

INVESTMENT TRUST

For the Year Ended June 30, 2015

MANAGER'S REPORT

We are pleased to present our report for the year ended June 30, 2015.

OBJECTS OF THE EMPLOYEES REAL ESTATE INVESTMENT TRUST

The Employees Real Estate Investment Trust was set up in 2005.

The objects of the Employees Real Estate Investment Trust (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 unit holders.

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 assets of the Trust.

PROPERTY

The plots of land owned by the Trust are as follows:

Location	Extent (Arpents)
Riviere du Rempart-Haute Rive Village	46.3
Highlands - Cote D'or Village	169.8
Trou D'Eau Douce-Beau Rivage	68.8
Rose Belle	199.6

No disposal of land was effected during the year under review. (2014: None)

The Manager is considering various development alternatives for the plots of land, as detailed hereunder:-

Riviere du Rempart - Haute Rive Village

- A morcellement plan has been worked out for development of residential/commercial morcellement at Haute Rive.
- Approval of the morcellement board is being awaited before proceeding with infrastructural works on site.

Highlands - Cote D'Or Village

- Part of the land is actually being leased for agricultural cultivation.
- An offer was received for the acquisition of 169.8 Arpents at Cote D'or. The board has given its consent and the carrying amount of the land has been reclassified as non-current assets held for sale.

Trou D'Eau Douce-Beau Rivage

The project manager has been requested to work out a project for the development of these land. In the meantime, part of the land is being leased for agricultural cultivation.

Rose Belle

The project manager has been requested to submit a proposal for development of these land. In the meantime, the land is being leased for agricultural cultivation.

Compulsory acquisitions

- The Government has acquired compulsorily the following land, for which proceeds are still pending.
 - 3ha6802m² or 8A71P of land at Cote D'Or in relation to the construction of Terre Rouge-Verdun-Trianon link road.
 - 1600m² of land at Rose Belle for the setting up of a Gas/Electricity Incinerator.

PERFORMANCE REVIEW

For the year under review, the net assets of Employees Real Estate Investment Trust stood at Rs.1,085,486,427 with a Net Asset Value (NAV) per unit of Rs.5,174.58 as at June 30, 2015 (Rs.4,580.83 at June 30, 2014). Total revenue generated during the year amounted to Rs.1,613,576 (2014: Rs.1,056,777) made up of interest income and rental income whilst fees and expenses totalled Rs.6,121,508 (2014: Rs.6,432,994).

FEES AND COMMISSION

The Manager of the Trust has received a fee of Rs.4,530,000 for the year ended June 30, 2015 (2014: Rs.4,410,000).

The Trustee retains a monthly fee of Rs.75,000. The total fee for the year ended June 30, 2015 was Rs.900,000 (2014: Rs.900,000).

REDEMPTION OF UNITS

As per the provisions of the Trust Deed, the units of the Trust are redeemable since 31 March 2010.

As at 30 June 2015, the Trust has redeemed a total of 142,562 units and the register of unit holders comprised 209,773 unit holders, at that date.

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

A. H. Nakhuda
Chairman

B. Veerasamy (Mrs)
Director

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED JUNE 30, 2015

	2015	2014
	Rs.	Rs.
Net deficit attributable to unit holders	(10,215,441)	(8,594,615)
Other comprehensive income, net of tax:		
Gain on revaluation of property	134,715,000	29,070,000
Total comprehensive income for the year	Rs. 124,499,559	20,475,385

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

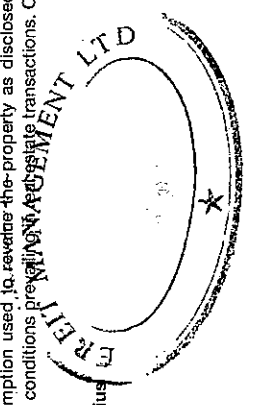
REPORT OF THE AUDITORS TO THE UNITHOLDERS

The above Statements have been extracted from the full set of financial statements of Employees Real Estate Investment Trust for the year ended 30 June 2015. In our opinion, the financial statements give a true and fair view of the financial position of the Trust at June 30, 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 terms of its Trust Deed.

Emphasis of matter

We draw attention to the increase in revaluation surplus of Rs.134,715,000 arising during the year on revaluation of property impacting on the net asset value per unit from Rs.4,580.83 to Rs.5,174.58 at June 30, 2015. The critical estimate and assumption used to revalue the property as disclosed in the notes to the financial statements is sensitive to market conditions prevailing during the year.

Port Louis, Mauritius
BDO & Co
Chartered Accountants



STATEMENT OF FINANCIAL POSITION - YEAR ENDED JUNE 30, 2015

	2015	2014
	Rs.	Rs.
ASSETS		
Property	694,315,000	1,025,600,000
Land development expenditure	4,018,216	3,804,455
Other receivables	1,108,715	1,188,306
Cash and cash equivalents	221,248	20,826,701
Non-current assets classified as held for sale	699,663,179	1,051,419,462
Total assets	Rs. 1,170,641,201	Rs. 1,056,397,484
LIABILITIES		
Other payables	12,154,774	11,587,807
Short term loans	73,000,000	73,000,000
	85,154,774	84,587,807
Net assets attributable to unit holders	1,085,486,427	971,809,677
Total liabilities and equity	Rs. 1,170,641,201	Rs. 1,056,397,484
Net assets value per unit	Rs. 5,174.58	Rs. 4,580.83

These financial statements have been approved for issue by the Manager on 24 September 2015

For and on behalf of the Board

A. H. Nakhuda
Chairman

B. Veerasamy (Mrs)
Director

INCOME AND DISTRIBUTION STATEMENT - YEAR ENDED JUNE 30, 2015

	2015	2014
	Rs.	Rs.
REVENUE		
Rental income	1,090,760	907,983
Other income	375,000	95,842
Interest income	147,816	53,152
	1,613,576	1,056,777
EXPENSES		
Manager's fees	4,530,000	4,410,000
Trustee's fees	900,000	900,000
Professional fees	424,867	769,533
Bank charges	2,667	112,422
Audit and taxation fees	151,020	137,885
Publication expenses	96,336	78,890
Postage	16,618	24,264
	6,121,508	6,432,994
Deficit before finance cost	(4,507,932)	(5,376,217)
Finance cost - interest on short term loans	(5,707,509)	(3,218,398)
Deficit before taxation	(10,215,441)	(8,594,615)
Taxation		
Net deficit attributable to unit holders	Rs. (10,215,441)	Rs. (8,594,615)

STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2015

	2015	2014
	Rs.	Rs.
OPERATING ACTIVITIES		
Deficit for the year	(10,215,441)	(8,594,615)
Adjustments for:		
Interest income	(147,816)	(53,152)
Interest expense	5,707,509	3,218,398
Changes in working capital:		
- other receivables	79,591	506,171
- other payables	(1,634,387)	8,260,363
	(6,210,544)	3,337,165
Interest received	147,816	53,152
Interest paid	(3,506,155)	(3,739,370)
Net cash used in operating activities	(9,566,883)	(349,053)
Cash flows from investing activities		
Land development expenditure	(213,761)	(165,493)
Net cash flow used in investing activities	(213,761)	(165,493)
Cash flow from financing activities		
Units redeemed	(10,822,809)	(15,594,438)
Proceeds from short term loans		33,000,000
Net cash flow (used in)/from financing activities	(10,822,809)	17,405,562
Net (decrease)/ increase in cash and cash equivalents	Rs. (20,605,453)	Rs. 16,891,016
Movement in cash and cash equivalents		
At July 1,	20,826,701	3,935,685
(Decrease)/Increase	(20,605,453)	16,891,016
At June 30,	221,248	20,826,701

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - YEAR ENDED JUNE 30, 2015

	2015	2014
	Rs.	Rs.
Net assets attributable to unit holders at July 1,	971,809,677	966,828,730
Redemption of units	(10,822,809)	(15,594,438)
Total comprehensive income for the year	124,499,559	20,475,385
At June 30,	Rs. 1,085,486,427	Rs. 971,809,677