

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	Audited 31 December 2018	Audited 31 December 2017
	Rs'000	Rs'000
<b>ASSETS</b>		
Non-current assets	1,361,019	1,387,779
Current assets	3,798	24,208
<b>Total assets</b>	<b>1,364,817</b>	<b>1,411,987</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	1,360,308	1,409,177
Current liabilities	4,509	2,810
<b>Total equity and liabilities</b>	<b>1,364,817</b>	<b>1,411,987</b>
<b>Net asset value per share - (Rs)</b>	<b>5.99</b>	<b>6.21</b>
No. of shares used in calculation	226,986,672	226,986,672

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

	Audited Year to 31 December 2018	Audited Year to 31 December 2017
	Rs'000	Rs'000
<b>Income</b>	<b>44,722</b>	<b>43,246</b>
<b>Profit before finance costs</b>	<b>33,741</b>	<b>34,088</b>
Finance costs	(355)	(1,135)
<b>Profit before taxation</b>	<b>33,386</b>	<b>32,953</b>
Taxation	(83)	(81)
<b>Profit for the year</b>	<b>33,303</b>	<b>32,872</b>
Other comprehensive income for the year, net of tax	(2,727)	235,164
<b>Total comprehensive income for the year</b>	<b>30,576</b>	<b>268,036</b>
<b>Basic earnings per share for the year - (Rs.)</b>	<b>0.15</b>	<b>0.14</b>
<b>Dividends per share - (Rs.)</b>	<b>0.35</b>	<b>0.35</b>
No. of shares in issue and ranking for dividends	226,986,672	226,986,672

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital	Share premium	Fair value reserve	Retained earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2018	226,987	5,217	747,450	429,523	1,409,177
<i>Comprehensive income</i>					
Profit for the year	-	-	-	33,303	33,303
Other comprehensive income	-	-	(246)	(2,481)	(2,727)
Total comprehensive income for the year	-	-	(246)	30,822	30,576
<i>Transaction with owners</i>					
Dividends	-	-	-	(79,445)	(79,445)
At 31 December 2018	<b>226,987</b>	<b>5,217</b>	<b>747,204</b>	<b>380,900</b>	<b>1,360,308</b>
At 01 January 2017	226,987	5,217	516,682	471,700	1,220,586
<i>Comprehensive income</i>					
Profit for the year	-	-	-	32,872	32,872
Other comprehensive income	-	-	230,768	4,396	235,164
Total comprehensive income for the year	-	-	230,768	37,268	268,036
<i>Transaction with owners</i>					
Dividends	-	-	-	(79,445)	(79,445)
At 31 December 2017	226,987	5,217	747,450	429,523	1,409,177

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018**

	Audited Year to 31 December 2018	Audited Year to 31 December 2017
	Rs'000	Rs'000
<b>Operating activities</b>		
Net cash generated from operating activities	33,972	32,196
<b>Investing activities</b>		
Net cash generated from investing activities	26,522	24,697
<b>Financing activities</b>		
Net cash used in financing activities	(79,531)	(79,445)
<b>Decrease in cash and cash equivalents</b>	<b>(19,037)</b>	<b>(22,552)</b>
<b>Movement in cash and cash equivalents</b>		
At 1 January	22,666	46,353
Decrease in cash and cash equivalents	(19,037)	(22,552)
Exchange loss on cash and cash equivalents	(206)	(1,135)
At 31 December	3,423	22,666

**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**AUDITED ABRIDGED FINANCIAL STATEMENTS**

The Directors are pleased to present the audited abridged financial statements of the Company for the year ended 31 December 2018.

**BASIS OF ACCOUNTING**

The financial statements comply with International Financing Reporting Standards and are prepared under the historical cost convention as modified by the fair valuation of financial assets at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL").

**COMMENTS AND REVIEW**

- (i) At 31 December 2018, the Net Assets Value per share of the Company stood at Rs. 5.99 compared to Rs. 6.21 at 31 December 2017. The lower Net Assets Value per share at 31 December 2018 as compared to 31 December 2017 is mainly attributable to a decrease in the fair valuation of Investments, which is shown as other comprehensive income.
- (ii) Shareholders' interest was Rs. 1.36 billion at 31 December 2018 compared to Rs. 1.41 billion at 31 December 2017.
- (iii) Dividends per share were as follows:

	2018	2017
	Rs.	Rs.
Interim	0.15	0.15
Final	0.20	0.20
<b>Total dividends</b>	<b>0.35</b>	<b>0.35</b>

By Order of the Board  
Ocorian Corporate Administrators Limited  
Secretary

**06 March 2019**

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of P.O.L.I.C.Y. Limited accepts full responsibility for the accuracy of the information contained in these financial statements.

Copies of the full financial statements and the statement of direct and indirect interests of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available to the public, free of charge, at the registered office of the Company, c/o Ocorian Corporate Administrators Limited, 6th Floor, Tower A, 1 CyberCity, Ebene.

The auditors of the Company are BDO & Co.

**Manager's Report for the year ended 31 December 2018**

**NAV Performance for Financial Year 2018**

During 2018, the Net Asset Value of POLICY rose by 2.3%, before the distribution of dividends totalling to Re.0.35 per share. The SEMTRI increased by 3.7% during the same period.

**Outlook**

In a context of low interest rates, equities should perform relatively well, both in Mauritius and internationally. POLICY will continue to focus on local companies having solid balance sheets and track records of earnings growth and on international funds able to out-perform the MSCI World index.

**Share price and NAV**

Period ending	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18
Share price	7.20	7.08	6.74	6.62	6.58
NAV	6.21	6.38	6.25	6.25	5.99
Premium to NAV	15.9%	11.0%	7.8%	5.9%	9.8%

**Performance ratios**

	Year ended 31 December								
	2014	2015	2016	2017	2018	1Q 2018	2Q 2018	3Q 2018	4Q 2018
<b>POLICY</b>									
Share price <sup>1</sup>	5.3%	-8.7%	-6.0%	31.1%	-3.8%	-1.7%	-2.7%	-1.8%	2.4%
Net Asset Value <sup>1</sup>	2.6%	3.5%	7.3%	21.9%	2.1%	2.7%	0.3%	0.0%	-1.0%
<b>Local market</b>									
SEMTRI	1.8%	-10.1%	3.3%	25.3%	3.7%	4.1%	-1.3%	1.3%	-0.4%
SEM-10 <sup>2</sup>	-4.4%	-10.2%	-0.4%	22.3%	0.9%	3.3%	-1.2%	0.3%	-1.4%

<sup>1</sup> Performance adjusted for dividends paid

<sup>2</sup> SEM-10 replaced the SEM-7 as from Oct-14

**Sector allocation as at 31 December 2018**

	Portfolio allocation	SEMDEX
Banks, Insurance & Other Finance	62.4%	36.6%
Industry	11.5%	7.2%
Leisure & Hotels	9.0%	12.9%
Investments	8.5%	24.7%
International	6.5%	0.1%
Commerce	0.2%	16.3%
Others	1.9%	-
<b>Total</b>	<b>100.0%</b>	

**Top 5 holdings as at 31 December 2018**

	% of NAV	Market price change FY 2018 (+/-)
MCB Group Limited	50.6%	0.0%
Lux* Island Resorts Ltd	7.7%	3.6%
ABC Banking Corporation Ltd	6.3%	-1.7%
Phoenix Beverages Limited	5.8%	4.7%
Ciel Textile Ltd	2.9%	-8.1%
<b>Total</b>	<b>73.3%</b>	

[www.policylimited.mu](http://www.policylimited.mu)

Disclaimer: This Manager's report is provided by IPRO Fund Management Ltd. The information contained herein is based upon sources believed by us to be reliable but are not guaranteed of their accuracy or completeness. Any views or opinions expressed herein does not constitute investment advice or an offer or invitation to buy or sell any shares in the fund and does not have regard to the specific investment objectives and financial situation of any person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any financial instruments mentioned or recommended in this report. Any views stated in this report regarding future prospects (forward looking statements) may not be realised and may be subject to change. Investors should note that the fund's net asset value may rise or fall and that past performance is not a guide to future performance.