annual report 2013

UNITED DOCKS LTD

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Introduction to Shareholders by Chairperson

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of United Docks Ltd (the "Company") and its subsidiaries (together referred to as "the Group") for the year ended June 30, 2013.

This report was approved by the Board of Directors on 30 September 2013.

M.H.Dominique Galea
Chairperson

Management and Administration

BOARD OF DIRECTORS

M. H. Dominique Galea (Chairperson)	Non-Executive
G. Jean Claude Baissac	Executive
J. Alexis Harel	Non-Executive
Anwar Kathrada	Independent
L. M. C.Michele Lionnet	Independent
M. E. Cyril Mayer	Non-Executive
K.H. Bernard Wong Ping Lun	Non-Executive
Ismael Ibrahim Bahemia	Independent

MANAGING DIRECTOR

G. Jean Claude Baissac

CORPORATE SECRETARY

Executive Services Ltd
2nd floor, Les Jamalacs Buildings
Vieux Conseil Street
Port Louis

AUDITORS

Ernst & Young
Tower 1
9th Floor, NeXTeracom
Ebene

REGISTRAR AND TRANSFER OFFICE

MCB Registry and Securities Limited
Raymond Lamusse Building
9-11, Sir William Newton Street
Port Louis

REGISTERED OFFICE ADDRESS

Kwan Tee Street
Caudan
Port Louis

Notice is hereby given that the annual meeting of the Company will be held at Le Labourdonnais Waterfront Hotel on Tuesday 10 December 2013 at 10.00 a.m. to transact the following business:-

As ordinary business:

1. To receive and adopt the annual report and financial statements of the Company and of the Group for the year ended 30 June 2013 and the report of the auditors thereon.

2. To re-elect Mr G. Jean Claude Baissac as director of the Company under Section 138 (6) of the Act.

3. To re-elect Mr Anwar Kathrada as director of the Company under Section 138(6) of the Act.

4. To re-elect the following persons as directors of the Company to hold office until the next Annual Meeting (as separate resolutions):

    4.1 Mr M. H. Dominique Galea
    4.2 Mr J. Alexis Harel
    4.3 Mrs L. M. C. Michele Lionnet
    4.4 Mr M. E. Cyril Mayer
    4.5 Mr K. H. Bernard Wong Ping Lun
    4.6 Mr Ismael Ibrahim Bahemia

5. To note that Ernst & Young, having indicated their willingness to continue in office, will be automatically re-appointed as auditors and to authorise the directors to fix their remuneration.

BY ORDER OF THE BOARD

EXECUTIVE SERVICES LTD

Per .V.O CHETTY

SECRETARY

Dated this 30th day of September 2013

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her and that proxy needs not also be a member.

A proxy form is included in this annual report and is also available with the Managing Director at the Registered Office of the Company.

Completed proxy forms should be delivered at the Registered Office of the Company, Kwan Tee Street, Caudan, Port Louis by Monday 09 December 2013 at 10.00 a.m. at latest.

A member may decide to vote by way of a postal vote. MCB Registry and Securities Ltd has been duly authorised by the Board to receive and count postal votes for the annual meeting of the Company.

A postal vote form is included in this annual report and is also available with the Managing Director at the Registered Office of the Company.
Completed postal votes should be delivered to MCB Registry and Securities Ltd, Raymond Lamusse Building, 9-11, Sir William Newton Street, Port Louis by Friday 06 December 2013 at 10.00 a.m. at latest.

For the purpose of this Annual Meeting, the Directors have resolved in compliance with Section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meting shall be those shareholders whose names are registered in the share register of the Company as at 15 November 2013.

Duly signed minutes of the annual meeting held on 07 December 2012 are available for consultation by the shareholders at the Registered Office of the Company.

Dear Shareholders,

It is my pleasure to submit this report together with the audited financial statements of United Docks Ltd (UDL) and its subsidiaries for the year ended 30th June 2013.

PRINCIPAL ACTIVITIES

The Group's main activities are unchanged and consist in real estate holdings and development, management of investments and renting of warehouses and offices.

RESULTS

For the year under review, the Group has incurred a loss of Rs 7.1m against a loss of Rs 10.2m last year.

The Board does not recommend the payment of any dividend for the year under review (2012: Nil).

There has been a slight increase of rental income over last year and the overheads have decreased by 8% over last year.

The group has made an operational profit of Rs 7.8m as compared to Rs 5.2m last year.

The high finance costs of Rs 14.8m remain a concern and to reduce its interest payable, the Group is considering selling some of its non-core assets.

LANDED PROPERTY

The Group owns the following freehold landed property:

- Caudan : 09.27 arpents
- Trou Fanfaron : 12.27 arpents
- Cerné Docks : 00.59 arpents

Regarding its large MICE project at Caudan, the Company is continuing negotiations with the authorities to obtain its EIA licence.

SHARE PORTFOLIO

Our main investments are in Axys Group Ltd, and Société Libra, through which we have an effective share holding of 13.41% in Harel Mallac Co Ltd (see notes 7 and 10 respectively in the Financial Statements for further details).

OTHER ISSUES

In June 2011, the authorities issued a "Planning Policy Guidance" (PPG6); introducing, amongst others, buffer zones and building restrictions in a perimeter around the Aapravasi Ghat site which largely affected the free development of our land at Trou Fanfaron which falls within the perimeter.

OTHER ISSUES (CONTINUED)

In September 2011, the Company caused two Notices to be served on the relevant authorities. In September 2013, the Company entered a Plaint with Summons before the Supreme Court against the relevant authorities and claiming a compensation for the financial prejudice caused and amounting to about Rs 1.112m; as established by our chartered valuer.

In October 2012, the Company applied to the City Council of Port Louis for an Outline Planning Permission for the development of a large mixed use real estate project on the land it owns at Trou Fanfaron. The application was turned down in March 2013 on the ground that the "Application is not in accordance with the Planning Policy Guidance 6 of the Aapravasi Ghat Trust Fund". In March 2013, the Company lodged an appeal against the said refusal.

In April 2013, the authorities submitted an Outline Planning Scheme for the Municipal Council area of Port Louis. In July 2013, the Company sent a representation letter to the relevant authorities arguing on the draw backs of the said Outline Planning Scheme.

As also mentioned in last year's Annual Report, the Group has instituted the following proceedings against: (i) its former General Manager who was in office up to mid October 2006, to recover an amount of Rs 34.8m; (ii) its former Accountant who was in office up to January 2007, to recover the said amount of Rs 34.8m; and (iii) collectively against its former directors who were in office up to mid October 2006, to recover an amount of Rs 29.3m, which forms part of the sum of Rs 34.8m above referred to. The case is ongoing.

I wish to take this opportunity to thank my fellow board members for their contribution and support during the past year and the shareholders for having entrusted the governance of the Group to our Board.

Finally, many thanks also to the management and staff of the Company for their dedication and hard work during the past year.

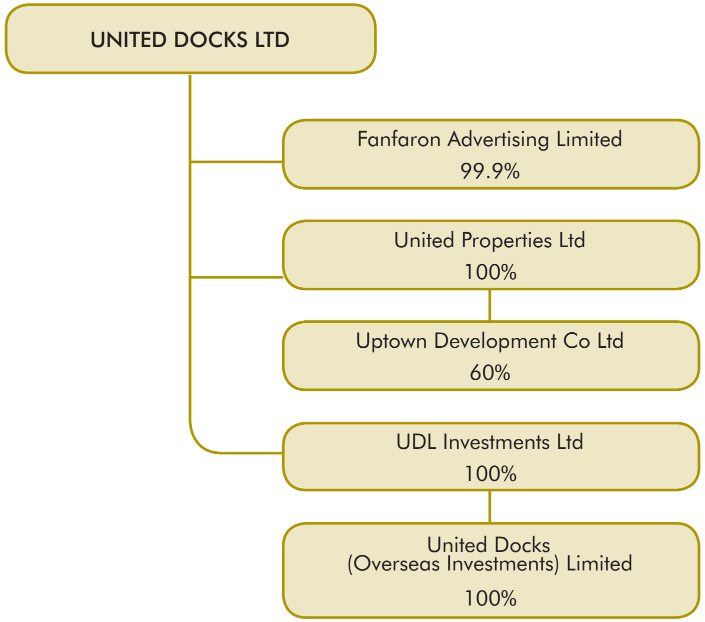
Yours sincerely,

M H Dominique Galea
Chairperson

1. HOLDING STRUCTURE

United Docks Ltd is a listed Company with a diverse shareholding of more than 1,800 members.

It has subsidiaries as per the structure below:



2. SUBSTANTIAL SHAREHOLDERS

The following shareholders held more than 5% of the shareholding of the Company as at 30 June 2013.

Shareholders	% Holding
Ducray Lenoir (Investments) Ltd	7.90%
Horus Ltée	18.27%
La Prudence (Mauricienne) Assurances Ltée	5.01%
Terra Mauricia Ltd	5.38%

3. DIRECTORS' PROFILE

M. H. DOMINIQUE GALEA – CHAIRPERSON
Mr Galea is 60 years old. He holds a "Hautes Etudes Commerciales" (HEC) degree. He started his career in the textile industry in the early 1980's by setting up an agency business, Kasa Textile & Co Ltd. He has since diversified his activities by acquiring stakes in companies in various sectors of the economy.

G. JEAN CLAUDE BAISSAC – (MANAGING DIRECTOR)
Mr Baissac is 73 years old. He holds a Bachelor in Science degree in Engineering. He worked in the USA, Canada and South Africa and returned to Mauritius in 1975. He has been an Executive Director of Ireland Blyth Ltd for many years and then General Manager of Rey & Lenferna Ltd. He also sits on the board of a number of companies as independent director.

J. ALEXIS HAREL
Mr Harel is 51 years old. He holds a Bachelor in Science degree in Business Administration. He started his career in the audit department of De Chazal du Mée, Chartered Accountants, and then occupied managerial positions in the industrial and IT sectors. He joined Grays & Co Ltd in 1992 and presently occupies the position of Commercial Director.

ANWAR KATHRADA
Mr Kathrada is 72 years old. Since 1985 he is a Director of MI Kathrada & Sons Ltd, a trading company.

L. M. C. MICHELE LIONNET (MRS)
Mrs Lionnet is 60 years old. She holds a Diploma in Business Management from the University of Surrey (UK) and currently acts as Executive Director of Junior Achievement in Mauritius. She started her career in a private commercial firm in which she occupied the position of Administrative Manager during 15 years. She then occupied executive managerial and marketing positions in organisations located both in Mauritius and Madagascar.

M. E. CYRIL MAYER
Mr Mayer is 62 years old. He holds a BCom degree and is a Chartered Accountant. He is currently the Managing Director of Terra Mauricia Ltd. He sits on the board of numerous companies including Swan Insurance Co Ltd and Anglo-Mauritius Assurance Society Ltd. He has served on many institutions involved with the sugar industry such as the Mauritius Sugar Authority, the Mauritius Sugar Syndicate and the Chamber of Agriculture.

K. H. BERNARD WONG PING LUN
Mr Wong is 58 years old. He holds a Bachelor in Science degree in Economics and is a Certified Chartered Accountant. He is currently the Financial Director of ATS Ltd and of a number of associated companies. He joined Sun Resorts Ltd as Financial Controller of the St Géran Hotel in 1986. He then worked as Group Internal Auditor of Ireland Blyth Ltd during four years.

3. DIRECTORS' PROFILE (CONTINUED)

ISMAEL I. BAHEMIA

Mr. Bahemia is 66 years old. He is a fellow of The Institute of Chartered Accountants in England & Wales and Mauritius Institute of Directors. He is also registered as professional accountant and public accountant in practice with the Mauritius Institute of Professional Accountants. He is presently the CEO of Fideco Global Business Services Ltd, a company licensed by the Financial Services Commission to operate as an Offshore Management Company. Mr. Bahemia retired from IBL in 2007 after serving the company for over 31 years. He occupied managerial positions in the financial and commercial sectors and was responsible for the Group Taxation. He was a past president at the Society of Chartered Accountant in Mauritius.

4. DIRECTORS – ATTENDANCE AT MEETINGS & INTEREST IN THE SHARE CAPITAL

The table below shows the Directors of the Company and their attendance at meetings for the year ended 30 June 2013. It also shows their direct and indirect interests in the share capital of the Company as at 30 June 2013.

Name	From	To	Attendance at meetings			Interest in shares			
			Board	Audit Committee	Corporate Governance Committee	Direct		Indirect	
						No of shares	% holding	No of shares	% holding
			4	4	2				
Directors in office									
M. H. Dominique Galea (Chairperson)	17.10.06		4/4		2/2			1,861,031	17.6234
Ismael I Bahemia	09.05.12		4/4	4/4	2/2			520	0.0049
G. Jean Claude Baissac	20.11.07		4/4					13,100	0.1241
J. Alexis Harel	17.10.06		4/4	2/4					
Anwar Kathrada	17.10.06		4/4					214,116	2.0276
L. M. C.Michele Lionnet	29.12.06		3/4		2/2	86,876	0.8226	1,526	0.0145
M. E. Cyril Mayer	17.10.06		3/4					914	0.0086
K.H. Bernard Wong Ping Lun	17.10.06		4/4	4/4					

4. DIRECTORS – ATTENDANCE AT MEETINGS & INTEREST IN THE SHARE CAPITAL (CONTINUED)

The Directors of the Company follow the principles of the Model Code for Securities Transactions as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

Ducray Lenoir (Investments) Ltd in which Mr M. H. Dominique Galea has a beneficial interest, acquired 105,576 shares in the Company during the year ended 30 June 2013.

The shareholding of Mr G. Jean Claude Baissac, in which he has an indirect interest, has increased by 12,200 shares during the year ended 30 June 2013.

Other than the above, the directors did not transact in the shares of the Company during the year ended 30 June 2013.

5. DIRECTORSHIPS OF THE BOARD MEMBERS IN OTHER LISTED COMPANIES AS AT 30 JUNE 2013

Directors	Listed Companies
M.H Dominique Galea (Chairperson)	Forges Tardieu Ltd, Mauritius Union Assurance Co Ltd, Ascencia Ltd
Ismael I Bahemia	None.
G. Jean Claude Baissac (Managing Director)	None
J. Alexis Harel	Lux Island Resorts Ltd, Terra Mauricia Ltd
Anwar Kathrada	None
L.M.C. Michèle Lionnet	None
M.E. Cyril Mayer	Terra Mauricia Ltd, Forges Tardieu Ltd, Swan Insurance Co Ltd
K.H. Bernard Wong Ping Lun	Forges Tardieu Ltd

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6. DIRECTORS OF SUBSIDIARIES AT 30 JUNE 2013

	Fanfaron Advertising Limited	United Properties Ltd	UDL Investments Ltd	United Docks (Overseas Investments) Ltd	Uptown Development Co Ltd
M. E. Cyril Mayer	✔	✔	✔	✔	✔
M. H. Dominique Galea	✔	✔	✔	✔	✔
K.H. Bernard Wong Ping Lun				✔	✔
G. Jean Claude Baissac					✔

7. REMUNERATION POLICY

The Corporate Governance Committee is responsible for determining the remuneration of Directors and Senior Management.

The Company's policy is to set an appropriate level of remuneration to attract, retain and motivate high calibre personnel and Directors. Senior Management are rewarded for their contribution towards the achievement of the Company's objectives and performance, whilst taking into account current market conditions. The Directors are remunerated for their knowledge, experience and insight given to Board and Committees.

Directors' fees are as follows:-

- Chairperson: Rs 60,000 annual fee + Rs 7,500 per attendance at Board or Committee meetings.
- Directors: Rs 40,000 annual fee + Rs 5,000 per attendance at Board or Committee meetings.

8. DIRECTORS' REMUNERATION

The table below shows the remuneration and benefits received by the Executive Director and the remuneration received by the Non-Executive Directors who were in office from 01 July 2012 to 30 June 2013.

	Company		Subsidiaries		Other related corporations	
	2013	2012	**2013**	2012	**2013**	2012
	Rs 000	Rs 000	**Rs 000**	Rs 000	**Rs 000**	Rs 000
Executive Director	**3,020**	2,985	**-**	-	**-**	-
Non-Executive Directors	**525**	564	**-**	-	**-**	-
	3,545	3,549	**-**	-	**-**	-

9. BOARD AND COMMITTEES

The Board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of the Company. It is committed to achieving success for the Company and sets the Company's values and standards to ensure that its obligations to the shareholders are met.

At 30 June 2013 the Board consisted of 8 Directors, out of which 3 were independent and 1 was Executive. The Chairperson is M. H. Dominique Galea.

The Directors are required to make full and timely disclosure in writing to the Board of any conflicts or potential conflicts. They are free from any conflicting interests and relationships that can affect their ability to exercise independent judgement.

The role of the Chairperson and that of the Executive are separate. The Chairperson has no executive or management responsibilities and acts as Chairperson of meetings of the Board and of shareholders.

The Managing Director, who is also the Executive Director, has the day to day responsibility for the Company's operations, implementing the strategies and policies decided by the Board.

The Non-Executive Directors constructively challenge and help in developing proposals on strategy through their range of knowledge, experience and insight from other sectors.

The Independent Non-Executive Directors bring a wide range of experience and skills to the Board. They are free from any business or other relationships which would materially affect their ability to exercise independent judgment.

9. BOARD AND COMMITTEES (CONTINUED)

For the year under review, the Directors have been evaluated individually but not collectively as a Board. However, the evaluation of the Board as required by the Code of Corporate Governance will be conducted as from the financial year 2013/2014.

Corporate Governance Committee

Chairperson	:	M. H. Dominique Galea
Members	:	Ismael I Bahemia
	:	L.M.C. Michèle Lionnet

The Committee met on two occasions during the financial year, and operates as per the guidelines of the Code of Corporate Governance for Mauritius.

The duties and responsibilities of the Corporate Governance Committee encompass those of the Remuneration Committee and Nomination Committee and include namely:

- The review of the Constitution and Board structure of the Company in the light of good corporate governance;
- Identification of areas of compliance and areas of non compliance with good corporate governance and to report to the Board accordingly;
- Assisting the Board in the implementation of good corporate governance;
- Ensuring that the Company's Annual Report complies with good corporate governance.

The Corporate Governance Committee recognises that it is essential that the Board comprises of an appropriate balance of Executive, Non-Executive and Independent directors who can bring the right blend of knowledge, skills, objectivity, experience and commitment to the Board. The Company currently has a limited number of staff and the Board considers that none of present staff members has the necessary level of competence to properly fulfill the duties and responsibilities of a second executive director as required by the Code of Corporate Governance.

The Corporate Governance Committee addressed, amongst others, the following matters during the year:

- Review of the current legal matters
- Drafting of the Corporate Governance Report for the year ended 30 June 2013
- Board composition and future recommendations

9. BOARD AND COMMITTEES (CONTINUED)

Audit Committee

Chairperson	:	Ismael I Bahemia
Members	:	J. Alexis Harel
	:	K.H. Bernard Wong Ping Lun

The Committee met four times during the financial year, as per the guidelines of the Code of Corporate Governance.

The duties and responsibilities of the Audit Committee are namely:

- To recommend to the Board which firm would be appointed as external auditors;
- To review the quality of financial information, interim and annual financial statements and other public, regulatory reporting prior to submission and approval by the Board;
- To monitor and supervise the internal control procedures, ensuring that the role and function of each employee are well understood and co-ordinated so as to provide an objective overview of the operational effectiveness of the Company's systems of internal control and reporting;

The Audit Committee addressed, amongst others, the following matters during the year:

- Review of the quarterly results and annual report and Financial Statements for the year ended 30 June 2013 for submission to the Board for approval;
- Review of audit quotes and recommendations for the appointment of the auditors.

10. COMPANY SECRETARY

The Company Secretary to the Board and its Committees is Executive Services Ltd. All directors have access to the services and advice of the Company Secretary who is responsible for ensuring good information flows with the Board and its Committees. The Company Secretary is responsible for advising the Board on corporate governance matters and for generally keeping the Board up to date on all legal and regulatory aspects.

11. SHAREHOLDERS' AGREEMENT

The directors are not aware of any agreement in existence among the shareholders of the Company as at 30 June 2013.

12. MATERIAL CLAUSES OF THE COMPANY'S CONSTITUTION

The Company's Constitution does not have any material clause.

13. MANAGEMENT CONTRACT

The Directors are not aware of any management contract of significant importance between the Company and third parties.

14. SHARE OPTION PLAN

The Company has no share option plan.

15. DIVIDEND POLICY

The payment of dividends is subject to the performance of the Company, its cash flow and its investments requirements.

16. DONATIONS

The company made a donation of a non-political nature amounting to Rs 5,000 during the year. The subsidiaries did not make any donations.

17. AUDITORS

The fees paid to the auditors Ernst & Young for audit and other services were:

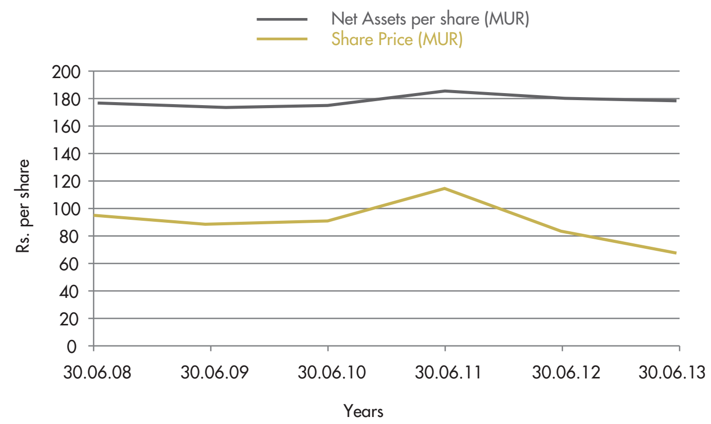
	Group		Company	
	2013	2012	**2013**	2012
	Rs 000	Rs 000	**Rs 000**	Rs 000
Audit Services	**683**	627	**477**	425
Tax Services	**61**	77	**31**	25
	744	704	**508**	450

18. SHARE PRICE INFORMATION

The graph and table on the next page depict the share price compared to the net asset value of the Company.

	30.06.08	30.06.09	30.06.10	30.06.11	30.06.12	30.06.13
NET ASSETS PER SHARE	177	174	175	185	181	176
SHARE PRICE	95	89	91	114	83	68

18. SHARE PRICE INFORMATION (CONTINUED)



19. INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises that it is responsible for the Group's system of internal control, which includes financial controls, operational controls and risk management, and for reviewing its effectiveness at regular intervals.

In view of the nature of the business and the relatively low volume transacted, the Board considers that it is not important to establish an internal audit function since it is satisfied that the existing measures provide assurance on the operation and effectiveness of internal controls and risk management.

The key features identified by the Audit Committee to provide an objective overview of the operational effectiveness of the Group's system of internal control and reporting include:

- Review adequacy of corrective action taken in response to significant internal control weaknesses identified
- Maintain proper and adequate accounting records
- Maintain a comprehensive system of financial reporting and forecasting
- Safeguard the Group's assets against unauthorised use of disposal
- Establish an organisational structure with clearly-defined levels of authority and division of responsibilities
- Meet the Managing Director and heads of departments to review all operational aspects of the business and risk management systems

19. INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

The Audit Committee also identified the following major risks:

- Market risk which includes three types of risks:
  - Interest risks – the risk that the value of a financial instrument will fluctuate because of changes in market interest rate
  - Currency risk – the risk that the value of a financial instrument will fluctuate due to an exposure to changes in foreign exchange
  - Price risk – the risk that the value of a financial instrument will fluctuate as a result of changes in market prices
- Credit risk – the risk that customers default on payment
- Treasury risk – the risk that the Group is faced with cash flow pressure
- Regulatory risk – the risk that changes in legislation or regulations can impact negatively on the Group's operations

20. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in note 23 of the financial statements.

21. CODE OF ETHICS

The Company values ethical conducts in dealing with all its stakeholders and will be adopting a Code of Ethics in the next financial year.

22. SAFETY, HEALTH, ENVIRONMENT AND SOCIAL ISSUES

The Company ensures that its operations are conducted in ways that minimize their impact on the environment and society at large and sustains social harmony through its employment policies.

The Company is satisfied that all its administrative staff and operatives work in a healthy environment. The recommendations and procedures of the Health and Safety Consultant are diligently followed.

23. SHAREHOLDERS COMMUNICATION AND EVENTS

The Company considers that it is important to maintain accountability and transparency to its shareholders and stakeholders through effective communication.

The Company communicates with its shareholders through press communiqué, publication of quarterly results, its annual report and at annual meeting of shareholders.

Key events for the period to the next Annual Meeting of Shareholders to be held in 2014 are set out on the next page:-

23. SHAREHOLDERS COMMUNICATION AND EVENTS (CONTINUED)

EVENTS	DATES
Publication of abridged accounts:	
• Quarter ended 30 September 2013	15 November 2013
• Quarter ended 31 December 2013	15 February 2014
• Quarter ended 31 March 2014	15 May 2014
Publication of the abridged audited financial statements for year ended 30 June 2014.	30 September 2014
Publication of abridged accounts for quarter ended 30 September 2014	15 November 2014
Circulation of Annual Report 2014	November 2014
Annual Meeting 2014	November / December 2014

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

Name of PIE: United Docks Ltd

Reporting Period: 1st July 2012 to 30th June 2013

We, the Directors of United Docks Ltd ('PIE'), confirm that to the best of our knowledge that the PIE has not complied with Sections 2.3, 2.10 and 7.3 of the Code of Corporate Governance. Reasons for non-compliance are detailed in the Corporate Governance Report.

M.H.Dominique Galea
Chairperson

Mr G. Jean Claude Baissac.
Director

Date: 30 September 2013.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for the implementation and operations of the accounting and internal control systems that are designed to prevent and detect fraud and an effective risk management system.

Approved by the Board of Directors on 30 September 2013 and signed on its behalf by:

M.H.Dominique Galea
Chairperson

Mr G. Jean Claude Baissac.
Director

CERTIFICATE FROM THE COMPANY SECRETARY

UNDER SECTION 166(D) OF THE COMPANIES ACT 2001

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year June 30, 2013, all such returns as are required of the Company under the Companies Act 2001.

Executive Services Ltd.
Company Secretary

Date: 30 September 2013.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED DOCKS LTD AND ITS SUBSIDIARIES

Report on the Financial Statements

We have audited the financial statements of United Docks Ltd (the "Company") and its subsidiaries (the "Group") on pages 26 to 66 which comprise the statements of financial position as at 30 June 2013 and the statements of comprehensive income, statements of changes in equity and statements 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 Financial Reporting Act 2004, 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.

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 qualified audit opinion.

Basis for Qualified Opinion

As stated in note 7, the Directors have not been able to determine either the fair value or the cost less impairment amount of investment in Société Libra due to their inability to obtain any financial information regarding the investment. We were therefore unable to obtain sufficient appropriate audit evidence about the carrying amount of Société Libra as at 30 June 2013.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED DOCKS LTD AND ITS SUBSIDIARIES (CONTINUED)

Qualified Opinion

In our opinion, except for the effects of matter described in the Basis for Qualified Opinion paragraph, the financial statements on pages 26 to 66 give a true and fair view of the financial position of the Group and the Company as at 30 June 2013 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and Financial Reporting Act 2004.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements - Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacities as auditors, 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 the compliance with Code of Corporate Governance as disclosed in the annual report on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, A.C.A.
Licensed by FRC

Date: 30 Serptember 2013.

Financial Statements and Notes

Statements of Financial Position

as at June 30, 2013

	Notes	THE GROUP 2013	THE GROUP 2012	THE COMPANY 2013	THE COMPANY 2012
ASSETS					
Non-current assets		Rs.	Rs.	Rs.	Rs.
Property, plant and equipment	4	1,943,902	1,607,156	1,943,902	1,607,156
Investment properties	5	1,783,697,000	1,783,697,000	743,886,000	743,886,000
Investment in subsidiaries	6	-	-	149,890	149,890
Available-for-sale-investments	7	251,494,475	184,756,051	116,496,569	49,758,145
		2,037,135,377	1,970,060,207	862,476,361	795,401,191
Current assets					
Trade and other receivables	8	19,853,272	15,596,302	890,901,036	886,273,334
Cash at bank and on hand	9 (a)	451,431	362,697	33,439	41,707
		20,304,703	15,958,999	890,934,475	886,315,041
Asset classified as held for sale	10	-	111,087,319	-	111,087,319
TOTAL ASSETS		2,057,440,080	2,097,106,525	1,753,410,836	1,792,803,551
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	105,600,000	105,600,000	105,600,000	105,600,000
Share premium	11	24,631,914	24,631,914	24,631,914	24,631,914
Other reserves	11	63,660,193	108,009,088	63,660,193	108,009,088
Retained earnings		1,665,916,961	1,672,963,364	1,360,864,718	1,368,250,959
Equity attributable to owners of parent		1,859,809,068	1,911,204,366	1,554,756,825	1,606,491,961
Non controlling interests		(65,865)	12,624	-	-
Total equity		1,859,743,203	1,911,216,990	1,554,756,825	1,606,491,961
LIABILITIES					
Non-current liabilities					
Interest-bearing loans and borrowings	12	18,788,616	27,504,708	18,788,616	27,504,708
Employee benefit obligations	13	4,117,368	5,701,505	4,117,368	5,701,505
		22,905,984	33,206,213	22,905,984	33,206,213
Current liabilities					
Trade and other payables	14	6,426,412	9,006,932	7,509,984	9,485,165
Income tax liabilities		126,028	56,178	-	-
Interest-bearing loans and borrowings	12	167,223,138	142,590,815	167,222,728	142,590,815
Dividend payable	16	1,015,315	1,029,397	1,015,315	1,029,397
		174,790,893	152,683,322	175,748,027	153,105,377
Total liabilities		197,696,877	185,889,535	198,654,011	186,311,590
TOTAL EQUITY AND LIABILITIES		2,057,440,080	2,097,106,525	1,753,410,836	1,792,803,551

These financial statements have been approved for issue by the Board of Directors on 30 September 2013.

Director

Director

The notes on pages 31 to 66 form an integral part of these financial statements.

Statements of Comprehensive Income

year ended June 30, 2013

	Notes	THE GROUP 2013	THE GROUP 2012	THE COMPANY 2013	THE COMPANY 2012
		Rs.	Rs.	Rs.	Rs.
Revenue	22	23,747,073	22,242,938	22,940,898	21,512,262
Other income	17	208,696	527,665	208,696	469,589
Operating expenses		(16,174,594)	(17,577,273)	(15,675,274)	(17,261,136)
Operating profit	18	7,781,175	5,193,330	7,474,320	4,720,715
Finance costs	19	(14,765,401)	(15,230,859)	(14,860,561)	(15,230,859)
Loss before tax		(6,984,226)	(10,037,529)	(7,386,241)	(10,510,144)
Income tax expense	15(b)	(140,666)	(117,925)	-	-
Loss for the year		(7,124,892)	(10,155,454)	(7,386,241)	(10,510,144)
Other comprehensive income					
Net loss in fair value of available-for-sale investment	7	(2,406,251)	(7,606,231)	(2,406,251)	(7,606,231)
Net loss in fair value of asset previously classified as held for sale	10	(41,942,644)	(21,048,124)	(41,942,644)	(21,048,124)
		(44,348,895)	(28,654,355)	(44,348,895)	(28,654,355)
Total comprehensive loss for the year, net of tax		(51,473,787)	(38,809,809)	(51,735,136)	(39,164,499)
Loss for the year attributable to:					
Equity holders of the company		(7,046,403)	(10,156,006)	(7,386,241)	(10,510,144)
Non controlling interests		(78,489)	552	-	-
		(7,124,892)	(10,155,454)	(7,386,241)	(10,510,144)
Total comprehensive loss attributable to:					
Equity holders of the company		(51,395,298)	(38,810,361)	(51,735,136)	(39,164,499)
Non controlling interests		(78,489)	552	-	-
		(51,473,787)	(38,809,809)	(51,735,136)	(39,164,499)
Earnings per share(Basic and diluted)	20	(0.67)	(0.96)	(0.70)	(1.00)

The notes on pages 31 to 66 form an integral part of these financial statements.

THE GROUP	Attributable to equity holders of the company						
	Stated capital (Note 11)	Share premium (Note 11)	Other reserves (Note 11)	Retained earnings	Total	Non-controlling interest	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2011	105,600,000	24,631,914	136,663,443	1,683,119,370	1,950,014,727	2,072	1,950,016,799
Other comprehensive loss for the year	-	-	(28,654,355)	-	(28,654,355)	-	(28,654,355)
Loss for the year	-	-	-	(10,156,006)	(10,156,006)	552	(10,155,454)
Total comprehensive loss for the year, net of tax	-	-	(28,654,355)	(10,156,006)	(38,810,361)	552	(38,809,809)
Acquisition of subsidiary	-	-	-	-	-	10,000	10,000
At June 30, 2012	105,600,000	24,631,914	108,009,088	1,672,963,364	1,911,204,366	12,624	1,911,216,990
At July 1, 2012	105,600,000	24,631,914	108,009,088	1,672,963,364	1,911,204,366	12,624	1,911,216,990
Other comprehensive loss for the year	-	-	(44,348,895)	-	(44,348,895)	-	(44,348,895)
Loss for the year	-	-	-	(7,046,403)	(7,046,403)	(78,489)	(7,124,892)
Total comprehensive loss for the year, net of tax	-	-	(44,348,895)	(7,046,403)	(51,395,298)	(78,489)	(51,473,787)
At June 30, 2013	105,600,000	24,631,914	63,660,193	1,665,916,961	1,859,809,068	(65,865)	1,859,743,203

The notes on pages 31 to 66 form an integral part of these financial statements.

THE COMPANY	Stated capital (Note 11)	Share premium (Note 11)	Other reserve (Note 11)	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2011	105,600,000	24,631,914	136,663,443	1,378,761,103	1,645,656,460
Other comprehensive loss for the year	-	-	(28,654,355)	-	(28,654,355)
Loss for the year	-	-	-	(10,510,144)	(10,510,144)
Total comprehensive loss for the year, net of tax	-	-	(28,654,355)	(10,510,144)	(39,164,499)
At June 30, 2012	105,600,000	24,631,914	108,009,088	1,368,250,959	1,606,491,961
At July 1, 2012	105,600,000	24,631,914	108,009,088	1,368,250,959	1,606,491,961
Other comprehensive loss for the year	-	-	(44,348,895)	-	(44,348,895)
Loss for the year	-	-	-	(7,386,241)	(7,386,241)
Total comprehensive loss for the year, net of tax	-	-	(44,348,895)	(7,386,241)	(51,735,136)
At June 30, 2013	105,600,000	24,631,914	63,660,193	1,360,864,718	1,554,756,825

The notes on pages 31 to 66 form an integral part of these financial statements.

Statements of Cash Flows
year ended June 30, 2013

	Notes	THE GROUP 2013	THE GROUP 2012	THE COMPANY 2013	THE COMPANY 2012
		Rs.	Rs.	Rs.	Rs.
Operating activities					
Loss before tax		(6,984,226)	(10,037,529)	(7,386,241)	(10,510,144)
Adjustments for:					
- Depreciation of property, plant and equipment	4	540,359	380,993	540,359	380,993
- Profit on disposal of property, plant and equipment	18	(186,957)	(252,174)	(186,957)	(252,174)
- Employee benefit obligations	13	(1,584,137)	815,957	(1,584,137)	815,957
- Finance cost	19	14,765,401	15,230,859	14,860,561	15,230,859
- Profit on disposal of available-for-sale investments	17	-	(139,154)	-	(139,154)
		6,550,440	5,998,952	6,243,585	5,526,337
Working capital adjustments:					
- Decrease in trade and other receivables		(4,256,969)	(2,612,303)	(4,627,702)	(2,688,453)
- (Decrease)/increase in trade and other payables		(2,580,520)	2,230,352	(1,975,181)	2,800,289
		(287,049)	5,617,001	(359,298)	5,638,173
Income tax paid		(70,817)	(96,897)	-	-
Net cash flows from operating activities		(357,866)	5,520,104	(359,298)	5,638,173
Investing activities					
Proceeds from sale of available-for-sale investments		-	2,611,273	-	2,611,273
Acquisition of plant and equipment	4	(22,742)	(1,725,956)	(22,742)	(1,725,956)
Purchase of available-for-sale investments		-	(3,542,800)	-	(3,542,800)
Proceeds from disposal of plant and equipment		186,957	252,174	186,957	252,174
Net cash flows from/(used in) investing activities		164,215	(2,405,309)	164,215	(2,405,309)
Financing activities					
Proceeds from borrowings		52,000,000	(7,538,120)	52,000,000	(7,538,120)
Repayment of loans		(10,613,148)	-	(10,613,148)	-
Repayment of finance lease liability		(107,216)	-	(107,216)	-
Dividends paid	16	(14,082)	(21,765)	(14,082)	(21,765)
Interest paid		(14,765,401)	(15,230,859)	(14,860,561)	(15,230,859)
Net cash from/(used in) financing activities		26,500,153	(22,790,744)	26,404,993	(22,790,744)
Increase/(decrease) in cash and cash equivalents		26,306,502	(19,675,949)	26,209,910	(19,557,880)
At July 1,		(131,618,069)	(111,942,120)	(131,939,059)	(112,381,179)
At June 30,	9(b)	(105,311,567)	(131,618,069)	(105,729,149)	(131,939,059)

The notes on pages 31 to 66 form an integral part of these financial statements.

Notes to the Financial Statements
year ended June 30, 2013

1. CORPORATE INFORMATION

United Docks Ltd is a public company incorporated and domiciled in the Republic of Mauritius and its shares are listed on the Stock Exchange of Mauritius. Its registered office is situated at United Docks Building, Kwan Tee Street, Port Louis.

The financial statements of United Docks Ltd (the "Company") and its subsidiaries (the "Group") for the year ended June 30, 2013 have been authorised for issue by the Board of Directors on the date stamped on page 26.

The Group's main activities consist of real estate holdings and development, management of investments and renting of warehouses and offices.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared on a historical cost basis as modified by the revaluation of investment properties, available-for-sale and held for sale investments which have been measured at fair value as disclosed in the accounting policies hereafter. The financial statements are presented in Mauritian rupees (Rs), and all values are rounded to nearest rupee, except where otherwise indicated.

Statement of compliance

The financial statements of United Docks Ltd and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) except for available-for-sale investments as stated in note 7 where the Directors have not been able to determine neither the fair value nor the cost less impairment amount of these investments due to non-availability of relevant financial information and have kept the carrying value of those investments at cost.

Basis of consolidation

The financial statements comprise the financial statements of United Docks Ltd and its subsidiaries as at June 30, 2013.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividend are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of July 01, 2012:

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets
IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sales basis. The amendment is effective for annual periods beginning on or after January 01, 2012.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that will never be reclassified (or 'recycled') to profit or loss at a future point in time (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings) would be presented separately from items that could be reclassified (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets). The amendment affects presentation only and has no impact on the Group's financial position or performance.

Accounting Standards and interpretations issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

	Effective for accounting period beginning on or after
New or revised standards	
- IAS 19 Employee Benefits (Revised)	January 01, 2013
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)	January 01, 2013
- IFRS 9 Financial Instruments: Classification and Measurement	January 01, 2015
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements	January 01, 2013
- IFRS 11 Joint Arrangements	January 01, 2013
- IFRS 12 Disclosures of Interests in Other Entities	January 01, 2013
- IFRS 13 Fair Value Measurement	January 01, 2013
Amendments	
- IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	January 01, 2013
- IAS 36 Impairment of Assets – Amendments	January 01, 2013

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Accounting Standards and interpretations issued but not yet effective (Continued)

	Effective for accounting period beginning on or after
Amendments (continued)	
- IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	January 01, 2013
- IAS 36 Impairment of Assets – Amendments	January 01, 2013
- IFRS 1 Government Loans – Amendments to IFRS 1	January 01, 2013
- IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7	January 01, 2013
- Consolidated Financial Statements , Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	January 01, 2013
- Annual Improvements 2009-2011	January 01, 2013
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	January 01, 2014
Interpretations	
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013
- IFRIC 21 Levies	January 01, 2014

The effects of these standards have been described below:

New or revised standards

IAS 19 Employee Benefits (Revised)

Numerous changes to IAS 19 have been made. The two most significant of these relates firstly to short and long-term benefits that will now be distinguished based on the expected timing of settlement, rather than employee entitlement. The second item relates to the corridor mechanism for pension plans being removed. This means all changes in the value of defined benefit plans will be recognised as they occur. The adoption of this revised standard with regards to defined benefit plans will have an effect on the Group's financial statements. The impacts of the amendments have not yet been assessed.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. These amendments are not expected to impact the Group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 01, 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 01, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Based on preliminary analysis performed, IFRS 10 is not expected to have any impact on the currently held investment of the Group.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Accounting Standards and interpretations issued but not yet effective (continued)

New or revised standards (continued)

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. IFRS 11 is not expected to have any impact on the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected.

Amendments

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance.

IAS 36 Impairment of Assets - Amendment

The IASB has issued narrow-scope amendments to IAS 36 on 29 May 2013. The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. These amendments are not expected to impact the Group's financial position or performance.

IFRS 1 Government Loans – Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan.

The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest but does not impact the Group.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Accounting Standards and interpretations issued but not yet effective (continued)

Amendments (continued)

Consolidated Financial Statements , Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

On 28 June 2012, the IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). The amendments provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The effective date of the amendments is annual periods beginning on or after 1 January 2013, which is aligned with the effective date of IFRS 10, 11 and 12.

Annual Improvements May 2012

These improvements, which are listed below, will not have an impact on the Group:

IFRS 1 First-time Adoption of International Financial Reporting Standards

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after January 01, 2013.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The application guidance to IFRS 10 clarifies that an entity must consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. An entity must meet all three elements of the definition to be an investment entity to obtain exemption from preparing consolidated financial statements. In other words, it does not consolidate its subsidiaries and does not apply IFRS 3 Business Combinations when it obtains control of an entity. Instead, an investment entity is required to measure subsidiaries at fair value through profit or loss in accordance with IFRS 9. However, if an investment entity has a subsidiary that provides investment-related services, such as investment management services, to the entity or other parties, then the investment entity must consolidate its subsidiary. The amendment applies for annual periods beginning on or after 1 January 2014, with earlier application permitted.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

Accounting Standards and interpretations issued but not yet effective (continued)

Interpretations

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The new interpretation will not have an impact on the Group.

IFRIC 21 Levies

IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The Interpretation clarifies that 'economic compulsion' and the going concern principle do not create or imply that an obligating event has occurred.

IFRIC 21 provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time;
- and If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.
- The new interpretation will not have an impact on the Group.

No early adoption of these standards and interpretations is intended by the Board of directors.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Going Concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. At June 30, 2013, the Group had Rs 15,362,423 worth of deferred tax assets which have not been recognised. The analysis of the temporary differences on which the deferred tax arises is shown in note 15.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Retirement benefit obligations

The cost of defined benefit pension plans and related provision, as disclosed in note 13 to the financial statements requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimate in respect of discount rate, expected return on plan assets, future salary increases, mortality rate and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The net employee liability at June 30, 2013 is Rs 4,117,368 (2012: Rs 5,701,505). Further details are set out in note 13.

Impairment of available-for-sale financial assets

The Group classifies assets as available-for-sale and recognizes movement in fair value in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether it is an impairment that should be recognized in profit or loss. At June 30, 2013 no impairment losses have been recognized for available-for-sale financial assets (2012: Rs Nil). The carrying amount of available-for-sale financial assets was Rs 251,494,475 (2012: Rs 184,756,051) and Rs 116,496,569 (2012: Rs 49,758,145) for the Group and the Company respectively. Refer to Note 7.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Property, Plant and Equipment

Estimations of the useful lives and residual value of the assets

The depreciation charge calculation requires an estimation of the economic useful life of the property, plant and equipment of the Group analysed by component as well as their residual values.

The carrying amount of property, plant and equipment is disclosed in Note 4.

Valuation of property

The fair value of investment property is determined by independent real estate valuation experts using recognised valuation techniques. In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of the Group assets.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction. Future revenue streams, inter alia, comprise contracted rent (passing rent) and estimated rental income (ERV) after the contract period. In estimating ERV, the potential impact of future lease incentives to be granted to secure new contracts is taken into consideration. All these estimates are based on local market conditions existing at the reporting date. Refer to Note 5.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment are recorded at cost net of accumulated depreciation and/or accumulated impairment losses, if any. Such costs include the cost of replacing part of the property, plant and equipment and all other repairs and maintenance are recognised in profit or loss as incurred. Land and buildings are subsequently shown at fair value, less subsequent depreciation for property. All other property, plant and equipment are stated at historical cost less depreciation and impairments.

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss when the asset is derecognised.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The useful life, residual value and method of depreciation of an item of property, plant and equipment is reviewed at each financial year end and adjusted prospectively if appropriate. The annual rates of depreciation are as follows:

Improvement to buildings	-	1% - 10%
Furniture and office equipment	-	7.5% - 20%
Motor vehicles	-	20%

(b) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Transaction costs include transfer taxes, professional fees for legal services and fees to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

No assets held under operating lease have been classified as investment property.

(c) Investments in subsidiaries

Financial statements of the Company

Investments in subsidiary companies are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investments in subsidiaries (continued)

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to June 30, each year. Control is achieved where the Group has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of their acquisition or up to the date of control is obtained to the effective date of their disposal or the date control is lost.

(d) Financial assets

Initial recognition and measurement

Financial assets in scope of IAS 39 are classified as either financial assets at fair value through profit and loss, loans and receivables or available-for-sale investments as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group's financial assets include cash and cash equivalents, trade and other receivables, quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Available-for-sale financial assets

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition available-for sale financial assets are measured at fair value with unrealised gains or losses being recognised as other comprehensive income in the available for sale reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in other comprehensive is recycled to profit or loss.

The Group evaluates whether the ability and intention to sell its available for sale financial assets in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and has the intent and ability to hold these assets for the foreseeable future or until maturity. The reclassification to held-to-maturity is permitted only when the entity has the ability and intention to hold the financial assets accordingly.

For assets reclassified out of the available-for-sale category the fair value carrying amount at the date of reclassification become its new amortized cost and any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the effective interest rate method. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using effective interest rate method. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in profit or loss in finance costs.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured 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 Group 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 estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are measured at amortised cost.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, net of outstanding bank overdrafts.

(e) Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, dividend payable, bank overdraft and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. Amortised cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognised an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of financial assets (continued)

Financial asset at amortised cost

For financial assets amortised at cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment for impairment.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and the fair value less costs to sell. Depreciation ceases to be charged on an asset recognised as held for sale as from the date of recognition thereof.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Employee benefit liabilities

Defined benefits schemes

The Group operates a defined benefit plan for some of its employees. The cost of providing benefits is determined using the projected unit credit method, so as to spread the regular cost over the service lives of employees in accordance with the advice of (qualified) actuaries who carry out a full valuation of plans every year.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and amendments to pension plans are amortised over the average remaining service lives of the related employees. Past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, the defined benefit plan, past service costs are recognised immediately. Actuarial gains and losses for the benefit plan are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and issues are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and reduced by the fair value of plan assets out of which the obligations are to be settled. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group operates a defined contribution retirement benefit plan for all qualifying employees (and their dependents).

Payments to deferred contribution retirement plans are charged as an expense as they fall due.

Retirement Gratuity

For employees who are not covered by the above pension plans, the net present value of Retirement Gratuity payable under the Employment Rights Act 2008 is calculated by the directors and provided for. The obligations arising under this item are not funded.

A liability is recognised in Note 13.

(m) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit and loss: management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and it establishes provisions where appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Taxes (continued)

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit, nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, venturer or investor respectively, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Taxes (continued)

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the statement of comprehensive income and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criteria must also be met:

- Rental Income

  The Group revenue reflects the invoiced values excluding VAT derived from rental of warehouses and invoices are issued every month in arrears.

- Dividend from investment

  Dividend income is recognised when the Group's right to receive payment is established.

- Interest income

  Interest is recognised as it accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

(o) Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the useful life of the assets. However, the assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating leased payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(p) Segmental reporting

The Group presents segmented information using business segments and also present geographical segments. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results for its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

(a)

THE GROUP	Improvement to buildings	Furniture and office equipment	Motor Vehicles Owned	Motor Vehicles Leased	Total
COST	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2011	229,426	9,536,808	3,257,914		13,024,148
Additions	-	37,111	1,688,845	-	1,725,956
Scrapped	-	-	(1,217,509)	-	(1,217,509)
Disposals	-	-	(1,497,487)	-	(1,497,487)
At June 30, 2012	229,426	9,573,919	2,231,763	-	12,035,108
At July 1, 2012	229,426	9,573,919	2,231,763	-	12,035,108
Additions	-	22,742	-	854,363	877,105
Disposals	-	-	(490,092)	-	(490,092)
At June 30, 2013	229,426	9,596,661	1,741,671	854,363	12,422,121
DEPRECIATION					
At July 1, 2011	229,426	9,274,615	3,257,914	-	12,761,955
Charge for the year	-	155,814	225,179	-	380,993
Disposals	-	-	(1,497,487)	-	(1,497,487)
Scrapped	-	-	(1,217,509)	-	(1,217,509)
At June 30, 2012	229,426	9,430,429	768,097	-	10,427,952
At July 1, 2012	229,426	9,430,429	768,097	-	10,427,952
Charge for the year	-	76,756	342,409	121,194	540,359
Disposals	-	-	(490,092)	-	(490,092)
At June 30, 2013	229,426	9,507,185	620,414	121,194	10,478,219
NET BOOK VALUE					
At June 30, 2013	-	89,476	1,121,257	733,169	1,943,902
At June 30, 2012	-	143,490	1,463,666	-	1,607,156

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b)

THE COMPANY	Furniture and office equipment	Motor vehicles Owned	Motor vehicles Leased	Total
COST	Rs.	Rs.	Rs.	Rs.
At July 1, 2011	9,485,808	3,257,914		12,743,722
Additions	37,111	1,688,845	-	1,725,956
Scrapped	-	(1,217,509)	-	(1,217,509)
Disposal	-	(1,497,487)	-	(1,497,487)
At June 30, 2012	9,522,919	2,231,763	-	11,754,682
At 1 July, 2012	9,522,919	2,231,763	-	11,754,682
Additions	22,742	-	854,363	877,105
Disposals	-	(490,092)	-	(490,092)
At June 30, 2013	9,545,661	1,741,671	854,363	12,141,695
DEPRECIATION				
At July 1, 2011	9,223,615	3,257,914	-	12,481,529
Charge for the year	155,814	225,179	-	380,993
Scrapped	-	(1,217,509)	-	(1,217,509)
Disposal	-	(1,497,487)	-	(1,497,487)
At June 30, 2012	9,379,429	768,097	-	10,147,526
At 1 July, 2012	9,379,429	768,097	-	10,147,526
Charge for the year	76,756	342,409	121,194	540,359
Disposal	-	(490,092)	-	(490,092)
At June 30, 2013	9,456,185	620,414	121,194	10,197,793
NET BOOK VALUE				
At June 30, 2013	89,476	1,121,257	733,169	1,943,902
At June 30, 2012	143,490	1,463,666	-	1,607,156

5. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
At June 30,	1,783,697,000	1,783,697,000	743,886,000	743,886,000

(a) Investment properties which consist of freehold land and buildings were fair valued based on the valuation report of Noor Dilmohamed & Associates, Chartered Practising Valuer. The latest valuation, dated 30 June 2012, was carried out on either a current use basis or vacant possession basis. The Directors have applied the basis which they deemed most appropriate for each property. Based on this exercise, the Directors found no material difference with the carrying value of the investment properties as at 30 June 2013.

5. INVESTMENT PROPERTIES (CONTINUED)

Rental income from investment properties amounted to Rs.21,970,836 (2012: Rs.21,224,288) for the Group, and Rs. 21,164,661 (2012: Rs. 20,493,612) for the Company. Direct operating expenses arising on the investment properties during the year amounted to Rs. 8,509,949 (2012: Rs.10,793,068) for the Group, and Rs. 8,457,829 (2012: Rs.10,704,484) for the Company.

(b) Bank overdrafts and short term borrowings are secured by floating charges on the assets of the Group including investment properties (note 12).

(c) Included in investment properties owned by the Company, are land and buildings located at Trou Fanfaron and which values amount to Rs 720,000,000. These properties are situated in the vicinity of the Aapravasi Ghat (AG) which is part of the UNESCO World Heritage since July 2006. In order to satisfy the conditions of UNESCO, the authorities have declared buffer zones around the AG site and issued new planning policy guidelines (PPG) within the perimeter of the buffer zones. Such guidelines have affected the development potential of the said immovable properties, thus causing financial hardships and prejudice to the Company. In September 2013, the Company has decided to lodge a Plaint With Summons for a total amount of Rs 1,112, 920,300.

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2013	2012
Unquoted	Rs.	Rs.
At June 30,	149,890	149,890

(a) The Company's subsidiaries are as follows:

Name of subsidiaries	Type	Main business	Issued capital	Nominal value of investment	% Holding 2013 & 2012
			Rs.	Rs.	%
Fanfaron Advertising Limited	Direct	Advertising	100,000	99,890	99.9%
United Docks (Overseas Investments) Limited	Indirect	Investment holding	25,000	25,000	100%
The Group Thirty One (International) Ltd	Direct	Risk Management Services	2,000,000	1,400,000	70%
United Properties Ltd	Direct	Property development	25,000	25,000	100%
Uptown Development Co Ltd	Indirect	Property development	25,000	15,000	60%
UDL Investments Ltd	Direct	Investment holding	25,000	25,000	100%

(b) The Company holds only ordinary shares in its subsidiaries, all of which are incorporated in the Republic of Mauritius. They all operate in the Republic of Mauritius and their accounting year end is June 30. The Directors have assessed that the carrying amount of the investment exceed the recoverable amount.

(c) Investment in The Group Thirty One (International) Ltd has been fully impaired in the year 2009.

7. AVAILABLE-FOR-SALE INVESTMENTS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
At July 1,	184,756,051	191,291,601	49,758,145	56,293,695
Additions	-	3,542,800	-	3,542,800
Reclassified from held for sale (note 10)	69,144,675	-	69,144,675	-
Disposals	-	(2,472,119)	-	(2,472,119)
Loss in fair value	(2,406,251)	(7,606,231)	(2,406,251)	(7,606,231)
At June 30,	251,494,475	184,756,051	116,496,569	49,758,145

Available-for-sale financial assets include the following:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Shares:	Rs.	Rs.	Rs.	Rs.
Listed on the SEM & DEM	40,767,276	43,173,527	40,767,276	43,173,527
Unquoted	210,727,199	141,582,524	75,729,293	6,584,618
	251,494,475	184,756,051	116,496,569	49,758,145
Analysed as:				
Investment in Societe Libra	134,997,906	134,997,906	-	-
Investment in Axys Group	69,144,675	-	69,144,675	-
Other investments	47,351,894	49,758,145	47,351,894	49,758,145
	251,494,475	184,756,051	116,496,569	49,758,145

(a) The fair value of shares quoted on the SEM and the DEM are based on the prices prevailing at the reporting date.

(b) The Company owns 99,503 shares in Axys Group Ltd with a carrying value of Rs 23,932,462 . On that date, the Company was offered 11,693,402 shares in United Investment Limited (UIL) at Rs 7.24 per share in exchange of the 99,503 shares in Axys Group Ltd. The Directors have signified their acceptance to UIL's offer. Accordingly the investment was classsified as asset held for sale at 30 June 2010. As at 30 June 2013, based on legal advice, the shares have been treated as available for sale investment at fair value. (See note 10).

(c) There is a legal dispute with respect to the shareholding of the UDL Group in Société Libra. The dispute relates to the entitlement of the Group to maintain its shareholding in Société Libra and also to the Group's right and ability to appoint representatives on the administrative organs of the entity. As the Group is currently unable to exercise its rights as shareholders (significant influence) over Société Libra, the Directors consider that it would not be appropriate to classify the shares as investment in associate. However, in the light of legal advice received, the Directors believe that they will be able to reinstate the rights of the Group (recover significant influence). Accordingly, the investment has been reclassified from investment in associate to available-for-sale investment on June 30, 2007, this, until the final conclusion of the legal dispute. Since the dispute was initiated, the Group was prevented from having access to any financial information in respect of Société Libra. As a result, in relation to the investment in Société Libra, the Directors have not been able to determine neither the fair value of the investment nor the cost less impairment amount.

7. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Through its investment in Société Libra the Group holds an effective interest of 13.41% in Harel Mallac Ltd, a listed company. The directors are of the opinion that the fair value is significantly higher than its carrying value (Rs.134,997,906) , which is also its initial cost. The Directors wish to highlight that on June 26, 2006, the date of acquisition of the shares in Société Libra, the cost of acquisition carried a premium of 40% over the relevant share of market capitalisation of Harel Mallac Ltd and represented a discount of 18% over the relevant share of net assets as at that date. At June 30, 2013, the share of market capitalisation exceeded the cost of acquisition by 22% and was at a 52% discount over the share of net assets.

(d) The Company owns 20% of the issued share capital of Cathedral Development Limited. The investment is classified as available-for-sale as the Directors consider that they do not have significant influence since the Company does not have its representatives on the Board of Directors of the investee company.

(e) Unquoted shares that do not have quoted market price in an active market and whose fair values cannot be reliably measured, are measured at cost less impairment.

(f) The following table shows financial instruments recognised at fair value for the Group and the Company, analysed between those whose fair value is based on:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs	Rs.	Rs
Assets measured at fair value				
Level 1	40,767,276	43,173,527	40,767,276	43,173,527
Level 3	210,727,199	141,582,524	75,729,293	6,584,618

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Trade receivables	5,714,077	4,116,069	5,525,852	3,872,511
Receivable from subsidiaries	-	-	871,374,789	871,014,544
Other debtors and prepayments	13,929,661	11,270,699	13,790,861	11,176,745
Deposit on shares	209,534	209,534	209,534	209,534
	19,853,272	15,596,302	890,901,036	886,273,334

(a) The carrying amount of trade and other receivables approximate their fair value due to short term nature.

(b) The provision for impairment on trade and other receivables for the Group and the Company is Rs 1,937,876 (2012: Rs 1,500,626). The trade receivables are individually impaired.

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
At July 1,	1,500,626	1,370,526
Charged for the year	603,000	138,000
Utilised during the year	(165,750)	(7,900)
At June 30,	1,937,876	1,500,626

(c) Trade receivables are non-interest bearing and are generally on 30 days terms.

(d) For terms and conditions relating to related party receivables, refer to note 23.

(e) As at June 30, the ageing analysis of trade receivables is as follows:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Neither past due nor impaired	-	-	-	-
Past due but not impaired:				
- Less than 30 days	1,965,098	1,490,329	1,776,873	1,490,329
- 30 to 90 days	1,425,373	1,309,985	1,425,373	1,140,501
- Greater than 90 days	2,323,606	1,315,755	2,323,606	1,241,681
	5,714,077	4,116,069	5,525,852	3,872,511

9. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Cash at bank and on hand				
Petty cash	29,048	12,131	29,048	12,131
Cash at bank	422,383	350,566	4,391	29,576
	451,431	362,697	33,439	41,707

(b) For the purpose of statements of cash flows, cash and cash equivalents comprise of the following:

	THE GROUP		THE COMPANY	
	Rs.	Rs.	Rs.	Rs.
Cash at bank and on hand	451,431	362,697	33,439	41,707
Bank overdrafts (note 12)	(105,762,998)	(131,980,766)	(105,762,588)	(131,980,766)
	(105,311,567)	(131,618,069)	(105,729,149)	(131,939,059)

10. ASSET CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
At July 01,	111,087,319	132,135,443	111,087,319	132,135,443
Loss in fair value	(41,942,644)	(21,048,124)	(41,942,644)	(21,048,124)
Reclassified to available for sale investments (note 7)	(69,144,675)	-	(69,144,675)	-
At June 30,	-	111,087,319	-	111,087,319

On 30 June 2010, the Board of Directors accepted an offer of exchange for shares in AXYS Group Ltd for shares held by the Company in United Investment Ltd. Consequently, the investment in AXYS Group Ltd was classified as held for sale at 30 June 2010. However, due to a dispute before the Commercial Division of the Supreme Court over the shares in AXYS Group Ltd concerning the right of the Company to maintain its shareholding in AXYS Group Ltd and the Company's right and ability to appoint representatives on the administrative organs of AXYS Group Ltd, the transfer could not be finalised. On 30 October 2012, the Court delivered a judgment in favour of United Docks Ltd and on 16 November 2012, AXYS Group Ltd lodged an appeal against the Court's judgment. However, the Directors, acting on the basis of legal advice, consider that, even in the event of a favourable ruling, the investment in AXYS Group Ltd should no longer be classified as held for sale but instead be treated as available for sale and valued at fair value at 30 June 2013. In the event of an adverse ruling against the Company, the Company would be entitled to be paid the fair value of the shares in AXYS Group Ltd as at December 2006, which may be different from the value at which it is currently recorded.

11. STATED CAPITAL AND RESERVES

(a) Stated capital

THE GROUP AND THE COMPANY	2013 & 2012
Authorised	Rs.
15,000,000 Ordinary shares of Rs. 10 each	150,000,000
Issued and fully paid	
10,560,000 Ordinary shares of Rs. 10 each	105,600,000

(b) Reserves

(i) Share premium

This represents the premium arising upon the issue of ordinary shares.

(ii) Fair value reserves

This reserve records fair value changes on available-for-sale financial assets. There is no tax implication on the fair value movements of the reserves.

12. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Non current				
Bank loan (note (a))	18,196,598	27,504,708	18,196,598	27,504,708
Obligations under finance lease (note (c))	592,018	-	592,018	-
	18,788,616	27,504,708	18,788,616	27,504,708

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Current				
Bank overdraft (note (b))	105,762,998	131,980,766	105,762,588	131,980,766
Bank loan (note (a))	59,305,011	10,610,049	59,305,011	10,610,049
Loan from related party (note (d))	2,000,000	-	2,000,000	-
Obligations under finance lease (note (c))	155,129	-	155,129	-
	167,223,138	142,590,815	167,222,728	142,590,815
TOTAL	186,011,754	170,095,523	186,011,344	170,095,523

(a) Bank loan can be analysed as follows:-

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
Within one year	59,305,011	10,610,049
After one year and before two years	10,081,149	9,296,922
After two years and before five years	8,115,449	18,207,786
	77,501,609	38,114,757

Bank borrowings are secured by fixed and floating charges over the properties of the Group.

The effective interest rate on the bank loan is PLR + 0.75% (2012: PLR + 0.75%) for loan that will mature in March 2016 and PLR + 1.00 % for the short term loan maturing 30th June 2014.

(b) The bank overdraft is secured by floating charges on the assets of the Company. The rate of interest on the bank overdraft has been at PLR + 0.75%.

12. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(c) Obligations under finance lease

	THE GROUP AND THE COMPANY	
	2013	2012
Finance lease liabilities - minimum lease payments	Rs.	Rs.
Within one year	221,117	-
Later than one year and not more than five years	680,360	-
	901,477	-
Future finance charges on finance lease	(154,330)	-
Present value of finance lease liabilities	747,147	-
The present value of finance lease liabilities may be analysed as follows:		
Within one year	155,129	-
After one year and before two years	157,206	-
After two years and before five years	434,812	-
	747,147	-

Lease liabilities are effectively secured as the rights to the lease assets revert to the lessor in the event of default.

The rate of interest on this lease is 9% and the lease will mature on 30th October 2017.

(d) The Group has taken a loan from United Docks Superannuation Fund of Rs. 2m at an interest rate of 5.025% repayable on demand.

13. EMPLOYEE BENEFIT OBLIGATIONS

(i) The Group has a defined benefit scheme. The fund has been registered as an association and is under the Private Pension Act 2012.

	THE GROUP AND THE COMPANY	
	2013	2012
Amounts recognised in the statement of financial position:	Rs.	Rs.
Pension benefits (note (ii))	4,117,368	5,701,505
Amounts recognised in the statement of comprehensive income:		
Pension benefits (note (iv))	(1,341,736)	1,003,557

(ii) The amounts recognised in the statement of financial position in respect of the funded and unfunded obligations are as follows:

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
Present value of funded obligations (note (vi))	34,677,890	30,862,601
Fair value of plan assets (note (v))	(38,328,001)	(42,241,589)
	(3,650,111)	(11,378,988)
Present value of unfunded obligations (note (vi))	1,751,590	2,048,108
Unrecognised actuarial gain	6,015,889	15,032,385
Liability in the statement of financial position	4,117,368	5,701,505

13. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(iii) The movement in the liability recognised in the statements of financial position:

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
At July 1,	5,701,505	4,885,548
Total expenses (note (iv))	(1,341,736)	1,003,557
Contributions paid by the employer	(242,401)	(187,600)
At June 30,	4,117,368	5,701,505

(iv) The amounts recognised in the statements of comprehensive income are as follows:

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
Current service cost	257,398	291,893
Interest cost	2,803,839	4,441,950
Fund expenses & life Insurance	232,098	232,098
Expected return on plan assets	(3,656,514)	(3,878,388)
Employee contributions	(50,500)	(49,369)
Past service cost	(207,509)	-
Actuarial gain recognised	(720,548)	(34,627)
Total included in employee benefit expense	(1,341,736)	1,003,557

(v) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
At July 1,	42,241,589	41,035,909
Expected return on plan assets	3,656,514	3,878,388
Contribution to plan assets	292,901	236,969
Benefits paid out	(3,591,260)	(4,850,936)
Fund expenses & life Insurance	(232,098)	(232,098)
Actuarial (loss)/ gain on plan assets	(4,039,645)	2,173,357
At June 30,	38,328,001	42,241,589
Actual return on plan assets	(383,131)	6,051,745

13. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(vi) Changes in present value of defined benefit obligations are as follows:

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
At July 1,		
Present value of funded obligations	30,862,601	45,068,155
Present value of unfunded obligations	2,048,108	1,719,032
	32,910,709	46,787,187
Current service cost	257,398	291,893
Interest cost	2,803,839	4,441,950
Benefits paid	(3,591,260)	(4,850,936)
Past service cost	(207,509)	-
Actuarial loss/ (gain) on obligations	4,256,503	(13,759,385)
	3,518,971	(13,876,478)
At June 30,	36,429,680	32,910,709

	THE GROUP AND THE COMPANY	
	2013	2012
Analysed as:	Rs.	Rs.
- Present value of funded obligation	34,677,890	30,862,601
- Present value of unfunded obligation	1,751,790	2,048,108
	36,429,680	32,910,709

(vii) The assets in the plan are made up as follows:

	THE GROUP AND THE COMPANY	
	2013	2012
	%	%
Local equities	49%	49%
Properties	23%	23%
Loan	18%	18%
Others	10%	10%

The plan assets include assets used by the Group and Company with a fair value of Rs 2,156,485 (2012: Rs 2,400,694).

(viii) The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

(ix) Expected contributions to post-employment benefit plans for the year ending June 30, 2013 are Rs. 242,401 (2012: Rs 187,601) for the Group and the Company.

13. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(x) Amounts for the current and previous year are as follows:

	THE GROUP AND THE COMPANY				
	2013	2012	2011	2010	2009
	Rs.	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets	38,328,001	42,241,589	41,035,909	41,882,994	44,222,156
Present value of defined benefit obligation	(34,677,980)	(30,862,601)	(45,068,155)	(48,896,100)	(49,942,674)
Surplus/ (deficit)	3,650,021	11,378,988	(4,032,246)	(7,013,106)	(5,720,518)
Experience adjustments on plan liabilities	(911,423)	2,098,156	1,037,695	1,332,627	(1,783,574)
Experience adjustments on plan assets	(4,039,645)	2,173,357	(290,125)	(1,077,063)	(4,981,947)

(xi) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2013	2012
	%	%
Discount rate	7.5%	9.0%
Expected return on plan assets	7.5%	9.0%
Future salary increases	6.0%	7.5%
Future pension increases	0.00%	0.00%

(xii) A one percentage point change in the assumed discount rate would have the following effects:

	THE GROUP AND THE COMPANY	
	2013	2012
Increase	Rs.	Rs.
Effect on the defined benefit obligation	(3,050,074)	(2,473,016)
Effect of current service cost	(41,077)	(39,238)
Decrease		
Effect on the defined benefit obligation	3,611,255	2,894,238
Effect of current service cost	50,880	48,215

14. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Trade payables	2,878,451	3,400,494	1,374,811	3,400,494
Accruals and other payables	3,547,961	5,606,438	3,201,345	3,919,904
Payable to related companies	-	-	2,933,828	2,164,767
	6,426,412	9,006,932	7,509,984	9,485,165

Term and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Other payables are non-interest bearing and have an average term of six months.
- For terms and conditions relating to related parties, refer to Note 23.

15. TAXES

(a) Deferred income tax

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2012: 15%). The Group and the Company have the following temporary differences which result in a net deferred tax asset. However, none of these have been recognised in the financial statements as the probability that tax profits will be available to offset the tax losses is very remote.

Deferred tax arises on the following temporary differences:

	THE GROUP		
	2013	2012	Movement
	Rs.	Rs.	Rs.
Accelerated depreciation	(266,047)	(605,326)	339,279
Tax losses	(14,478,771)	(12,752,692)	(1,726,079)
Employee benefit obligations	(617,605)	(855,226)	237,621
Total unrecognised deferred tax	(15,362,423)	(14,213,244)	(1,149,179)

	THE COMPANY		
	2013	2012	Movement
	Rs.	Rs.	Rs.
Accelerated depreciation	(266,047)	(605,326)	339,279
Tax losses	(13,244,990)	(11,109,444)	(2,135,546)
Employee benefit obligations	(617,605)	(855,226)	237,621
Total unrecognised deferred tax	(14,128,642)	(12,569,996)	(1,558,646)

(b) Income tax expense

	THE GROUP	
	2013	2012
	Rs.	Rs.
Current tax on the adjusted profit for the year at 15% (2012: 15%)	126,028	100,789
Corporate social responsibility tax	14,638	17,136
	140,666	117,925

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

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Loss before tax	(6,984,226)	(10,037,529)	(7,386,241)	(10,510,144)
Tax calculated at a rate of 15%	(1,047,634)	(1,505,629)	(1,107,936)	(1,576,522)
Income not subject to tax	(613,770)	(173,671)	(266,436)	(173,671)
Expenses not deductible for tax purposes	225,470	365,306	113,066	357,099
Corporate social responsibility tax	14,638	17,136	-	-
Deferred tax assets not utilised	1,561,962	1,414,783	1,261,306	1,393,094
	140,666	117,925	-	-

16. DIVIDEND PAYABLE

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs.	Rs.
At July 1,	1,029,397	1,051,163
Paid during the year	(14,082)	(21,766)
At June 30,	1,015,315	1,029,397

17. OTHER INCOME

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Profit on disposal of available-for-sale investments	-	139,154	-	139,154
Profit on disposal of property, plant and equipment	186,957	252,174	186,957	252,174
Sundry income	21,739	136,337	21,739	78,261
	208,696	527,665	208,696	469,589

18. OPERATING PROFIT

(a) Operating profit is arrived at:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
After crediting:				
Profit on disposal of property, plant and equipment	186,957	252,174	186,957	252,174
Profit on disposal of available-for-sale investments	-	139,154	-	139,154
and charging:				
Depreciation on property, plant and equipment	540,359	380,993	540,359	380,993
Employee benefit expense	6,626,410	8,661,287	6,626,410	8,661,287

(b) Employee benefit expense:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Wages and salaries	7,605,539	7,410,726	7,605,539	7,410,726
Pension costs	(1,392,237)	1,003,557	(1,392,237)	1,003,557
Social security costs	231,746	247,004	231,746	247,004
Severance allowance	181,362	-	181,362	
	6,626,410	8,661,287	6,626,410	8,661,287

19. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Interest expense on:	Rs.	Rs.	Rs.	Rs.
- bank overdraft	8,899,463	10,758,824	8,899,463	10,758,824
- finance lease	41,567	-	41,567	
- bank loans	5,732,869	4,472,035	5,732,869	4,472,035
- other loans	91,502	-	186,662	-
	14,765,401	15,230,859	14,860,561	15,230,859

20. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Loss for the year attributable to equity holders of the Company	(7,046,403)	(10,156,006)	(7,386,241)	(10,510,144)
Number of ordinary shares in issue (note 11(a))	10,560,000	10,560,000	10,560,000	10,560,000
Earnings per share (Basic and diluted)	(0.67)	(0.96)	(0.70)	(1.00)

There are no diluted investments during the financial year ended June 30, 2013 (2012: Nil).

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise bank overdrafts, loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations.

The Group has various financial assets, such as available-for-sale investments, trade and other receivables and cash in hand and at bank which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and equity price risk.

Market rate risk

Market risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank overdrafts and bank loan with floating interest rates. Interest rate risks are not hedged.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings. There is no impact on the Group's equity.

	THE GROUP AND THE COMPANY	
	Increase / decrease in interest rate	Effect on profit/(loss) before tax
	(basis points)	Rs.
June 30, 2013	+100	1,832,641
June 30, 2012	+100	1,700,956

A decrease in interest rate by 100 basis points for MUR borrowings will have an equal and opposite impact of an increase in the interest rate as shown above.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is not exposed to foreign exchange risk.

Credit risk

Credit risk is the risk that a counter party will not meet the obligations under a financial instrument or customer leading to a financial loss.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Since the Group trades only wth recognised third parties, there is no requirement for collateral.

At year end, the Group did not consider there to be any significant concentration of credit risk which has not been adequately provided for. The maximum exposure in the carrying amount of debtors is disclosed in Note 8.

The Group only deposits cash surpluses with major banks of high quality credit standing.

Liquidity risk

Management is responsible for liquidity and funding. The Group has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity.

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

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at year end based on contractual undiscounted payments.

	THE GROUP					
	On demand	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
June 30, 2013						
Interest bearing loans and borrowings	105,762,998	2,849,423	63,414,436	21,186,738	-	193,213,595
Trade and other payables	-	5,941,273	485,139	-	-	6,426,412
Dividend Payable	1,015,315	-	-	-	-	1,015,315
	106,778,313	8,790,696	63,899,575	21,186,738	-	200,655,322
June 30, 2012						
Interest bearing loans and borrowings	131,980,766	6,532,250	8,388,607	29,867,981	-	176,769,604
Trade and other payables	-	9,006,932	-	-	-	9,006,932
Dividend Payable	1,029,397	-	-	-	-	1,029,397
	133,010,163	15,539,182	8,388,607	29,867,981	-	186,805,933

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

	THE COMPANY					
	On demand	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
June 30, 2013						
Interest bearing loans and borrowings	105,762,588	2,849,423	63,414,436	21,186,738	-	193,213,185
Trade and other payables	-	4,048,517	3,461,467	-	-	7,509,984
Dividend Payable	1,015,315	-	-	-	-	1,015,315
	106,777,903	6,897,940	66,875,903	21,186,738	-	201,738,484
June 30, 2012						
Interest bearing loans and borrowings	131,980,766	6,532,250	8,388,607	29,867,981	-	176,769,604
Trade and other payables	-	9,485,165	-	-	-	9,485,165
Dividend Payable	1,029,397	-	-	-	-	1,029,397
	133,010,163	16,017,415	8,388,607	29,867,981	-	187,284,166

Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. The Group's Board of Directors reviews and approves all equity investment decisions.

At reporting date, the Group's exposure to unlisted securities at fair value was Rs 210,727,199 (2012: Rs 141,582,524) and the exposure to listed securities at fair value was Rs. 40,767,276 (2012: Rs. 43,173,527). A decrease of 10% in the price would have an impact of approximately Rs. 4,076,728 (2012: Rs 4,317,353) depending on whether or not the decline is significant and prolonged.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Capital risk management

The Group manages their capital to ensure that they are able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages their capital structure and make adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the years ended June 30, 2013 and June 30, 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group's strategy, which was unchanged from 2009, was to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure access to finance at a reasonable cost. The Group include within net debt, interest-bearing loans and borrowings, less cash in hand and at bank. Total capital is calculated as ''equity'' as shown in the statement of financial position less net unrealised gains reserves. The gearing ratios at June 30, 2013 and June 30, 2012 were as follows:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs	Rs	Rs	Rs
Interest-bearing loans and borrowings	186,011,754	170,095,523	186,011,344	170,095,523
Cash at bank and on hand	(451,431)	(362,697)	(33,439)	(41,707)
Net debt	185,560,323	169,732,826	185,977,905	170,053,816
Equity	1,859,743,203	1,911,216,990	1,554,756,825	1,606,491,961
Net unrealised gains reserve	(63,660,193)	(108,009,088)	(63,660,193)	(108,009,088)
Total capital	1,796,083,010	1,803,207,902	1,491,096,632	1,498,482,873
Capital and net debt	1,981,643,333	1,972,940,728	1,677,074,537	1,668,536,689
Gearing ratio	9%	9%	11%	10%

Net unrealised gains reserve represents fair value changes on available-for-sale financial assets.

22. SEGMENT INFORMATION

The Group presents segmented information using business segments and also present geographical segments. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results for its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

22. SEGMENT INFORMATION (CONTINUED)

THE GROUP

The segment results of the Group are as follows:

June 30, 2013	Rental	Investment income	Finance income	Head office	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenues	21,970,836	1,776,237	-	-	23,747,073
Depreciation	456,525	41,917	-	41,917	540,359
Segments results	13,460,887	131,762	(121,462)	(5,690,012)	7,781,175
Finance costs					(14,765,401)
Loss before tax					(6,984,226)
Income tax expense					(140,666)
Loss for the year					(7,124,892)

June 30, 2012	Rental	Investment income	Finance income	Head office	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenues	21,224,288	1,018,650		-	22,242,938
Depreciation	312,961	38,099	-	29,932	380,992
Segments results	10,431,220	(892,806)	(398,240)	(3,946,844)	5,193,330
Finance costs					(15,230,859)
Loss before tax					(10,037,529)
Income tax expense					(117,925)
Loss for the year					(10,155,454)

The segment assets and liabilities and capital expenditure of the Group are as follows:

June 30, 2013	Rental	Investment income	Finance income	Head office	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Segment assets	10,199,505	2,045,502,349	-	1,738,226	2,057,440,080
Segment liabilities	8,058,905	185,509,556	-	4,128,416	197,696,877
Capital expenditure	-	-	-	877,105	877,105

June 30, 2012	Rental	Investment income	Finance income	Head office	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Segment assets	7,075,628	2,087,655,196	-	2,375,701	2,097,106,525
Segment liabilities	9,515,150	170,672,880	-	5,701,505	185,889,535
Capital expenditure		-	-	1,725,956	1,725,956

Segment assets consist primarily of property, plant and equipment, investment properties, receivables, investments and cash and cash equivalents. Segment liabilities comprise operating liabilities. Capital expenditure comprises additions to property, plant and equipment. The main activity of the Group is that of holding of investment properties and the Directors consider the segmental reporting disclosure to be sufficient.

All revenues from external customers are attributable to the country of domicile. There is only one rental customer who generate more than 10% of the revenue of the Group and Company amounting to Rs. 4.1m.

23. RELATED PARTY TRANSACTIONS

THE GROUP	Interest income/ interest expense	Pension contribution	Amount owed by	Amount owed to
	Rs.	Rs.	Rs.	Rs.
2013				
United Docks Superannuation Fund	91,503	191,900	2,156,485	-
	91,503	191,900	2,156,485	-
2012				
United Docks Superannuation Fund	-	187,600	2,400,694	-
	-	187,600	2,400,694	-

THE COMPANY	Interest income/ interest expense	Pension contribution	Amount owed to related parties	Amount owed by related parties
2013	Rs.	Rs.	Rs.	Rs.
Subsidiaries:				
UDL Investments Ltd	-	-	-	12,527,675
United Properties Ltd	-	-	-	731,188,853
United Docks (Overseas Investments) Ltd	-	-	-	127,553,436
Uptown Development Company Ltd	-	-	-	104,825
Fanfaron Advertising Ltd	95,160	-	2,933,828	-
Other related parties:				
United Docks Superannuation Fund	91,503	191,900	2,156,485	-
	186,663	191,900	5,090,313	871,374,789

THE COMPANY	Interest income/ interest expense	Pension contribution	Amount owed to related parties	Amount owed by related parties
2012	Rs.	Rs.	Rs.	Rs.
Subsidiaries:				
UDL Investments Ltd	-	-	-	12,474,280
United Properties Ltd	-	-	-	731,091,038
United Docks (Overseas Investments) Ltd	-	-		127,449,226
Uptown Development Company Ltd	-	-	-	-
Fanfaron Advertising Ltd	-	-	2,164,767	-
Other related parties:				
United Docks Superannuation Fund	-	187,600	2,400,694	-
	-	187,600	4,565,461	871,014,544

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Notes to the Financial Statements
year ended June 30, 2013

23. RELATED PARTY TRANSACTIONS (CONTINUED)

KEY MANAGEMENT PERSONNEL COMPENSATION

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs	Rs	Rs	Rs
Salaries and short-term employee benefits	3,545,096	3,549,167	3,545,096	3,549,167

(i) Key management personnel includes executive directors and top level management personnel. The compensation includes short-term employee benefits only.

(ii) Amount due to and receivable from Group companies are unsecured and interest free , except for interest being charged at the rate of 5.025% on loan from UDSF, the pension fund and 4% on Fanfaron Advertising Ltd's balance. Settlement occurs in cash and there is no fixed repayment terms. There has been no impairment of amount due to and receivable from related parties.

(iii) The remaining transactions have been made on normal commercial terms and in the normal course of business.

24. FINANCIAL INSTRUMENTS

Except where otherwise stated,the carrying amount of the Group's and Company's financial assets and financial liabilities approximate their fair values.

25. CONTINGENT LIABILITY

There are pending litigations in respect of court cases of which the outcome are unknown as at financial statement date.

26. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date which require disclosures in or amendments to these financial statements.

UNITED DOCKS LTD

Proxy Form/Postal Vote Form

I/We, ...of...

being a member/members of the abovenamed Company, do hereby confirm that I/We shall not attend the Annual Meeting of the Company to be held on Tuesday 10 December 2013 at 10.00 a.m. and at any adjournment thereof.

1. Proxy Form (Option 1)

I hereby appoint...of...

or failing him/her, ...of...

or the Chairperson as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Tuesday 10 December 2013 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our vote in the following manner:

2. Postal Vote (Option 2)

I/We direct my/our vote in the following manner: (By way of postal vote)

Ordinary Business:	FOR	AGAINST	ABSTAIN
1 To receive and adopt the annual report and financial statements of the Company and of the Group for the year ended 30 June 2013 and the report of the auditors thereon			
2 To re-elect Mr G. Jean Claude Baissac as director of the Company under Section138(6) of the Act			
3 To re-elect Mr Anwar Kathrada as director of the Company under Section 138(6) of the Act			
4 To re-elect the following persons as directors of the Company to hold office until the next Annual Meeting (as separate resolutions):			
4.1 Mr M. H. Dominique Galéa			
4.2 Mr J. Alexis Harel			
4.3 Mrs L. M. C. Michèle Lionnet			
4.4 Mr M. E. Cyril Mayer			
4.5 Mr K. H. Bernard Wong Ping Lun			
4.6 Mr Ismael I. Bahemia			
5 To note that Ernst & Young, having indicated their willingness to continue in office, will be automatically re-appointed as auditors and to authorise the directors to fix their remuneration			

Signed: ___________________________________ Date: _____________________

- If you wish to appoint a proxy (whether a member or not) to attend and vote in your stead, please tick the appropriate box how you wish to vote, sign and date in the space provided and return it to the Registered Office of the Company, Kwan Tee Street, Caudan, Port Louis on **Monday 09 December 2013 at 10.00 a.m. at latest**. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.
- Proxy forms are available with the Managing Director at the Registered Office of the Company.
- If you wish to cast a postal vote, please tick the appropriate box how you wish to vote, sign and date in the space provided and return it to to MCB Registry and Securities Ltd, Raymond Lamusse Building, 9-11, Sir William Newton Street, Port Louis by **Friday 06 December 2013 at 10.00 a.m. at latest**.
- Postal vote forms are available with the Managing Director at the Registered Office of the Company.

DESIGNED AND PRINTED BY PRÉCIGRAPH LIMITED

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