that are not held-for-trading or held-to-maturity.

They are subsequently measured at fair value. Any gain or loss in fair value is recognised in other comprehensive income.

Available-for-sale investments are derecognised when these are disposed of. Any gain or loss arising on the disposal of available-for-sale investment is determined as the difference between the sale proceeds and the carrying amount.is recognised in profit or loss.

6 Accounting policies (cont'd)

6.6 Loans receivable

Funds disbursed to subsidiary which are used as equity financing of the Group are initially recognised as interest in subsidiary at cost and subsequently measured at cost less any impairment losses and are classified as non-current assets.

Loans and deposits receivable (other than loans used as equity financing) are initially recognised at fair value when the Group's becomes a party to the contract and are subsequently measured at amortized cost using the effective interest method less any impairment losses.

These loans and deposits 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.

6.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average method in general & first in first out method for pharmaceutical products.

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.

6.8 Trade & other receivables

Trade & other receivables are initially recognised at fair value when the Group 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.

6.9 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.

6.10 Cash & cash equivalents

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

6 Accounting policies (cont'd)

6.11 Loans payable & overdrafts

Loans payable & overdrafts are initially recognised at fair value, net of transaction costs when the Group 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 Group 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.

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

6.12 Leases

Leased assets
Leases that transfer to the Group 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.

6.13 Trade & other payables

Trade & other payables are initially recognised at fair value, which is normally the invoiced price, by the suppliers when the Group 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.

6.14 Provisions

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. The unwinding of the discount is recognised as finance cost in profit or loss.

Provision for bulk discounts & incentives
Provision is made on a % of the yearly sales of goods for each calendar year, as agreed with the customers.

6 Accounting policies (cont'd)

6.14 Provisions (cont'd)

Provision for warranty costs
The Group guarantees that products are free from defects in workmanship, materials and manufacture over a predetermined period. The Group makes estimates for potential warranty costs based on historical experience. Such estimates are inherently difficult to estimate and are based on management's best judgement at the time. The management routinely reviews provisions for product warranty in the light of latest available information

6.15 Income tax

Tax expenses
Tax expense comprises current and deferred tax and is recognised in profit or loss. The tax expenses are calculated using tax rates enacted at the reporting date.

Tax payable
Tax payable for the current and prior periods is measured at the amount expected to be paid to the tax authorities

Deferred tax assets
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.

6.16 Share capital

Ordinary share capital is classified as equity.

Acquisition cost of treasury shares is deducted against share capital and share premium on cancellation.

6.17 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 Group 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.

Defined contribution plan
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that ac cash refund or a reduction in future payments is available. The Group does not have legal or constructive obligations to pay further contributions except to provide for liability for shortfall in gratuity on retirement under the Employment Rights Act (if any).

6 Accounting policies (cont'd)

6.17 Employee benefits (cont'd)

Defined benefit plan

All employees of the Company who were previously members of the Defined Benefit Superannuation Fund (DBSF) a defined benefit pension plan transferred to the above defined contribution plan. These employees, subject to them contributing regularly to the above defined contribution plan, have been given the guarantee by the Company that their benefits at normal retirement age would not be less than the benefits provided under the previous plan. The potential liability under the above guarantee is funded by additional contributions by the Company and has been included in the provision made for retirement benefit obligations.

The present value of these defined benefit obligations is recognized as a non-current liability after adjusting for the fair value of plan assets and any unrecognized past service cost. The assessment of these obligations is carried out by professional actuaries. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) ate recognised immediately in the other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other post-retirement benefit liabilities

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 and recognised as a non-current liability. The obligations arising under this item are not funded.

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.

6.18 Foreign currency translation

In the Financial Statements of the Group

The financial position, results and cash flows of an entity whose functional currency is different from the presentation currency (Mauritian rupees) are translated into Mauritian rupees as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date.
- Income and expenses for each item of profit or loss and other comprehensive income are translated at an average exchange rate for the period.
- All resulting exchange differences are recognised in other comprehensive income and cumulated in the translation reserve, except to the extent that the translation difference is allocated to the non-controlling interests.
- Cash flows are translated at an average exchange rate.

6 Accounting policies (cont'd)

6.18 Foreign currency translation (cont'd)

In the Financial Statements of the Company
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.

6.19 Revenue recognition

Sale of goods
Revenue from the sale of goods produced or purchased for resale is recognised in profit or loss when the Company sells the goods (ie on the transfer of control of the goods) based on the consideration to which the Company is entitled to receive net of value added tax on the transfer of control of the promised goods to the customer.

Provision of services at a point in time
Revenue for the provision of services at a point in time is recognised in profit or loss based on the consideration to which the Company is entitled to receive net of value added tax in the accounting period in which the services are provided.

Provision of services in the capacity of an agent
When the Company's performance obligation is to arrange for the provision of goods or the rendering of services by another party (the performance obligation), revenue is recognised in profit or loss in the amount of the commission to which the Company is entitled in exchange for that performance obligation at the date the performance obligation has been executed.

Lease income from operating leases
Income from the lease of property is recognised in profit or loss on a straight-line basis over the term of the operating lease.

6.20 Dividend income

In the Financial Statements of the Group
Refer to note 6.3 & 6.4 for dividends from subsidiaries & joint ventures/associates respectively.

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

In the Financial Statements of the Company
Dividend from investments in subsidiaries, in joint ventures/associates & equity securities are recognised in profit or loss only when the Group's right to receive payment of the dividends is established.

6 Accounting policies (cont'd)

6.21 Finance costs

Finance costs on borrowings 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 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 of the Group.

7 Plant & equipment

	Group					
	Refurbishment of showrooms	Plant & machinery	Furniture & equipment	Motor vehicles	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
a **2017**						
Cost						
At 01 October 2016	75,762	116,267	234,307	111,199	2,562	540,097
Reclassification adjustment	1,265	(2,675)	2,197	(5,012)	(2,562)	(6,787)
Consolidation adjustment	-	-	1,105	-	-	1,105
Acquisitions	27,586	13,968	31,471	14,687	245	87,957
Disposals	-	(2,115)	(3,715)	(5,979)	-	(11,809)
Exchange difference	-	(104)	(68)	-	-	(172)
At 30 September 2017	104,613	125,341	265,297	114,895	245	610,391
Accumulated depreciation & impairment						
At 01 October 2016	48,854	100,176	174,459	83,268	-	406,757
Reclassification adjustment	-	(2,069)	2,069	-	-	-
Consolidation adjustment	-	(5,830)	1,029	-	-	(4,801)
Depreciation charge	11,534	11,411	28,581	12,584	-	64,110
Disposals adjustment	-	(1,572)	(3,789)	(12,123)	-	(17,484)
Exchange difference	-	5	(185)	-	-	(180)
At 30 September 2017	60,388	102,121	202,164	83,729	-	448,402
Carrying amount						
At 30 September 2017	44,225	23,220	63,133	31,166	245	161,989
b **2016**						
Cost						
At 01 October 2015		52,974	91,184	74,948	-	219,106
Consolidation adjustment	68,061	63,130	125,620	31,780	882	289,473
Acquisitions	7,701	2,839	18,409	11,632	1,680	42,261
Disposals	-	(2,676)	(906)	(7,161)	-	(10,743)
At 30 September 2016	75,762	116,267	234,307	111,199	2,562	540,097
Accumulated depreciation & impairment						
At 01 October 2015	-	41,597	58,484	54,661	-	154,742
Consolidation adjustment	41,075	57,279	91,567	22,774	-	212,695
Depreciation charge	7,779	3,190	24,615	12,220	-	47,804
Disposals adjustment	-	(1,890)	(207)	(6,387)	-	(8,484)
At 30 September 2016	48,854	100,176	174,459	83,268	-	406,757
Carrying amount						
At 30 September 2016	26,908	16,091	59,848	27,931	2,562	133,340

c Carrying amount of leased assets are as follows:

At 30 September 2017	-	2,506	3,877	29,728	-	36,111
At 30 September 2016	-	14,516	-	37,080	-	51,596

d Refer to note 18 & 22 for assets pledged as securities for banking facilities granted to the Group.

		Group	
		2017	2016
		Rs'000	Rs'000
8	**Investment properties**		
a	At 01 October	27,019	-
	Deposit on acquisition of investment properties	-	27,019
	Acquisition	112,633	-
	Exchange difference	1,769	-
	At 30 September	141,421	27,019
	Accumulated depreciation & impairment		
	At 01 October	-	-
	Depreciation charge	2,815	-
	Exchange difference	56	-
	At 30 September	2,871	-
	Carrying amount		
	At 30 September	138,550	27,019

9 Intangible assets

		Group		
		Goodwill on consolidation	Computer software	Total
		Rs'000	Rs'000	Rs'000
a	**2017**			
	Cost			
	At 01 October 2016	286,579	38,308	324,887
	Acquisition	10,244	4,987	15,231
	Consolidation adjustment*	(15,752)	-	(15,752)
	Disposal	-	(4,243)	(4,243)
	At 30 September 2017	281,071	39,052	320,123
	Accumulated amortisation & impairment			
	At 01 October 2016	117	36,383	36,500
	Amortisation & impairment charge	-	1,777	1,777
	Disposal adjustment		(4,243)	(4,243)
	At 30 September 2017	117	33,917	34,034
	Carrying amount			
	At 30 September 2017	280,954	5,135	286,089

* Consolidation adjustment is in respect of a grant received in 2017 from the principal of a subsidiary acquired in 2016.

		Goodwill on consolidation	Computer software	Total
b	**2016**			
	Cost			
	At 01 October 2015	52,135	15,716	67,851
	Consolidation adjustment	-	21,446	21,446
	Goodwill on consolidation	234,444	-	234,444
	Acquisition	-	1,146	1,146
	At 30 September 2016	286,579	38,308	324,887
	Accumulated amortisation & impairment			
	At 01 October 2015	-	14,911	14,911
	Consolidation adjustment	-	20,481	20,481
	Amortisation & impairment charge	117	991	1,108
	At 30 September 2016	117	36,383	36,500
	Carrying amount			
	At 30 September 2016	286,462	1,925	288,387

		Company	
		2017	2016
		Rs'000	Rs'000
10	**Interests in subsidiaries**		
a	*Investment at cost*		
	At 01 October	324,047	143,064
	Acquisitions	-	180,983
	At 30 September	324,047	324,047
b	*Other funds invested in subsidiaries*		
	At 01 October	87,836	-
	Funds invested during the year (net)	80,261	87,836
	At 30 September	168,097	87,836
		492,144	411,883

c The cost of the acquisitions is subject to amendments following a due diligence exercise which is still on-going as at 30 September 2017. Refer to note 38.

d The directors have assessed the recoverable amount of the investments in subsidiaries (by using the cost and/or earnings and/or net assets basis of valuation and have made assumptions that are based on the market conditions) and consider that no allowance for impairment is necessary as at 30 September 2017.

e The subsidiaries, are as follows:

held directly by the Company	Domiciled in	Principal activity	%	%
• Indian Ocean Coffee Limited	Rep. of Mauritius	Investment	100.00	100.00
• Rotoby (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• Scott & Co Ltd	Rep. of Mauritius	Consumer goods	78.80	78.66
• Sebna Ltd	Rep. of Mauritius	Fruit juice	78.80	78.66
• The Brand House Ltd	Rep. of Mauritius	Home appliances & consumer electronics	76.20	76.20
• Tobory (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• TSS Lafayette (M) Ltd	Rep. of Mauritius	Dormant	100.00	100.00
• TSS Properties Ltd	Rep. of Seychelles	Investment	100.00	100.00
held by other group companies (effective holding)				
• Bagatelle Health Ltd	Rep. of Mauritius	Retail Pharmacy	78.80	78.66
• Coffee Mayotte SARL	Mayotte Island	Nespresso products	100.00	100.00
• Copharma Ltd	Rep. of Mauritius	Dormant	78.80	78.66
• Dimomix SARL	Reunion Island	Nespresso products	100.00	100.00
• Flacq Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Grand Baie ForMe Health Ltd	Rep. of Mauritius	Retail Pharmacy	78.80	78.66
• Maltoby Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Riverside Health Ltd	Rep. of Mauritius	Retail Pharmacy	78.80	78.66
• Rotoby Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00
• Scott Health Ltd	Rep. of Mauritius	Pharmaceutical	78.80	78.66
• Standard Pharmacy Ltd	Rep. of Mauritius	Pharmaceutical	78.80	-
• The Scott Smile Foundation Ltd	Rep. of Mauritius	CSR	78.80	78.66
• Tobory Properties Ltd	Rep. of Seychelles	Investment property	100.00	100.00

10 Interests in subsidiaries (cont'd)

e Financial information of subsidiaries with significant non-controlling interests:

	The Brand House Ltd	Scott & Co Ltd	Sebna Ltd	Scott Health Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Statement of Financial Position				
2017				
Assets	843,466	758,463	33,780	339,217
Liabilities	538,819	496,880	25,372	237,304
Shareholders equity	304,647	261,583	8,408	101,913
Owners of the Company	232,141	206,127	6,626	80,307
Non-controlling interests	72,506	55,456	1,782	21,606
	304,647	261,583	8,408	101,913
2016				
Assets	697,232	729,646	26,902	240,733
Liabilities	450,868	489,023	24,421	147,440
Shareholders' equity	246,364	240,623	2,481	93,293
Owners of the Company	184,246	192,611	1,952	73,701
Non-controlling interests	62,118	48,012	529	19,592
	246,364	240,623	2,481	93,293
Statement of Profit or Loss & Other Comprehensive income				
2017				
Revenue	2,545,862	1,250,587	136,301	419,683
Profit before tax	102,720	49,114	6,940	20,596
Tax expense	(15,655)	(7,019)	(1,131)	(2,599)
Profit for the year	87,065	42,095	5,809	17,997
Other comprehensive income	2,551	1,865	118	623
Comprehensive income for the year	89,616	43,960	5,927	18,620
Owners of the Company	66,344	34,640	4,670	14,673
Non-controlling interests	21,329	9,320	1,256	3,947
	87,672	43,960	5,927	18,620
2016				
Revenue	2,513,404	1,131,684	128,763	406,360
Profit before tax	82,006	45,049	283	15,426
Tax expense	(15,477)	(4,381)	(79)	(2,559)
Profit for the year	66,529	40,668	204	12,867
Other comprehensive income	6,003	(502)	(45)	(22)
Comprehensive income for the year	72,532	40,166	159	12,845
Owners of the Company	55,269	31,490	125	10,070
Non-controlling interests	17,263	8,676	34	2,775
	72,532	40,166	159	12,845

10 Interests in subsidiaries (cont'd)

e Financial information of subsidiaries with significant non-controlling interests: (cont'd)

	The Brand House Ltd	Scott & Co Ltd	Sebna Ltd	Scott Health Ltd
	Rs'000	Rs'000	Rs'000	Rs'000
Statement of Cash Flows				
2017				
Net cash from/(used in) operating activities	(108,850)	54,245	7,174	16,843
Net cash from/(used in) investing activities	(34,288)	(2,201)	(268)	(20,004)
Net cash from/(used in) financing activities	64,660	(61,736)	(5,435)	(16,460)
Increase/(decrease) in cash & cash equivalents	(78,478)	(9,692)	1,471	(19,621)
2016				
Net cash from/(used in) operating activities	16,779	(11,057)	1,164	6,278
Net cash from/(used in) investing activities	(14,455)	12,689	(126)	(7,400)
Net cash from/(used in) financing activities	(28,627)	(22,900)	33	(12,178)
Increase/(decrease) in cash & cash equivalents	(26,303)	(21,268)	1,071	(13,300)
Dividends paid to non-controlling interests				
2017	9,235	4,644	-	-
2016	4,760	3,861	-	-

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
11 Investment in joint venture				
a Cost (company)/equity (group)				
At 01 October	1,177,015	1,055,665	1,220,780	1,220,780
Share of profit for the year (page 5)	540,067	176,500	-	-
Share of other reserves (page 5)	12,050	6,350	-	-
Dividends receivable for the year	(131,500)	(61,500)	-	-
At 30 September	1,597,632	1,177,015	1,220,780	1,220,780

b The Company and Kingston Asset Management Ltd, both incorporated in the Republic of Mauritius, jointly control in equal proportion, Elgin Ltd which holds 100% of Cim Holding Ltd, the shareholder of 53% of the equity shares of CIM Financial Services Ltd.

	Group	
	2017	**2016**
	Rs'000	**Rs'000**
11 Investment in joint venture (cont'd)		
c Summarised financial information of Elgin Ltd:		
Net assets	6,543,700	4,417,300
Revenue	2,382,300	2,498,600
Profit for the year	2,445,200	653,500
Other comprehensive income for the year	56,400	23,600
Share of above profit attributable to the Company	540,067	176,500
Share of above other comprehensive income	12,050	6,350

d Refer to Note 39 for additional financial information on Elgin Ltd.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
12 Investment in associate				
a Cost (company)/equity (group)				
At 01 October	14,469	12,274	9,259	9,259
Share of profit for the year	766	2,418	-	-
Share of loss on foreign exchange on retranslation	(580)	215	-	-
Dividends receivable for the year	(536)	(438)	-	-
At 30 September	14,119	14,469	9,259	9,259

b The Company holds 34.5 % of Savignac Proprietary Limited, registered in the Republic of South Africa, whose principal activity is to create and distribute its own branded hardware for aluminium windows and doors throughout Africa.

c Summarised financial information of Savignac Proprietary Limted

	2017	2016
Assets	67,539	61,227
Liabilities	(25,809)	(21,035)
Net assets	41,730	40,192
Revenue	161,559	154,287
Profit for the year	2,220	7,008
Share of profit attributable to the Company	766	2,418
Share of loss on foreign exchange on retranslation	(580)	265

		Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
13	**Investments in equity securities**				
a	At 01 October	240,501	591,755	240,501	591,755
	Consolidation adjustment	33	-	-	-
	Acquisitions	39,209	69,656	39,209	69,656
	Disposals	-	(367,662)	-	(367,662)
	Gain/(loss) in fair value (page 6(ii))	50,457	(53,248)	50,457	(53,248)
	At 30 September	330,200	240,501	330,167	240,501
b	The investments which are considered by the Directors as available-for-sale investments are:				
	Mauritian securities - quoted (level 1 : at fair value)	208,604	156,681	208,604	156,681
	Mauritian securities - unquoted (level 3 : at cost)	51,098	51,098	51,098	51,098
	Foreign securities - quoted (level 1 : at fair value)	3,241	3,865	3,241	3,865
	Foreign securities - unquoted (level 3 : at cost)	67,257	28,857	67,224	28,857
		330,200	240,501	330,167	240,501

c The fair value of the quoted securities is based on their quotation on the official market. Unquoted securities that do not have quoted market prices and whose fair values cannot be reliably measured are stated at cost less impairment, if necessary.

d Assuming a 1% change + (-) in the relevant quoted equity prices, the investments in equity shares would increase/(decrease) by Rs 2.1m (2016 - Rs 1.6m).

		Group 2017	Group 2016	Company 2017	Company 2016
14	**Loans receivable**				
a	*Cost*				
	Loan granted to subsidiaries	-	-	63,500	63,500
	Loan granted to a related party	9,000	13,540	9,000	13,540
	Other loan	-	247	-	-
		9,000	13,787	72,500	77,040
b	*Current loan receivable*				
	Not later than 1 year	-	4,540	-	4,540
c	*Non-current loan receivable*				
	Later than 1 year & not later than 2 years	9,000	9,247	72,500	72,500
15	**Inventories**				
a	Goods held for resale	1,033,389	806,430	-	-
	Raw materials & consumables	28,842	28,195	-	-
	Goods in transit	79,880	131,934	-	-
		1,142,111	966,559	-	-

b Inventories of borrowing companies of the Group have been pledged for banking facilities granted to them.

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
16 Trade & other receivables				
a Trade receivables	533,318	440,145	-	-
Less: Accumulated allowance for credit losses	(26,283)	(27,713)	-	-
Net trade receivables	507,035	412,432	-	-
Prepayments & other receivables	92,414	64,646	17,802	7,064
Less: Accumulated allowance for credit losses	(1,347)	(1,253)	-	-
	91,067	63,393	17,802	7,064
Amount receivable from subsidiaries	-	-	38,119	50,362
Amount receivable from joint ventures/associates	108,000	39,250	108,000	39,250
	108,000	39,250	146,119	89,612
	706,102	515,075	163,921	96,676
b Accumulated allowance for credit losses				
At 01 October	28,795	8,575	-	-
Consolidation adjustment	171	11,962	-	-
Allowance for credit losses (note 30)	(1,336)	8,258	-	-
At 30 September	27,630	28,795	-	-
c Ageing of net trade receivables				
Less than 6 months	495,409	401,036	-	-
More than 6 months	11,625	11,396	-	-
	507,035	412,432	-	-

d The trade receivables arise from credit facilities offered by the Group in the normal course of business for which the Group does not hold any collateral as securities. Taking into consideration the credit quality of the trade receivables, the Company considers that no provision for impairment is necessary on trade receivables of less than 6 months (not due or past due).

	Group 2017	Group 2016	Company 2017	Company 2016
17 Deposits receivable				
a Interest bearing deposits receivable from - deposit taking company (related company)	71,454	26,390	71,454	26,390
b Receivable				
Not later than 1 year	71,454	26,390	71,454	26,390

18 Bank overdrafts

The bank overdrafts are secured on floating charges on the assets of the borrowing companies.

Interest rates are based on commercial rates as negociated with the borrowing companies' bankers and varies from time to time.

Bank overdrafts facilities are generally for a period of one year subject to renewal after negociations between the borrowing companies and their bankers.

		Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
19	**Trade & other payables**				
a	Trade payables	732,463	674,696	-	-
	Accruals & other payables	145,097	152,138	2,912	6,649
	Amount payable on acquisition of treasury shares	-	32,864	-	32,864
	Amount payable to shareholders	-	503	-	-
	Amount payable to subsidiaries	-	-	348	-
	Amount payable to other related parties	2,287	2,498	610	2,300
	Amount payable on acquisition of investment in subsidiary	35,935	37,114	-	-
	Dividends payable to non-controlling interests	4,129	4,615	-	-
	Amount payable - CSR Fund	4,403	1,890	622	858
		924,314	906,318	4,492	42,671

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

		Group 2017 Rs'000	Group 2016 Rs'000	Company 2017 Rs'000	Company 2016 Rs'000
20	**Provisions**				
	For bulk discounts & incentives	26,707	20,018	-	-
	For warranty repairs	20,671	6,441	-	-
		47,378	26,459	-	-
21	**Income tax**				
a	*Tax expense*				
	Tax expense for the year	33,587	29,758	4,596	6,344
	Adjustment for previous year	243	(458)	-	8
		33,830	29,300	4,596	6,352
	Deferred tax expense/(credit) for the year	760	(35)	-	-
		34,590	29,265	4,596	6,352
b	*Tax (prepaid)/payable*				
	At 01 October	18,685	2,669	4,295	1,287
	Consolidation adjustment	9,550	3,914	-	-
	Tax expense for the year	33,587	29,758	4,596	6,344
	Adjustment for previous year	243	(458)	-	8
	Less: Tax paid	(42,045)	(17,198)	(9,148)	(3,344)
	Exchange difference	54	-	-	-
	At 30 September	20,074	18,685	(257)	4,295

Scott Investments Ltd (previously known as Taylor Smith & Sons Limited)
Notes for the Year ended 30 September 2017

		Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
21	**Income tax (cont'd)**				
c	*Reconciliation of tax expense & tax on accounting profit*				
	Profit before tax	751,631	547,067	186,832	328,129
	Adjustment for:				
	Share of profit of joint venture & associate	(540,833)	(178,918)	-	-
	Difference between capital allowance & depreciation	(1,801)	6,207	-	-
	Expenses not deductible for income tax purposes	59,526	73,197	23,640	48,798
	Income not subject to tax	(32,636)	(245,244)	(179,610)	(334,026)
	Tax losses no longer available	644	47	-	-
	Consolidation adjustment - tax losses	(56,404)	-	-	-
	Tax losses of previous year	(8,719)	(12,083)	-	-
	Tax losses for future use	46,056	8,719	-	-
	Adjusted chargeable profit for the year	217,464	198,992	30,862	42,901
	Income tax on the adjusted profit for the year	33,620	29,849	4,629	6,435
	Foreign tax credit	(33)	(91)	(33)	(91)
	Tax expense for the year	33,587	29,758	4,596	6,344
	Enacted tax rate	15 - 33%	15%	15%	15%
	Average effective tax rate	4%	5%	2%	2%
d	*Deferred tax assets*				
	At 01 October	(1,801)	(1,766)	-	-
	Deferred tax expense/(credit) for the year	760	(35)	-	-
	At 30 September	(1,041)	(1,801)	-	-
	Made up of				
	Difference between capital allowance & depreciation	231	(184)	-	-
	Employee benefit liabilities	(1,272)	(1,049)	-	-
	Tax losses	-	(568)	-	-
		(1,041)	(1,801)	-	-
22	**Loans payable**				
a	Bank loans - secured	147,990	44,431	-	17,000
	Bank loans on imports	47,990	69,887	-	-
		195,980	114,318	-	17,000

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
22 Loans payable (cont'd)				
b Current loans payable				
Not later than 1 year	152,448	105,826	-	17,000
Non-current loans payable				
Later than 1 year & not later than 2 years	2,364	7,952	-	-
Later than 2 years & not later than 5 years	4,149	540	-	-
Later than 5 years	37,019	-	-	-
	43,532	8,492	-	-

c The loans are secured by fixed and floating charges on the assets of the borrowing companies.

d Interest rates are based on commercial rates as negociated with the borrowing companies' bankers and varies from time to time.

	Group 2017 Rs'000	Group 2016 Rs'000	Company 2017 Rs'000	Company 2016 Rs'000
23 Finance lease capital repayments				
a Minimum lease payments				
Not later than 1 year	14,741	12,096	-	-
Later than 1 year & not later than 5 years	30,242	25,818	-	-
Later than 5 years	-	1,246	-	-
	44,983	39,160	-	-
Finance charges for future periods	(5,641)	(5,068)	-	-
Present value of finance lease liabilities	39,342	34,092	-	-
b Present value of finance lease liabilities				
Current - Not later than 1 year	12,210	9,888	-	-
5 years	26,762	23,014	-	-
Non-current - Later than 5 years	370	1,190	-	-
	39,342	34,092	-	-

c Lease arrangements

Finance leases relate to motor vehicles and equipment with lease terms of 5 years on average. The group/company has the option to acquire 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 to the lessor in the event of default.

	Group 2017 Rs'000	Group 2016 Rs'000	Company 2017 Rs'000	Company 2016 Rs'000
24 Employee benefit liabilities				
Defined benefit plan (a) & (a.1)	247	2,014	-	-
Other post-retirement benefit liabilities (b)	21,110	31,102	6,003	2,166
	21,357	33,116	6,003	2,166

It is planned to commission an actuarial valuation every 2 years for the Company.

24 Employee benefit liabilities (cont'd)

a Description of 'Defined benefit plan'

The Group contributes to a multi-employer defined contribution pension plan, the Rogers Money Purchase Retirement Fund (RMPRF), to which have been transferred the pension benefits of all employees who were members of a defined benefit superannuation fund (DBSF). These employees, subject to them contributing regularly to the RMPRF, have been given the guarantee by the Group that their benefits at 60 would not be less than the benefits provided under the ex-DBSF. The potential liability under the above guarantee is funded by additional contributions by the Group and has been included in the provisions made for retirement benefit obligations.

Risks

The assets are held separately from the Company under the control of the Management Committee of RMPRF. The Company contributes to the RMPRF in respect to the above No Worse Off Guarantee (NWOG) for some employees, given that their pension benefits would not be less than what they would have received at the age of 60, under a previous defined benefit plan. The guarantee given exposes the Company to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment risk

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
a.1 Defined benefit plan				
Present value of defined benefit obligation (a.3)	17,678	18,647	-	-
Fair value of plan assets (a.4)	(17,654)	(16,766)	-	-
Adjustment for limit in net assets (a.5)	223	133	-	-
At 30 September	247	2,014	-	-

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		Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
24	**Employee benefit liabilities (cont'd)**				
a.2	*Reconciliation of the liability*				
	At 01 October	2,014	5,925	-	-
	Consolidation adjustment	-	(3,424)	-	-
	Expenses (a.6)	770	941	-	-
	Remeasurement (a.7)	(2,186)	(1,039)	-	-
	Contributions paid	(351)	(389)	-	-
	At 30 September	247	2,014	-	-
a.3	*Present value of defined benefit liabilities*				
	At 01 October	18,647	12,290	-	-
	Consolidation adjustment	-	7,073	-	-
	Current service cost	653	779	-	-
	Past service cost	-	1	-	-
	Interest expenses	1,119	1,327	-	-
	Benefit paid	(1,754)	(720)	-	-
	Liability (gain)	-	(1,101)	-	-
	Liability (gain)/loss due to change in financial assumptions	(987)	(1,002)	-	-
	At 30 September	17,678	18,647	-	-
a.4	*Fair value of plan assets*				
	At 01 October	16,766	6,464	-	-
	Consolisation adjustment	-	10,497	-	-
	Interest income	1,011	1,166	-	-
	Expected return on plan assets	1,250	(1,037)	-	-
	Employer contributions	351	389	-	-
	Benefit paid	(1,724)	(713)	-	-
	At 30 September	17,654	16,766	-	-
a.5	*Effect of ceiling*				
	At 01 October	133	99	-	-
	Change in effect of asset ceiling	-	34	-	-
	At 30 September	133	133	-	-
a.6	*Expenses*				
	Current service cost	653	779	-	-
	Past service cost	-	1	-	-
	Interest expenses	117	161	-	-
		770	941	-	-

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
24 Employee benefit liabilities (cont'd)				
a.7 Remeasurements				
Return on plan assets (above)/below interest income	(1,280)	1,037	-	-
Liability experience (gain)	(987)	(1,101)	-	-
Liability (gain) due to change in financial assumptions	-	(1,002)	-	-
Change in effect of asset ceiling	81	27	-	-
	(2,186)	(1,039)	-	-
a.8 Distribution of plan assets				
Domestic equity securities - quoted	6,709	6,266	-	-
Domestic debt securities - unquoted	4,060	3,961	-	-
Foreign equity & debt secuirities- quoted	5,296	4,862	-	-
Property - Domestic	353	335	-	-
Cash & other	1,236	1,341	-	-
	17,654	16,765	-	-

No assets are held in the Company's own financial instruments

	Group		Company	
a.9 Principal assumptions used	%	%	%	%
Discount rate	6.50	7.00	n/a	n/a
Future salary increases	4.50	5.00	n/a	n/a
Future pension increases	0.50	1.00	n/a	n/a
Average retirement age (ARA)	60 years	60 years	n/a	n/a
Average life expectancy for				
Male at ARA	19.5 years	19.5 years	n/a	n/a
Female at ARA	24.2 years	24.2 years	n/a	n/a
a.10 Sensitivity analysis				
Increase due to 1% decrease in discount rate	9,530	12,364	-	-
Decrease due to 1% increase in discount rate	7,513	9,234	-	-

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would shown smaller variations in the defined benefit obligation.

a.11 Future cashflows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

	Group		Company	
- Expected employer contribution for the next year	367	421	-	-
- Weighted average duration of the defined benefit obligation.	9 years	9 years	-	-

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	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
24 Employee benefit liabilities (cont'd)				
b Other post-retirement benefit liabilities	21,110	31,102	6,003	2,166
(Gratuity on retirement under the Employment Rights Act)				
The above liability is in respect of :				
• employees whose RMPRF benefits are not expected to fully offset the retirement gratuity obligations	11,653	17,536	6,003	2,166
• employees only entitled to a retirement gratuity under the Employment Rights Act and who are not members by any supplementary pension plan	9,457	13,566	-	-
	21,110	31,102	6,003	2,166
b.1 Reconciliation of the liability recognised in the Statement of Financial Position				
At 01 October	31,102	8,286	2,166	2,166
Consolidation adjustment	(13,108)	24,270	-	-
Expenses (b.2)	3,121	3,055	871	-
Remeasurement (b.3)	(5)	(4,394)	2,966	-
Payment during the year	-	(115)	-	-
At 30 September	21,110	31,102	6,003	2,166
b.2 Expenses				
Current service cost	1,766	1,849	544	-
Interest expenses	1,355	1,206	327	-
	3,121	3,055	871	-
b.3 Remeasurements				
Liability experience (gain)/loss	(1,447)	(1,103)	1,524	-
Liability loss / (gain) due to change in financial assumptions	1,513	(1,201)	1,513	-
Liability loss / (gain) due to change in demographic assumptions	(71)	(2,090)	(71)	-
	(5)	(4,394)	2,966	-
b.4 Principal assumptions used	%	%	%	%
Discount rate	5.5 -6.5	6.50	5.50	7.00
Future salary increases	4.5 - 5.0	4.5 - 5.00	5.00	5.00
Future pension increases	0 - 0.50	0 - 0.50	0.50	0.50
Average retirement age (ARA)	60 - 65 yrs	60 yrs	65 yrs	60 yrs
Average life expectancy for				
Male at ARA	15.9 - 19.5 yrs	19.5 yrs	15.9 yrs	19.5 yrs
Female at ARA	20 - 24.2 yrs	24.2 yrs	20 yrs	24.2 yrs

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
24 Employee benefit liabilities (cont'd)				
b.5 Sensitivity analysis on actuarial assumption				
Increase due to 1% decrease in discount rate	6,829	6,224	1,188	n/a
Decrease due to 1% increase in discount rate	5,317	4,525	1,041	n/a

The sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would shown smaller variations in the defined benefit obligation.

b.6 Future cashflows

The funding policy is to pay benefits out of the Company's cash flow as and when due.

	Group 2017	Group 2016	Company 2017	Company 2016
- Expected employer contribution for the next year	-	-	-	-
- Weighted average duration of the defined benefit obligation.	17-35 yrs	13 & 36 yrs	13 yrs	n/a
c Contributions to defined contribution plan				
Recognised in profit or loss	12,345	11,465	561	459
d Contributions to state pension plan				
Recognised in profit or loss	8,793	7,926	17	16
25 Revenue				
Sales of goods	4,578,281	3,993,857	-	-
Provision of services	85,232	59,058	38,501	39,162
Commission, rental & other income	29,384	17,503	-	-
	4,692,897	4,070,418	38,501	39,162
26 Cost of sales				
Cost of inventories sold/used & write-down	3,751,708	3,325,163	-	-
General cost of sales expenses	21,905	10,343	-	-
Short term employee benefits	6,004	6,930	-	-
Depreciation	3,850	1,595	-	-
	3,783,467	3,344,031	-	-
27 Other income & gains				
Refund - Advertising & promotion expenses	40,488	37,989	-	-
Rebate receivable from suppliers	59,156	15,492	-	-
Recharge of expenses	27,170	-	-	-
Gain on disposal of plant & equipment	3,509	140	-	-
Other income & gains	24,809	24,927	-	-
	155,132	78,548	-	-

		Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
28	**Dividend income**				
	Interests in subsidiaries	-	-	40,454	30,339
	Investment in joint venture	-	-	131,500	61,500
	Investment in associate	-	-	536	438
	Investments in equity securities	7,656	16,215	7,656	16,215
		7,656	16,215	180,146	108,492
29	**Interest income**				
	Subsidiaries	-	-	3,634	3,114
	Short term bank & other deposits	3,013	1,945	2,813	1,730
	Treasury bills	-	693	-	693
	Overdue trade receivables & others	29	198	-	-
		3,042	2,836	6,447	5,537

30 Foreign exchange

a 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.

		Group 2017	Group 2016	Company 2017	Company 2016
31	**Administrative & selling expenses**				
a	Short term employee benefits	414,119	294,250	12,155	11,550
	Advertising & promotion expenses	126,479	97,575	-	-
	Allowance for credit losses	(1,336)	8,258	-	-
	Warranty repairs	8,574	10,663	-	-
	Depreciation	63,075	46,206	-	-
	Amortisation	1,762	991	-	-
	Corporate social responsibility expenses	4,355	1,808	622	817
	Other administrative & selling expenses	283,910	225,086	14,833	20,921
		900,938	684,837	27,610	33,288
b	*Operating leases*				
	Lease rentals under operating leases expensed	96,278	62,888	-	-
c	*Non-cancellable operating lease rentals*				
	Not later than 1 year	40,566	30,119	-	-
	Later than 1 year & not later than 5 years	11,570	17,867	-	-
		52,136	47,986	-	-

d Operating lease arrangements

The Group leases premises under operating leases for an average period of 5 years with a clause providing for inflationary increase in rental.

	Group		Company	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
32 Interest cost				
Bank overdrafts	8,771	11,618	-	-
Loans payable	7,256	6,355	243	1,868
Finance lease capital repayments	2,702	2,776	-	-
Other credit facilities	-	2,328	-	2,328
	18,729	23,077	243	4,196
33 Non-recurrent items				
Gain on disposal of investments in equity securities	-	225,932	-	225,932
34 Related parties				
a Transactions with related parties				
Sales of goods & services to				
- subsidiaries	-	-	38,501	39,162
Purchase of goods & services from				
- subsidiaries	-	-	110	63
Interest income from				
- subsidiaries	-	-	3,634	3,114
- other related companies	1,782	953	1,782	953

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.

		Group		Company	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
34	**Related parties (cont'd)**				
c	*Compensation of key management personnel*				
	Short term employee benefits incurred by the Company/subsidiaries	43,675	42,029	10,535	10,900
	Termination benefits incurred by the Company/subsidiaries	1,956	-	-	-

35 Financial risk management

34.1 Financial risk factors

The Company'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 16 (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.

The Group uses forward contracts, whenever possible, to manage its exposure to foreign currency risk.

35 Financial risk management (cont'd)

c.2 Currency risk analysis

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

	Group		Company	
	2017	2016	2017	2016
	(in respective currency)			
Financial assets				
€ ('000)	2,312	4,028	57	980
Us$ ('000)	4,685	2,588	2,108	268
£ ('000)	547	2,639	537	2,328
Zar ('000)	3,042	6	-	-
Dkk '000	765	1,341	-	-
Chf '000	255	1,562	-	-
INR ('000)	-	331	-	-
Financial liabilities				
€ ('000)	2,726	10,376	-	-
Us$ ('000)	7,606	5,282	-	-
£ ('000)	118	132	-	-
Zar ('000)	1,981	1,628	-	-
A$ ('000)	159	220	-	-
Dkk '000	352	667	-	-
Chf '000	456	778	-	-

	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	1,018	2,667	955	1,572

c.4 Interest rate risk

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	594	598	-	-

35 Financial risk management (cont'd)

34.2 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	
	2017	**2016**	**2017**	**2016**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
b *Gearing ratio*				
Interest bearing borrowings				
Bank overdrafts	244,387	153,521	-	-
Loans payable	195,980	114,318	-	17,000
Finance lease capital repayments	39,342	34,092	-	-
	479,709	301,931	-	17,000
Less: Cash & cash equivalents	(284,793)	(405,421)	(137,567)	(279,430)
Net debts	194,916	-	-	-
Shareholders equity	3,227,248	2,502,255	2,464,554	2,274,827
Total capital employed	3,422,164	2,502,255	2,464,554	2,274,827
Gearing ratio	6%	0%	0%	0%

36 Business combination

Acquisition of subsidiary

The Company has acquired 78.80% of Standard Pharmacy Ltd on 1 February 2017, through Scott Health Ltd.

The consideration paid, and the net assets on the acquisition date are as follows:

	Rs'000
Purchase consideration	
Cash	14,530
Net assets/(liabilities) acquired	
Other than cash & cash equivalent	564
Cash & cash equivalent	966
Goodwill on acquisition	13,000
	14,530
Acquisition of subsidiaries, net of cash	
Purchase consideration in cash	14,530
Less : Cash & cash equivalent	(966)
	13,564

37 Contingent liabilities

The Company had contingent liabilities in respect of securities given to the bank in terms of 20m shares in Cim Financial Services Ltd and USD 2.4m, mainly for the financing of new investments acquired last year, for which it is anticipated that no material liabilities will accrue.

These contingent liabilities are valued at Rs 263.6m at 30 September 2017.

38 Events after the reporting period

a Acquisition of subsidiaries

a.1 The cost of the investment in Dimomix SARL & Coffee Mayotte SARL acquired last year is subject to a due diligence exercice which is still on-going.

Based on terms of an agreement between Indian Ocean Coffee Ltd and the vendors, there is a possibility that the due diligence results in the cost of the investment of the two above subsidairies being adjusted.

		2017	2016
		Rs'm	Rs'm
39	**Additional financial information of joint venture**		
a	*Assets and liabilities of Elgin Ltd :*		
a.1	*Assets*		
	Cash at bank & in hand	505.9	587.7
	Deposits with banks	2,738.9	475.6
	Receivables under leases & credit agreements	6,609.4	5,661.0
	Loans receivable	2,367.6	1,656.4
	Investments in associates	193.1	77.4
	Investments in equity securities	21.8	10.4
	Property, plant & equipment	1,199.5	1,399.1
	Investment properties	1,039.2	733.7
	Intangible assets	66.1	1,136.7
	Inventories	8.2	8.4
	Employee benefit assets	6.8	9.9
	Other assets	546.5	420.6
		15,303.0	12,176.9
a.2	*Liabilities*		
	Deposit from customers	3,134.3	2,795.3
	Bank overdrafts	126.3	10.5
	Loans payable	4,040.9	3,430.9
	Trade & other payables	1,175.8	1,359.5
	Tax payable	28.2	45.5
	Deferred tax liabilities or assets	(39.9)	(49.4)
	Employee benefit liabilities	77.7	88.8
	Dividends payable	216.0	78.5
		8,759.3	7,759.6
b	*Items from the Statement of Comprehensive income of Elgin Ltd :*		
b.1	Administrative and selling expenses	(875)	(839)
b.2	Interest income	1,042	833
b.3	Interest expense	(352)	(304)
	Other revenue	824	843
b.5	Profit before tax	411	471
b.6	Tax expense	(107)	(70)
	Profit from discontinued operations	2,142	253