

**POLYTECHNICS MAURITIUS LTD (FORMERLY
KNOWN AS KNOWLEDGE PARKS LTD)**

FINANCIAL STATEMENTS - YEAR ENDED

DECEMBER 31, 2015

POLYTECHNICS MAURITIUS LTD (FORMERLY KNOWN AS KNOWLEDGE PARKS LTD)

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ANNUAL REPORT - DECEMBER 31, 2015

We are pleased to submit to you the annual report of the Company, together with the audited financial statements for the year ended December 31, 2015.

GENERAL INFORMATION

Company Number: 116358

Date of incorporation: 15/05/2013

Company Type: Private Company

DIRECTORS**Current appointments**

Name	Position	Date of Nomination
Mr. PHILIPPE Gino David	Director	09/11/2018
Mr. BAHORUN Theesan	Director	11/01/2017
Mr. RAMLUGGUN Dhirujasing Deoraje	Director	11/01/2017
Mrs. RAJMUN Lilowtee	Director	11/01/2017
Mr. NOWBUTII Ram Prakash	Director	11/01/2017
Mr. PADDIA Christ	Director	27/01/2017

Past appointments

Name	Position	Appointed	Resigned
GOWREESUNKER, Baboo Jugduthsingh	Director	15/05/2013	31/12/2014
POONOOSAMY, Namasivayen	Director	15/05/2013	03/02/2016
NABABSING, Nirmala	Director	15/05/2013	22/12/2014
NABABSING, Nirmala	Chairman	31/05/2013	07/03/2014
VALERE, Marie Joelle Sandrine	Director	27/05/2013	11/01/2017
PIANG SANG SEW-HEE, Sui Lin	Director	06/06/2013	11/01/2017
GOORAH, Nema Devi	Director	26/06/2013	11/01/2017
AUCKBUR Ricard Gervais Danyel	Director	30/08/2013	09/11/2018
PANDEA, Bhoonesh	Alternate Director (alternate to POONOOSAMY, Namasivayen)	13/01/2014	03/02/2016
LUCKHEENARAIN, Nalini Leela Devi	Alternate Director (alternate to NABABSING, Nirmala)	13/01/2014	22/12/2014
FOWDAR, Anil	Director	02/03/2015	11/03/2016
RAMPHUL PUNCHOO, Anista Devi Indira	Director	02/03/2015	11/01/2017
RAMPADARATH, Phoolranee	Director	11/03/2016	11/01/2017

ANNUAL REPORT - DECEMBER 31, 2015

DIRECTORS (CONT'D)

The directors of the Company holding office as at 31 December 2015 were as follows:

Mr. Ricaud Gervais Danyel Auckbur
Mrs. Nema Devi Goorah
Mrs. Sui Lin Piang Sang Sew-Hee
Mr. Namasivayen Poonoosamy
Ms. Marie Joelle Sandrine Valere
Mr. Bhoonesh Pandea (Alternate to Mr. Namasivayen Poonoosamy)

REGISTERED OFFICE

Reduit campus, Reduit triangle, Moka.

NATURE OF BUSINESS

The principal activity of the Company is to set up, manage and promote development of public polytechnics in Mauritius.

DIRECTORS' INTEREST IN SHARES

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

DIRECTORS' INTEREST IN SHARES

The Directors do not hold any share in the Company whether directly or indirectly.

DONATIONS

The Company did not make any donation during the year under review.

AUDITORS' FEES

	<u>2015</u>	<u>2014</u>
	Rs.	Rs.
Audit fees paid to:		
- BDO & CO	115,000	70,000
Fees paid for other services provided by:		
- Other firms	<u>12,075</u>	<u>10,000</u>

SECRETARY'S CERTIFICATE - DECEMBER 31, 2015

We confirm that, based on the records and information made available to us by the Directors and Shareholders of the Company, the Company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001, save and except the audited financial statements for the financial years 2015 and 2016 and 2017. The audited Financial Statements for the financial years 2015 and 2016 are now being filed.



PRIME PARTNERS LTD

Company Secretary

Date:

POLYTECHNICS MAURITIUS LTD (FORMERLY KNOWN AS KNOWLEDGE PARKS LTD)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Report on the Financial Statements

We have audited the financial statements of Polytechnics Mauritius Ltd (Formerly known as Knowledge Parks Ltd) set out on pages 4 to 25, which comprise the statement of financial position at December 31, 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



POLYTECHNICS MAURITIUS LTD (FORMERLY KNOWN AS KNOWLEDGE PARKS LTD)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

In our opinion, the the financial statements on pages 4 to 25 give a true and fair view of the financial position of the Company at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Emphasis of matter

We draw attention to note 5(c) of the financial statements as to validation of construction costs being paid to contractors with project manager's recommendations in the absense of contractual signed agreements. Our opinion is not qualified in this respect.

Other matter

The financial statements of Polytechnics Mauritius Ltd (Formerly known as Knowledge Parks Ltd) for the period ended December 31, 2013 were unaudited.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all 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.



BDO & Co
Chartered Accountants



Yacoob Ramtoola, FCA
Licensed by FRC

Port Louis,
Mauritius.

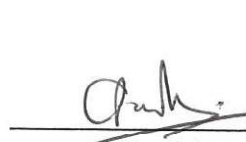
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STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2015

	Notes	2015 Rs.	2014 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	5	710,664,681	260,128,686
Current assets			
Cash and cash equivalents	15(c)	3,417,261	8,420
Total assets		Rs. 714,081,942	260,137,106
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6	87,092,307	25,000
Revenue deficit		(3,491,805)	(2,566,173)
Owners' interest/(deficit)		83,600,502	(2,541,173)
LIABILITIES			
Non-current liabilities			
Borrowings	7	525,295,864	229,475,129
Retention monies payable to contractors	8	35,114,198	16,973,969
		560,410,062	246,449,098
Current liability			
Trade and other payables	9	70,071,378	16,229,181
Total liabilities		630,481,440	262,678,279
Total equity and liabilities		Rs. 714,081,942	260,137,106

These financial statements have been approved for issue by the Board of Directors on ... 20 DEC 2018
and signed on its behalf by:


Name
Chairperson


Name
Board member

)
) DIRECTORS
)

The notes on pages 8 to 25 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(a).

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME -
YEAR ENDED DECEMBER 31, 2015**

	<u>Notes</u>	<u>2015</u> Rs.	<u>2014</u> Rs.
REVENUE			
Revenue	2.15	-	-
EXPENSES			
Administrative expenses	11	915,208	2,563,220
Depreciation		10,424	2,380
		<u>925,632</u>	<u>2,565,600</u>
Loss before taxation	12	(925,632)	(2,565,600)
Income tax	14	-	-
Loss for the year		<u>(925,632)</u>	<u>(2,565,600)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		Rs. <u><u>(925,632)</u></u>	<u><u>(2,565,600)</u></u>

The notes on pages 8 to 25 form an integral part of these financial statements.

Auditor's report on pages 3 to 3(a).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2015

	Share Capital Rs.	Revenue deficit Rs.	Total Rs.
Balance at January 1, 2015	25,000	(2,566,173)	(2,541,173)
Loss for the year	-	(925,632)	(925,632)
Additions during the year	87,067,307	-	87,067,307
Total comprehensive income	87,067,307	(925,632)	86,141,675
Balance at December 31, 2015	Rs. 87,092,307	(3,491,805)	83,600,502
Balance at January 1, 2014	25,000	(573)	24,427
Loss for the year	-	(2,565,600)	(2,565,600)
Total comprehensive income	-	(2,565,600)	(2,565,600)
Balance at December 31, 2014	Rs. 25,000	(2,566,173)	(2,541,173)

The notes on pages 8 to 25 form an integral part of these financial statements.

Auditor's report on pages 3 to 3(a).

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2015

	<u>Notes</u>	<u>2015</u> Rs.	<u>2014</u> Rs.
Cash flows from operating activities			
Cash (absorbed in)/generated from operations	15(a)	<u>(14,595,737)</u>	<u>30,639,930</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(52,120)
Expenditure incurred on capital work-in-progress		<u>(334,637,951)</u>	<u>(251,028,595)</u>
Net cash used in investing activities		<u>(334,637,951)</u>	<u>(251,080,715)</u>
Cash flow from financing activities			
Proceeds on issue of shares		87,067,307	-
Loans received		<u>265,575,222</u>	<u>220,424,778</u>
Net cash from financing activities		<u>352,642,529</u>	<u>220,424,778</u>
Net increase/(decrease) in cash and cash equivalents		Rs. <u>3,408,841</u>	<u>(16,007)</u>
Movement in cash and cash equivalents			
At January 1,		8,420	24,427
Increase/(decrease)		<u>3,408,841</u>	<u>(16,007)</u>
At December 31,	15(c)	Rs. <u>3,417,261</u>	<u>8,420</u>

The notes on pages 8 to 25 form an integral part of these financial statements.

Auditor's report on pages 3 to 3(a).

1. GENERAL INFORMATION

Polytechnics Mauritius Ltd (Formerly known as Knowledge Parks Ltd) is a limited liability company incorporated and domiciled in Mauritius on the 15th May 2013. The address of its registered office is 15th Floor, Air Mauritius Centre, 6 President John Kennedy Street, Port Louis. The main objective of Polytechnics in Mauritius will be to produce work ready diploma holders of high quality to spearhead the development of the country into a knowledge based and skills driven economy. The Company changed its name to Polytechnics Mauritius Ltd on 02 March 2017

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. SIGNIFICANT 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 years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Polytechnics Mauritius Ltd (Formerly known as Knowledge Parks Ltd) comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements are that of an individual entity. The financial statements are presented in Mauritian Rupees.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention.

Amendments to published Standards and Interpretations effective in the reporting period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Amendments to published Standards and Interpretations effective in the reporting period (cont'd)***Annual Improvements 2010-2012 Cycle**

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Company's financial statements.

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Company's financial statements.

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Company's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Company's financial statements.

IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Company's financial statements.

IAS 24, 'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Company's financial statements.

IAS 38, 'Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortisation on revaluation. The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Amendments to published Standards and Interpretations effective in the reporting period (cont'd)***Annual Improvements 2011-2013 Cycle**

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Company's financial statements, since the Company is an existing IFRS preparer.

IFRS 3, 'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Company's financial statements.

IFRS 13, 'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Company's financial statements.

IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Company's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2016 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations issued but not yet effective*

IFRS 15 Revenue from Contract with Customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Annual Improvements to IFRSs 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statement, are disclosed in Note 4.

2.2 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on assets is calculated on a straight line method to write off their cost to their residual values over their estimated useful lives as follows:

Computer equipment	20%
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Property, plant and equipment (cont'd)**

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

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

2.4 Financial assets**(a) Categories of financial assets**

The Company classifies its financial assets in the category of loans and receivables. The classification depends on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

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

The Company's loans and receivables comprise cash and cash equivalents and trade and other receivables.

(b) Recognition and measurements

Purchases and sales of financial assets are recognised on trade date, i.e. the date on which the Company commits to purchase or sell the assets.

Loans and receivable are initially recognised at fair value and are carried subsequently at amortised cost using effective interest method. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

(c) Impairment of financial assets

The Company assesses at the end of each reporting period whether that is objective evidence that a financial asset or a group of financial assets is impaired. In case of loans and receivable any impairment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Financial assets (cont'd)****(c) Impairment of financial assets (cont'd)**

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed when incurred.

2.6 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting date.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Current and deferred income tax (cont'd)

Deferred tax (cont'd)

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

2.7 Trade receivables

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

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

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.9 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

2.10 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds net of transaction costs and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.10 Borrowings (cont'd)**

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

2.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

2.12 Trade payables

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

2.13 Foreign currencies*(i) Functional and presentation currency*

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates. The financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Impairment of non-financial assets

Asset that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Company.

The Company has not yet started trading.

2.16 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party making financial or operational decisions.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

3. FINANCIAL RISK MANAGEMENT**3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks, including:

- Market risk (currency risk, cash flow and fair value interest rate risk);
- credit risk; and
- liquidity risk.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk**(i) *Cash flow and fair value interest rate risk***

As the Company has no interest bearing assets, the Company's income and operating cash flows are independent of changes in market interest rate.

The Company's interest-rate risk arises principally from long-term borrowings. Borrowings issued at variable rates expose the Company to cash-flow interest-rate risk. Borrowings issued at fixed rates expose the Company to fair value interest-rate risk.

The Company is mainly exposed to fair value interest rate risk as its borrowings are mostly issued at fixed rates.

At December 31, 2015, if interest rates on rupee-denominated fixed rate borrowings had been 50 basis points higher/lower with all variables held constant, pre-tax results for the year would have been unchanged as interests over the construction phase are being capitalised as borrowings costs under property, plant and equipment.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from a Company's trade and finance lease receivables.

The Company has no credit risk for the reporting period as it has not started trading yet.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

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

Management monitors rolling forecasts of the Company on the basis of expected cash flow.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Within one year	More than one year	Total
	Rs.	Rs.	Rs.
At December 31, 2015			
Borrowings	-	525,295,864	525,295,864
Retention monies payable to contractors	-	35,114,198	35,114,198
Trade and other payables	<u>70,071,378</u>	<u>-</u>	<u>70,071,378</u>
At December 31, 2014			
Borrowings	-	229,475,129	229,475,129
Retention monies payable to contractors	-	16,973,969	16,973,969
Trade and other payables	<u>16,229,181</u>	<u>-</u>	<u>16,229,181</u>

3.2 Fair value estimation

The nominal value less estimated credit adjustments to trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Company for similar financial instruments.

3.3 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to the shareholders by pricing products and services commensurately with the level of risk.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk management (cont'd)

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to the shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the sector, the Company monitors capital on the basis of debt-to-adjusted capital ratio. The ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (borrowings and trade and other payables as shown in the statement of financial position) less bank and cash balances.

Adjusted capital comprises all components of equity (i.e., share capital, share application monies and retained earnings).

The debt-to-adjusted capital ratio at December 31, 2015 and at December 31, 2014 were as follows:

	2015	2014
	Rs.	Rs.
Total debt	525,295,864	229,475,129
Less: bank and cash balances	(3,417,261)	(8,420)
Net debt	521,878,603	229,466,709
Adjusted capital	83,600,502	(2,541,173)
Debt-to-adjusted capital ratio	6:1	90:1

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are stated hereunder:-

(a) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits or losses on the disposal of similar assets.

(b) Depreciation policies

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

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

(c) Impairment of assets

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

Future cash flows expected to be generated by the assets or cash generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

The Company utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

5. PROPERTY, PLANT AND EQUIPMENT

(a)	Capital work			
	-in-progress (note b)	Computer equipment	Total 2015	Total 2014
	Rs.	Rs.	Rs.	Rs.
Cost				
At January 1,	260,078,946	52,120	260,131,066	-
Additions	420,300,906	-	420,300,906	251,080,715
Interest capitalised	30,245,513	-	30,245,513	9,050,351
At December 31,	710,625,365	52,120	710,677,485	260,131,066
Depreciation				
At January 1,	-	2,380	2,380	-
Charge for the year	-	10,424	10,424	2,380
At December 31,	-	12,804	12,804	2,380
Net book value				
At December 31,	710,625,365	39,316	710,664,681	260,128,686

(b) *Capital work-in-progress*

Capital work-in-progress comprise of constructions costs for the following campuses:

	Campus				Total 2015	2014
	Campus Redit	Campus Pamplemousses	Montagne Blanche	Total 2015		
	Rs.	Rs.	Rs.	Rs.		
At January 1,	119,714,888	26,866,395	113,497,663	260,078,946	-	
Additions	34,233,675	188,753,080	197,314,151	420,300,906	251,028,595	
Interest capitalised	3,114,609	13,997,017	13,133,887	30,245,513	9,050,351	
At December 31, Rs.	157,063,172	229,616,492	323,945,701	710,625,365	260,078,946	

(c) *Constructions costs*

- The contractual signed agreements with the contractors were not available to ascertain if payments are being made in accordance with the conditions of the contracts. However, we have relied upon the project manager's recommended payments to contractors after these were certified by the project consultant and quantity surveyor to be in line with the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

6. SHARE CAPITAL	2015	2014
	Rs.	Rs.
<u>Issued and fully paid</u>		
At January 01,	25,000	25,000
Share contribution	87,067,307	-
	<u>87,092,307</u>	<u>25,000</u>

The total authorised number of ordinary shares at December 31, 2015 is 870,923 (2014: 250) shares with a par value of Rs.100 each. All issued shares are fully paid.

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

7. BORROWINGS	2015	2014
	Rs.	Rs.
Non-current		
Loan disbursed from Ministry of Finance and Economic Development (note (a))	Rs. <u>525,295,865</u>	<u>229,475,129</u>
Comprise of:		
Loan capital	486,000,000	220,424,778
Loan interest (capitalised)	39,295,865	9,050,351
	Rs. <u>525,295,865</u>	<u>229,475,129</u>

- (a) The total loan amount is Rs.486M and is refundable over a duration of 15 years (inclusive of the grace period).

There is a grace period capital repayment shall be 5 years to be calculated from the first withdrawal from the proceeds of the loan.

The applicable interest shall be at the rate of 8% per annum, over the duration of the loan. Over the first years starting as from the first withdrawal of the proceeds of the loan, the interest payable shall be capitalised on a semi-annual basis.

- (b) The carrying amounts of borrowings are denominated in Mauritian Rupees and approximate their fair values.
- (c) The exposure of the company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	Within one year	More than one year	Total
	Rs.	Rs.	Rs.
At December 31, 2015	Rs. <u>-</u>	<u>525,295,865</u>	<u>525,295,865</u>
At December 31, 2014	Rs. <u>-</u>	<u>229,475,129</u>	<u>229,475,129</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

8. RETENTION MONIES PAYABLE TO CONTRACTORS	2015	2014
	Rs.	Rs.
<i>Retention monies payable to contractors for the following campuses:</i>		
Campus Pamplémousses	16,250,000	7,888,702
Campus Montagne Blanche	15,247,940	7,284,114
Campus Reduit	3,616,258	1,801,153
Rs.	<u>35,114,198</u>	<u>16,973,969</u>
9. TRADE AND OTHER PAYABLES	2015	2014
	Rs.	Rs.
Amount due to contractors	67,522,726	14,952,516
Amount due to project manager	849,901	849,901
Accruals	223,231	92,000
Other payables	1,475,520	334,764
Rs.	<u>70,071,378</u>	<u>16,229,181</u>
(a) The carrying amounts of trade and other payables are denominated in Mauritian Rupees and approximate their fair values.		
10. EMPLOYEE BENEFIT EXPENSE	2015	2014
	Rs.	Rs.
Wages and salaries	429,323	138,865
Social security costs	24,174	8,900
Rs.	<u>453,497</u>	<u>147,765</u>
11. ADMINISTRATIVE EXPENSES	2015	2014
	Rs.	Rs.
Professional fees	472,075	665,750
Salaries and related costs	429,323	138,865
Overheads	6,156	50,425
Bank charges	5,154	1,155
Licenses	2,500	5,700
Directors fees	-	958,500
Promotion & public awareness costs	-	741,530
Rental of state land	-	1,295
Rs.	<u>915,208</u>	<u>2,563,220</u>
12. LOSS BEFORE TAXATION	2015	2014
	Rs.	Rs.
Loss before taxation is arrived at after:		
charging:		
Depreciation on property, plant and equipment		
- owned assets	10,424	2,380
Employee benefit expense (note 10)	453,497	147,765
Rs.	<u>453,497</u>	<u>147,765</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

13. DEFERRED INCOME TAX

Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2014: 15%).

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income tax assets and liabilities relate to the same fiscal authority on the same entity.

Deferred income tax assets are recognised only to the extent that realisation of the related tax benefit is probable.

At the end of the reporting period, the Company had unused tax losses of Rs 42,082,255 (2014: Rs 10,921,534) available for offset against future profits. No deferred tax assets has been recognised due to unpredictability of future profit streams.

14. INCOME TAX EXPENSE

	2015	2014
	Rs.	Rs.
(a) Profit or loss		
Current tax on the adjusted result for the year @ 15% (2014: 15%)	-	-
Deferred tax credit (note 12)	-	-
Tax charge	Rs. -	-

(c) Reconciliation of accounting result to tax expense

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

	2015	2014
	Rs.	Rs.
Result before taxation	(925,632)	(2,565,600)
Tax calculated at 15% (2014: 15%)	(138,845)	(384,840)
Expenses not deductible for tax purposes	1,564	111,710
Interest capitalised treated in chargeable income	(4,536,827)	
Deferred tax assets not recognised on tax losses	4,674,108	273,130
Tax charge	Rs. -	-

15. NOTES TO THE CASH FLOW STATEMENT

	2015	2014
	Rs.	Rs.
(a) Cash (absorbed in)/generated from operations		
Loss before taxation	(925,632)	(2,565,600)
Adjustments for:		
Depreciation	10,424	2,380
	(915,208)	(2,563,220)
Changes in working capital:		
- trade and other payables	(13,680,529)	33,203,150
Cash (absorbed in)/generated from operations	Rs. (14,595,737)	30,639,930

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

15. NOTES TO THE CASH FLOW STATEMENT (CONT'D)

(b) Non-cash transactions

2015 and 2014:

- (i) Interest on loan from Ministry of Finance & Economic Development, capitalised as costs under property, plant and equipment is a non-cash transaction as the Company is benefiting from the grace period of 5 years (note 7).

(c) Cash and cash equivalents

	<u>2015</u>	<u>2014</u>
	Rs.	Rs.
Bank balances	Rs. <u>3,417,261</u>	<u>8,420</u>

- (d) Cash and cash equivalents are denominated in Mauritian Rupees.

16. OPERATING LEASE COMMITMENT

The future aggregate minimum lease payment under operating lease are as follows:

	<u>2015</u>	<u>2014</u>
	Rs.	Rs.
Not later than one year	-	475
Later than one year and not later than five years	-	1,200
Later than five years	-	5,399
Rs.	<u>-</u>	<u>7,074</u>

17. EVENTS AFTER THE REPORTING PERIOD

(a) *Change of name*

The Company changed its name effective from 2nd March 2017 from Knowledge Parks Ltd to Polytechnics Mauritius Ltd.

(b) *Change of business activity*

- The company was initially incorporated with the objective to manage university campuses under its purview (maintain/renovate building; collect lease revenue; promote premises to investors in the tertiary education sector; allocate premises to education institutions; invest in development projects of tertiary education sector)
- In the context of the Budget 2015/2016, Government has announced its decision to use the campuses to house Polytechnics. As a result, the company will provide education to produce work ready diploma holders of high quality to spearhead the development of the country into a knowledge based and skills driven economy.