



MANAGER'S REPORT & AUDITED FINANCIAL STATEMENTS

For the year ended June 30, 2021

MANAGER'S REPORT

We are pleased to present our report for the year ended June 30, 2021.

OBJECTS OF THE EMPLOYEES' REAL ESTATE INVESTMENT TRUST

The Employees' Real Estate Investment Trust ("the Trust") was set up in 2005 to democratise land ownership by giving Mauritian citizens a direct stake in the productive resources of the economy.

The objectives of the Trust are as follows:-

- (i) To directly or through such a body controlled by it, purchase, lease or otherwise acquire land, manage, develop, sell, transfer or otherwise dispose of such land.
- (ii) To do such things as are incidental thereto and connected therewith, for the promotion of the welfare and benefit of unitholders.

PRINCIPAL FUNCTIONS OF THE MANAGER

The Manager is responsible for:
 - The provision of management and administrative services to the Trust
 - The purchase, sale, transfer, exchange or alteration of any asset of the Trust.

PROPERTIES

The plots of land owned by the Trust as at June 30, 2021 were as follows:

Location	Extent (Arpents)
Rivière du Rempart-Haute Rive Village	42.95
Trou D'Eau Douce-Beau Rivage	68.75
Rose Belle	199.61
Total	311.31

Project - International Retirement City (IRC)

During the year, a Memorandum of Agreement was signed between the Trust and a project development company for the development of an IRC project in the south of Mauritius. The project consists of building up-market and resort-type housing with various facilities, adapted food, wellness, preventive health care, skilled nursing facilities etc., targeting high and middle-income group senior citizens of Mauritius and foreigners. Phase I of the project development has kickstarted and this includes a pre-feasibility report and screening report which covers a detailed site analysis, market assessment, project concept and structure as well as legal and regulatory review. The completion of Phase I for the project development is due in November 2021.

Trou D'Eau Douce - Beau-Rivage

Pursuant to a Management Agreement between EREIT and Alteo Planters Services Limited, the land held at Beau Rivage is being managed by the latter for sugarcane cultivation on behalf of EREIT, which is registered as a sugarcane planter. The crop harvest for the year 2020 was around 965 tonnes whilst for 2021 there has been an improvement with a total tonnage of around 1,246 representing an increase of 29%. Other options to make optimum use of the land are being considered.

Technical Working Committee

A Technical Working Committee (TWC) is in process of being set up to provide strategic advice and support to the Board of EREIT Management Ltd. The main terms of reference would be to assess the potentials of different plots of land and make appropriate recommendations with a view to maximise unitholders' value. The TWC will consist of members from various government institutions having relevant technical expertise in town and country planning, civil engineering, property management and consultancy and other related expertise.

PERFORMANCE REVIEW

For the year under review, the net assets of Employees Real Estate Investment Trust stood at Rs.1,549,431,452 with a Net Asset Value (NAV) per unit of Rs.9,056.13 as at June 30, 2021 (Rs.7,767.50 at June 30, 2020). This represents an increase in value by 16.6%, explained by the rise in the value of the land bank during the annual revaluation exercise.

Total revenue generated during the year amounted to Rs.6,558,712 (2020: Rs.12,719,486) made up of rental income, crop proceeds and interest income whilst fees and expenses totalled Rs.6,515,531 (2020: Rs.6,539,328).

During the year, there was a major drop in the interest rates for investments held in treasury bills and fixed deposits with financial institutions which led to a significant fall in interest income as compared to last year.

FEES AND COMMISSION

Fees to the Manager of the Trust for the year ended June 30, 2021 amounted to Rs.4,623,000 (2020: Rs.4,569,000). The Trustee retains a monthly fee of Rs.75,000. The total fee for the year ended June 30, 2021 was Rs.900,000 (2020: Rs.900,000).

REDEMPTION OF UNITS

As per the provisions of the Trust Deed, the units of the Trust were redeemable since March 31, 2010. As at June 30, 2021, the Trust has redeemed a total of 181,243 units and the register of unitholders comprised 171,092 unitholders, at that date.

For and on behalf of the Board of EREIT Management Ltd, Manager of the Trust.

G.Goburdhun, G.O.S.K **H.Boyjonauth**
 Director Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rs.	2020 Rs.
Net surplus attributable to unit holders	43,181	6,180,158
Other comprehensive income, net of tax: Surplus on revaluation of property	220,405,000	154,800,000
Total comprehensive income for the year	Rs. 220,448,181	160,980,158

The accompanying statements have been extracted from the full set of audited financial statements of the Employees' Real Estate Investment Trust for the year ended 30 June 2021, namely statement of financial position, income and distribution statement, statement of cash flows, statement of comprehensive income and statement of changes in net assets attributable to unit holders.

REPORT OF THE AUDITORS' TO THE UNIT HOLDERS

In our opinion, the financial statements give a true and fair view of the financial position of Employees' Real Estate Investment Trust, (the "Trust") as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with its Trust Deed.

Kemp Chatteris
 Chartered Accountants

STATEMENT OF FINANCIAL POSITION - JUNE 30, 2021

	2021 Rs.	2020 Rs.
ASSETS		
Non-current assets		
Property	1,249,205,000	1,028,800,000
Land development expenditure	3,750,559	3,750,559
Total non-current assets	1,252,955,559	1,032,550,559
Current assets		
Financial assets at amortised cost	296,864,365	329,589,551
Cash and cash equivalents	9,950,925	28,073,486
Total current assets	306,815,290	357,663,037
Non-current assets classified as held for sale	4,408,022	4,408,022
Rs. 1,564,178,871	1,394,621,618	
CURRENT LIABILITY		
Other payables	14,747,419	10,506,771
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	1,549,431,452	1,384,114,847
Rs. 1,564,178,871	1,394,621,618	
Net assets value per unit	Rs. 9,056.13	7,767.50

These financial statements have been approved for issue by the Manager on September 27, 2021

For and on behalf of the Board

G.Goburdhun, G.O.S.K
 Director

H.Boyjonauth
 Director

INCOME AND DISTRIBUTION STATEMENT - YEAR ENDED JUNE 30, 2021

	2021 Rs.	2020 Rs.
Revenue		
Rental income	1,008,333	535,520
Interest income	2,368,328	11,833,966
Other income	3,182,051	350,000
	6,558,712	12,719,486
Expenses		
Manager's fees	4,623,000	4,569,000
Trustee's fees	900,000	900,000
Professional fees	660,627	838,340
Audit and taxation fees	161,000	170,775
Publication expenses	143,976	51,163
Bank charges	8,369	7,488
Postage	17,934	2,562
Other expenses	625	-
	6,515,531	6,539,328
Surplus before finance cost	43,181	6,180,158
Finance cost	-	-
Surplus before taxation	43,181	6,180,158
Taxation	-	-
Net surplus attributable to unit holders	Rs. 43,181	6,180,158

STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2021

	2021 Rs.	2020 Rs.
Operating activities		
Surplus for the year	43,181	6,180,158
Adjustments for:		
Profit on sale of property, plant and equipment	-	(350,000)
Interest income	(2,368,328)	(11,833,966)
Changes in working capital:		
- other receivables	(1,339,175)	(335,519)
- other payables	4,240,648	167,439
	576,326	(6,171,888)
Interest received	2,847,465	12,233,307
Net cash generated from operating activities	3,423,791	6,061,419
Cash flows from investing activities		
Purchase of financial assets at amortised cost	(378,451,867)	(328,000,000)
Disposals of financial assets at amortised cost	412,037,091	361,947,930
Proceeds from sale of property, plant and equipment	-	13,520,000
Net cash generated from investing activities	33,585,224	47,467,930
Cash flow from financing activities		
Units redeemed	(55,131,576)	(47,205,268)
Net cash used in financing activities	(55,131,576)	(47,205,268)
Net (decrease)/increase in cash and cash equivalents	Rs. (18,122,561)	6,324,081
Movement in cash and cash equivalents		
At start,	28,073,486	21,749,405
(Decrease)/increase	(18,122,561)	6,324,081
At end,	Rs. 9,950,925	28,073,486

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS YEAR ENDED JUNE 30, 2021

	2021 Rs.	2020 Rs.
Net assets attributable to unit holders at start,	1,384,114,847	1,258,994,366
Redemption of units	(55,131,576)	(35,859,677)
Total comprehensive income for the year	220,448,181	160,980,158
At end	Rs. 1,549,431,452	1,384,114,847

The above statements are audited and are issued pursuant to the provisions of the Trust Deed. The Manager, EREIT Management Ltd, accepts full responsibility for the accuracy of the information contained in these financial statements. Copies of the report are available to unit holders, free of charge, at the Registrar and Transfer Office, Slot 18, Ground Floor, Air Mauritius Centre, 6 President John Kennedy Street, Port Louis.

EREIT Management Ltd, 15th Floor Air Mauritius Centre, 6 President John Kennedy Street, Port Louis. Tel: 213 4040