Annual Report 2014

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, 2014.

This report was approved by the Board of Directors on 22 September 2014.

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 (passed away during the year)	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 of Annual Meeting

Notice is hereby given that the annual meeting of the Company will be held at Le Labourdonnais Waterfront Hotel on Tuesday 16 December 2014 at 11.00 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 2014 and the report of the auditors thereon.

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

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

   3.1 Mr M. H. Dominique Galea
   3.2 Mr J. Alexis Harel
   3.3 Mrs L. M. C. Michele Lionnet
   3.4 Mr M. E. Cyril Mayer
   3.5 Mr K. H. Bernard Wong Ping Lun
   3.6 Mr Ismael I. Bahemia

4. 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 2014

- 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 15 December 2014 at 11.00 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 12 December 2014 at 11.00 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 **21 November 2014**.

- Duly signed minutes of the annual meeting held on 10 December 2013 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 30 June 2014.

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 5.5m against a loss of Rs 7.8m (restated) last year.

The Group has made an operational profit of Rs 9.5m as compared to Rs 7.0m (restated) last year.

The Board does not recommend the payment of any dividend for the year under review (2013: Nil).

There has been a slight increase of rental income and overheads over last year.

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

LANDED PROPERTY

The Group owns the following freehold landed property:

- Caudan : 9.26 arpents
- Trou Fanfaron : 11.22 arpents
- Cerné Docks : 0.44 arpents
- Farquhar Street : 0.42 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 in which we hold 20%, and Société Libra, through which we have an effective share holding of 13.41% in Harel Mallac and Company Ltd (see notes 7 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.

In September 2011, the Company caused two Notices to be served on the relevant authorities. The Ministry of Housing and Lands acknowledged receiving the claim for compensation, but failed to pay the said amount. Therefore, 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 1.12 billion; as established by our chartered valuer. The case has been put to the 28th day of October 2014 for the Defendants to file their plea.

In October 2012, the Company applied to the City Council of Port Louis for an Outline Planning Permission (OPP) 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". The Company lodged an appeal against the said refusal before the Environment and Land Use Appeal Tribunal. The matter is in progress and has been fixed for Hearing on the 14th day of November 2014.

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. Same is still under consideration.

As also mentioned in last year's Annual Report, the Company has instituted legal proceedings against its former Managing Director, its former Accountant and collectively against its former directors. The case is coming up for arguments on particulars on 14 November 2014.

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.

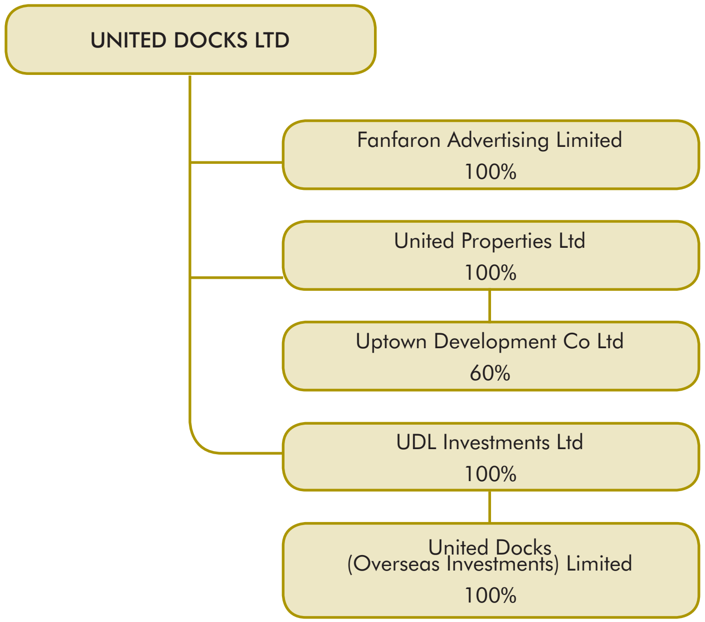
Yours sincerely,

M H Dominique Galea
Chairperson

1. HOLDING STRUCTURE

United Docks Ltd is a listed Company with a diverse shareholding of more than 1,700 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 2014.

Shareholders	% Holding
Ducray Lenoir (Investments) Ltd	9.94%
Horus Ltée	18.27%
Terra Mauricia Ltd	5.83%

3. DIRECTORS' PROFILE

M. H. DOMINIQUE GALEA – CHAIRPERSON

Mr Galea 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 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 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.

L. M. C. MICHELE LIONNET (MRS)

Mrs Lionnet 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 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.

3. DIRECTORS' PROFILE (CONTINUED)

K. H. BERNARD WONG PING LUN

Mr Wong holds a Bachelor in Science degree in Economics and is a Certified Chartered Accountant. He is currently the Financial Director of ATS Ltd and 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.

ISMAEL I. BAHEMIA

Mr. Bahemia 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 2014. It also shows their direct and indirect interests in the share capital of the Company as at 30 June 2014.

Name	From	To	Attendance at meetings			Interest in shares			
			Board	Audit Committee	Corporate Governance Committee	Direct		Indirect	
			2	4	2	No of shares	% holding	No of shares	% holding
Directors in office									
M. H. Dominique Galea (Chairperson)	17.10.06		2/2		2/2			2,028,470	19.209
Ismael I. Bahemia	09.05.12		2/2	4/4	2/2			520	0.0049
G. Jean Claude Baissac	20.11.07		2/2					13,100	0.1241
J. Alexis Harel	17.10.06		0/2	2/4					
Anwar Kathrada	17.10.06	27.06.14	2/2					214,116	2.0276
L. M. C.Michele Lionnet	29.12.06		1/2		1/2	86,876	0.8226	1,526	0.0145
M. E. Cyril Mayer	17.10.06		1/2					914	0.0086
K.H. Bernard Wong Ping Lun	17.10.06		2/2	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 215,250 shares in the Company during the year ended 30 June 2014.

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 2014.

Other than the above, the directors did not transact in the shares of the Company during the year ended 30 June 2014.

5. DIRECTORSHIPS OF THE BOARD MEMBERS IN OTHER LISTED COMPANIES AS AT 30 JUNE 2014

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

6. DIRECTORS OF SUBSIDIARIES AT 30 JUNE 2014

	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 2013 to 30 June 2014.

	Company		Subsidiaries		Other related corporations	
	2014	2013	2014	2013	2014	2013
	Rs 000	Rs 000	**Rs 000**	Rs 000	**Rs 000**	Rs 000
Executive Director	**3038**	3020	-	-	-	-
Non-Executive Directors	**485**	525	-	-	-	-
	3523	3545	-	-	-	-

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 2014 the Board consisted of 7 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 play a vital role in providing independent judgement in all circumstances and protecting the interest of the shareholders of the Company. As part of their role they constructively challenge and help in developing proposals on strategy through their range of knowledge, experience and insight from other sectors.

9. BOARD AND COMMITTEES (CONTINUED)

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.

10. DIRECTORS SELECTION, TRAINING AND DEVELOPMENT

The Board recognizes that its Directors have a diverse range of experience, and encourages them to attend external seminars and briefings that will assist them individually.

11. BOARD AND DIRECTOR APPRAISAL

For the year under review, the Directors have been evaluated collectively as a Board.

The next evaluation of the Board and Directors' performance will be carried out in 2016.

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.

11. BOARD AND DIRECTOR APPRAISAL (CONTINUED)

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 2014
- Board composition and future recommendations
- Succession planning of the Managing Director

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 and 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;

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11. BOARD AND DIRECTOR APPRAISAL (CONTINUED)

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 2014 for submission to the Board for approval;
- Review of audit quotes and recommendations for the appointment of the auditors.

12. 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.

13. SHAREHOLDERS' AGREEMENT

The directors are not aware of any agreement in existence among the shareholders of the Company as at 30 June 2014.

14. MATERIAL CLAUSES OF THE COMPANY'S CONSTITUTION

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

15. MANAGEMENT CONTRACT

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

16. SHARE OPTION PLAN

The Company has no share option plan.

17. DIVIDEND POLICY

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

18. DONATIONS

The company and its subsidiaries made no donation during the year.

19. AUDITORS

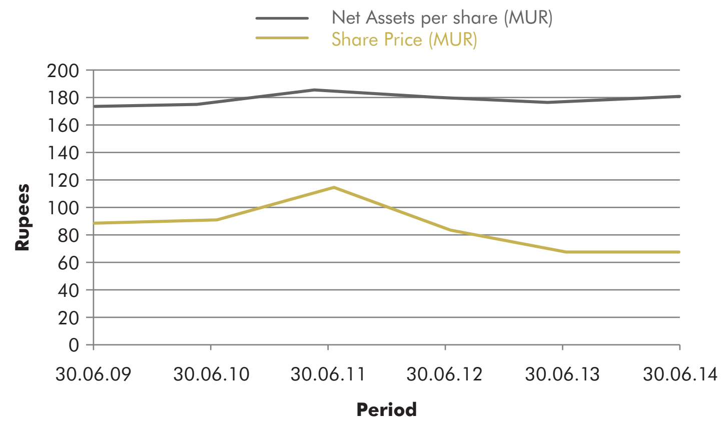
The fees paid to the auditors Ernst & Young for audit and other services were:

	Group		Company	
	2014	2013	**2014**	2013
	Rs 000	Rs 000	**Rs 000**	Rs 000
Audit Services	**552**	683	**429**	477
Tax Services	**74**	61	**28**	31
	626	744	**457**	508

20. SHARE PRICE INFORMATION

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

PERIOD	30.06.09	30.06.10	30.06.11	30.06.12	30.06.13	30.06.14
AMOUNT	Rs	Rs	Rs	Rs	Rs	Rs
NET ASSETS PER SHARE	174	175	185	181	176	179
SHARE PRICE	89	91	114	83	68	68



21. 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

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

22. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in note 22 of the financial statements.

23. CODE OF ETHICS

The Company values ethical conducts in dealing with all its stakeholders and has adopted a Code of Ethics.

24. 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 Company follows the advice and recommendations of the Health and Safety Consultant.

25. 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 2015 are set out below:-

EVENTS	DATES
Publication of abridged accounts:	
• Quarter ended 30 September 2014	15 November 2014
• Quarter ended 31 December 2014	15 February 2015
• Quarter ended 31 March 2013	15 May 2015
Publication of the abridged audited financial statements for year ended 30 June 2015.	30 September 2015
Publication of abridged accounts for quarter ended 30 September 2015	15 November 2015
Circulation of Annual Report 2015	November 2015
Annual Meeting 2015	November / December 2015

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 22 September 2014 and signed on its behalf by:

Director   Director

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

Name of PIE: United Docks Ltd

Reporting Period: 1st July 2013 to 30th June 2014

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

Director   Director

Date: 22 September 2014

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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, 2014, all such returns as are required of the Company under the Companies Act 2001.

Executive Services Ltd.
Company Secretary

Date: 22 September 2014

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 83 which comprise the statements of financial position as at June 30, 2014 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.

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

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 June 30, 2014.

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 83 give a true and fair view of the financial position of the Group and the Company as at June 30, 2014 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.

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

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

DARYL CSIZMADIA, C.A. (S.A)
Licensed by FRC

Date: 22 September 2014

	Notes	THE GROUP 2014	2013	2012	THE COMPANY 2014	2013	2012
ASSETS							
			Restated*	Restated*		Restated*	Restated*
Non-current assets		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Property, plant and equipment	4	**2,897,429**	1,943,902	1,607,156	**2,897,429**	1,943,902	1,607,156
Investment properties	5	**1,783,697,000**	1,783,697,000	1,783,697,000	**743,886,000**	743,886,000	743,886,000
Investment in subsidiaries	6	**-**	-	-	**150,000**	149,890	149,890
Available-for-sale investments	7	**269,765,697**	251,494,475	184,756,051	**134,767,791**	116,496,569	49,758,145
Employee benefit assets	12	**5,664,574**	1,898,521	9,330,880	**5,664,574**	1,898,521	9,330,880
		2,062,024,700	2,039,033,898	1,979,391,087	**887,365,794**	864,374,882	804,732,071
Current assets							
Trade and other receivables	8	**18,532,112**	19,853,272	15,596,302	**889,977,723**	890,901,036	886,273,334
Cash at bank and on hand	9 (a)	**947,295**	451,431	362,697	**24,686**	33,439	41,707
		19,479,407	20,304,703	15,958,999	**890,002,409**	890,934,475	886,315,041
Asset classified as held for sale		**-**	-	111,087,319	**-**	-	111,087,319
TOTAL ASSETS		**2,081,504,107**	2,059,338,601	2,106,437,405	**1,777,368,203**	1,755,309,357	1,802,134,431
EQUITY AND LIABILITIES							
Equity							
Stated capital	10	**105,600,000**	105,600,000	105,600,000	**105,600,000**	105,600,000	105,600,000
Share premium	10	**24,631,914**	24,631,914	24,631,914	**24,631,914**	24,631,914	24,631,914
Other reserves	10	**85,359,415**	63,660,193	108,009,088	**85,359,415**	63,660,193	108,009,088
Retained earnings		**1,670,327,162**	1,671,932,850	1,687,995,749	**1,364,982,597**	1,366,880,607	1,383,283,344
Equity attributable to owners of parent		**1,885,918,491**	1,865,824,957	1,926,236,751	**1,580,573,926**	1,560,772,714	1,621,524,346
Non controlling interests		**(85,240)**	(65,865)	12,624	**-**	-	-
Total equity		**1,885,833,251**	1,865,759,092	1,926,249,375	**1,580,573,926**	1,560,772,714	1,621,524,346
LIABILITIES							
Non-current liabilities							
Interest-bearing loans and borrowings	11	**95,234,382**	18,788,616	27,504,708	**95,234,382**	18,788,616	27,504,708
		95,234,382	18,788,616	27,504,708	**95,234,382**	18,788,616	27,504,708
Current liabilities							
Trade and other payables	13	**6,495,391**	6,426,412	9,006,932	**7,688,615**	7,509,984	9,485,165
Income tax liabilities	14 (b)	**68,241**	126,028	56,178	**-**	-	-
Interest-bearing loans and borrowings	11	**92,861,420**	167,223,138	142,590,815	**92,859,858**	167,222,728	142,590,815
Dividend payable	15	**1,011,422**	1,015,315	1,029,397	**1,011,422**	1,015,315	1,029,397
		100,436,474	174,790,893	152,683,322	**101,559,895**	175,748,027	153,105,377
Total liabilities		**195,670,856**	193,579,509	180,188,030	**196,794,277**	194,536,643	180,610,085
TOTAL EQUITY AND LIABILITIES		**2,081,504,107**	2,059,338,601	2,106,437,405	**1,777,368,203**	1,755,309,357	1,802,134,431

*Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to note 12 (e).

These financial statements have been approved for issue by the Board of Directors on 22 September 2014.

Director Director

The notes on pages 33 to 83 form an integral part of these financial statements.

	Notes	THE GROUP 2014	THE GROUP 2013 Restated*	THE COMPANY 2014	THE COMPANY 2013 Restated*
		Rs.	Rs.	Rs.	Rs.
Revenue	21	26,237,452	23,747,073	25,564,702	22,940,898
Other income	16	552,688	208,696	552,688	208,696
Operating expenses		(17,240,899)	(16,895,142)	(16,867,502)	(16,395,822)
Operating profit	17	9,549,241	7,060,627	9,249,888	6,753,772
Finance costs	18	(14,783,603)	(14,765,401)	(14,911,373)	(14,860,561)
Loss before tax		(5,234,362)	(7,704,774)	(5,661,485)	(8,106,789)
Income tax expense	14(c)	(222,082)	(140,666)	(68,016)	-
Loss for the year		(5,456,444)	(7,845,440)	(5,729,501)	(8,106,789)
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Net Gain/ (loss) in fair value of available-for-sale investment	7	23,479,222	(2,406,251)	23,479,222	(2,406,251)
Disposal of available-for-sale investment		(1,780,000)	-	(1,780,000)	-
Net loss in fair value of asset previously classified as held-for-sale	7	-	(41,942,644)	-	(41,942,644)
		21,699,222	(44,348,895)	21,699,222	(44,348,895)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		21,699,222	(44,348,895)	21,699,222	(44,348,895)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Remeasurement gains on defined benefit plans	12 (d)	3,831,491	(8,295,948)	3,831,491	(8,295,948)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		3,831,491	(8,295,948)	3,831,491	(8,295,948)
Other comprehensive income/ (loss), net of tax		25,530,713	(52,644,843)	25,530,713	(52,644,843)
Total comprehensive income/ (loss), net of tax		20,074,269	(60,490,283)	19,801,212	(60,751,632)

	Notes	THE GROUP 2014	THE GROUP 2013 Restated*	THE COMPANY 2014	THE COMPANY 2013 Restated*
Loss for the year attributable to:					
Equity holders of the parent		(5,440,404)	(7,766,951)	(5,729,501)	(8,106,789)
Non-controlling interests		(16,040)	(78,489)	-	-
		(5,456,444)	(7,845,440)	(5,729,501)	(8,106,789)
Total comprehensive gain / (loss) attributable to:					
Equity holders of the parent		20,090,309	(60,411,794)	19,801,212	(60,751,632)
Non-controlling interests		(16,040)	(78,489)	-	-
		20,074,269	(60,490,283)	19,801,212	(60,751,632)
Earnings per share(Basic and diluted)	19	(0.52)	(0.74)	(0.54)	(0.77)

*Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to note 12 (e).

The notes on pages 33 to 83 form an integral part of these financial statements.

Statements of Changes In Equity
year ended June 30, 2014

THE GROUP	Attributable to equity holders of the company						
	Stated capital (Note 10)	Share premium (Note 10)	Other reserves (Note 10)	Retained earnings	Total	Non-controlling interest	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
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
Effect of adopting IAS 19	-	-	-	15,032,385	15,032,385	-	15,032,385
At July 1, 2012 (restated)	105,600,000	24,631,914	108,009,088	1,687,995,749	1,926,236,751	12,624	1,926,249,375
Other comprehensive loss for the year	-	-	(44,348,895)	-	(44,348,895)	-	(44,348,895)
Loss for the year	-	-	-	(7,766,951)	(7,766,951)	(78,489)	(7,845,440)
Total comprehensive loss for the year, net of tax	-	-	(44,348,895)	(7,766,951)	(52,115,846)	(78,489)	(52,194,335)
At June 30, 2013	**105,600,000**	**24,631,914**	**63,660,193**	**1,680,228,798**	**1,874,120,905**	**(65,865)**	**1,874,055,040**
At July 1, 2013	105,600,000	24,631,914	63,660,193	1,680,228,798	1,874,120,905	(65,865)	1,874,055,040
Effect of adopting IAS 19	-	-	-	(8,295,948)	(8,295,948)	-	(8,295,948)
At July 1, 2013 (restated)	105,600,000	24,631,914	63,660,193	1,671,932,850	1,865,824,957	(65,865)	1,865,759,092
Other comprehensive income for the year	-	-	21,699,222	3,831,491	25,530,713	-	25,530,713
Loss for the year	-	-	-	(5,440,404)	(5,440,404)	(16,040)	(5,456,444)
Total comprehensive income for the year, net of tax	-	-	21,699,222	(1,608,913)	20,090,309	(16,040)	20,074,269
Acquisition on Minority interest	-	-	-	3,225	3,225	(3,335)	(110)
At June 30, 2014	**105,600,000**	**24,631,914**	**85,359,415**	**1,670,327,162**	**1,885,918,491**	**(85,240)**	**1,885,833,251**

The notes on pages 33 to 83 form an integral part of these financial statements.

THE COMPANY	Stated capital (Note 10)	Share premium (Note 10)	Other reserve (Note 10)	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2012	105,600,000	24,631,914	108,009,088	1,368,250,959	1,606,491,961
Effect of adopting IAS 19	-	-	-	15,032,385	15,032,385
At July 1, 2012 (restated)	105,600,000	24,631,914	108,009,088	1,383,283,344	1,621,524,346
Other comprehensive loss for the year	-	-	(44,348,895)	-	(44,348,895)
Loss for the year	-	-	-	(8,106,789)	(8,106,789)
Total comprehensive loss for the year, net of tax	-	-	(44,348,895)	(8,106,789)	(52,455,684)
At June 30, 2013	**105,600,000**	**24,631,914**	**63,660,193**	**1,375,176,555**	**1,569,068,662**
At July 1, 2013	105,600,000	24,631,914	63,660,193	1,375,176,555	1,569,068,662
Effect of adopting IAS 19	-	-	-	(8,295,948)	(8,295,948)
At July 1, 2013 (restated)	105,600,000	24,631,914	63,660,193	1,366,880,607	1,560,772,714
Other comprehensive income for the year	-	-	21,699,222	3,831,491	25,530,713
Loss for the year	-	-	-	(5,729,501)	(5,729,501)
Total comprehensive income for the year, net of tax	-	-	21,699,222	(1,898,010)	19,801,212
At June 30, 2014	**105,600,000**	**24,631,914**	**85,359,415**	**1,364,982,597**	**1,580,573,926**

The notes on pages 33 to 83 form an integral part of these financial statements.

	Notes	THE GROUP 2014	THE GROUP 2013	THE COMPANY 2014	THE COMPANY 2013
			Restated*		Restated*
		Rs.	Rs.	Rs.	Rs.
Operating activities					
Loss before tax		**(5,234,362)**	(7,704,774)	**(5,661,485)**	(8,106,789)
Adjustments for:					
- Depreciation of property, plant and equipment	4,17	**657,606**	540,359	**657,606**	540,359
- Profit on disposal of property, plant and equipment	16,17	**-**	(186,957)	**-**	(186,957)
- Employee benefit obligations	12	**65,437**	(863,589)	**65,437**	(863,589)
- Finance cost	18	**14,783,603**	14,765,401	**14,911,373**	14,860,561
- Profit on disposal of available-for-sale investments	16	**(552,688)**	-	**(552,688)**	-
		9,719,596	6,550,440	**9,420,243**	6,243,585
Working capital adjustments:					
- Decrease/(increase) in trade and other receivables		**1,321,160**	(4,256,969)	**923,313**	(4,627,702)
- Increase/(decrease) in trade and other payables		**68,869**	(2,580,520)	**178,521**	(1,975,181)
		11,109,625	(287,049)	**10,522,077**	(359,298)
Income tax paid		**(279,869)**	(70,817)	**(68,016)**	-
Net cash flows from/ (used in) operating activities		**10,829,756**	(357,866)	**10,454,061**	(359,298)
Investing activities					
Proceeds from sale of available-for-sale investments		**3,980,688**	-	**3,980,688**	-
Acquisition of plant and equipment	4	**(1,611,133)**	(22,742)	**(1,611,133)**	(22,742)
Proceeds from disposal of plant and equipment		**-**	186,957	**-**	186,957
Net cash flows from investing activities		**2,369,555**	164,215	**2,369,555**	164,215
Financing activities					
Proceeds from borrowings		**25,000,000**	52,000,000	**25,000,000**	52,000,000
Repayment of loans		**(8,332,039)**	(10,613,148)	**(8,332,039)**	(10,613,418)
Repayment of finance lease liability		**(155,128)**	(107,216)	**(155,128)**	(106,946)
Dividends paid	15	**(3,893)**	(14,082)	**(3,893)**	(14,082)
Interest paid		**(14,783,603)**	(14,765,401)	**(14,911,373)**	(14,860,561)
Net cash flows from financing activities		**1,725,337**	26,500,153	**1,597,567**	26,404,993
Net increase in cash		**14,924,648**	26,306,502	**14,421,183**	26,209,910
At July 1,		**(105,311,567)**	(131,618,069)	**(105,729,149)**	(131,939,059)
At June 30,	9(b)	**(90,386,919)**	(105,311,567)	**(91,307,966)**	(105,729,149)

*Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to note 12 (e).

The notes on pages 33 to 83 form an integral part of these financial statements.

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, 2014 have been authorised for issue by the Board of Directors on the date stamped on page 27.

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, except for investment properties and available-for-sale investments which are 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 30 June 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 interests
- 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 OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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, 2013:

	Effective for accounting period beginning on or after
New or revised standards	
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 27 Separate Financial Statements (2011)	1 January 2013
IAS 28 Investments in Associates and Joint Ventures (2011)	1 January 2013
Amendments	
IAS 19 Employee Benefits	1 January 2013
Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	1 January 2013
Government Loans (Amendments to IFRS 1)	1 January 2013
Annual Improvements 2009-2011 Cycle	1 January 2013
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Interpretations	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

New and amended standards and interpretations (Continued)

New or revised standards

IFRS 10 Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities' which are now known as 'structured entities'). Under IFRS 10, control is based on whether an investor has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the returns.

The Group has made an assessment of the above standard and no change is noted.

IFRS 11 Joint Arrangements

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures. This new standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly);
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

This new standard had no impact on the financial position or performance of the Group as the Group has no such arrangements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 Disclosure of Interests in Other Entities requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- Significant judgements and assumptions - such as how control, joint control, significant influence has been determined;

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

New and amended standards and interpretations (Continued)

New or revised standards (Continued)

IFRS 12 Disclosure of Interests in Other Entities (Continued)

- Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on;
- Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information); and
- Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

IFRS 12 has no impact on the financial position and performance of the Company. No additional disclosures were required in the financial statements as at reporting date.

IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - unobservable inputs for the asset or liability

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

The Group has made additional disclosures to comply with the requirements of this new standard.

IAS 27 Separate Financial Statements (2011)

This is an amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 Consolidated and Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments / IAS 39 Financial Instruments: Recognition and Measurement.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

New and amended standards and interpretations (Continued)

New or revised standards (Continued)

IAS 27 Separate Financial Statements (2011) (Continued)

The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements.

The Group has made an assessment and no change is noted.

IAS 28 Investments in Associates and Joint Ventures (2011)

This Standard supersedes IAS 28 Investments in Associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

This new standard had no impact on the financial position or performance of the Group as the Group has no investment in associates or joint ventures.

Amendments

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

The disclosure requirements in IFRS 7 Financial Instruments: Disclosures were amended to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This amendment had no impact on the disclosures provided by the Group as there has been no offsetting of financial assets and financial liabilities during the year.

Government Loans (Amendments to IFRS 1)

IFRS 1 First-time Adoption of International Financial Reporting Standards was amended to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans.

This amendment had no impact on the financial position of the Group as it is not a first time adopter of IFRS.

Annual Improvements 2009-2011 Cycle

The following are annual improvements to existing standards:

- IFRS 1 — Permits the repeated application of IFRS 1, and clarification on accounting for borrowing costs on certain qualifying assets;

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

New and amended standards and interpretations (Continued)

Amendments (Continued)

Annual Improvements 2009-2011 Cycle

- IAS 1 — Clarifies the requirements for comparative information;
- IAS 16 — Clarifies the classification of servicing equipment;
- IAS 32 — Clarifies that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes; and
- IAS 34 — Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments.

These amendments had no impact on the financial position or performance of the Group.

IAS 19 Employee Benefits

This is an amended version of IAS 19 Employee Benefits with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.

The corridor mechanism for pension plans has been removed. This means all changes in the value of defined benefit plans will be recognised as they occur. Those movements are recorded in profit or loss and other comprehensive income, depending on the type of movement.

Other changes as a result of the revised standard include:

- Past service cost will be expensed when the plan amendments occur regardless of whether or not they are vested.
- The distinction between short-term and other long-term employee benefits is now based on expected timing of settlement rather than employee entitlement. Changes in the carrying amount of liabilities for other long-term employment benefits will continue to be recognised in profit or loss.

The Group has adopted IAS 19 and the impact is described in note 12.

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

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities were amended to provide additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

The amendments described above did not have any impact on the Group's financial position or performance.

Interpretations

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

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

The Interpretation requires stripping activity costs which provide improved access to ore are recognised as a non-current 'stripping activity asset' when certain criteria are met. The stripping activity asset is depreciated

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

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

or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate.

The amendments described above did not have any impact on the Group's financial position or performance as the Group does not engage in mining activities.

2.3 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. This 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
- IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition	1 January 2018
- IFRS 14 Regulatory Deferral Accounts	1 January 2016
- IFRS 15 Revenue from Contracts with Customers	1 January 2017
- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1 January 2014
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective	1 January 2014
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014
- Annual Improvements 2010-2012 Cycle	1 July 2014
- Annual Improvements 2011-2013 Cycle	1 July 2014
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	1 January 2016
- IFRIC 21 Levies	1 January 2014

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – 1 January 2018

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Amendments in 2009

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances);
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss;
- All other instruments (including all derivatives) are measured at fair value with changes recognised in profit or loss; and
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – 1 January 2018 (Continued)

Amendments in 2010

- A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement; and

- The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

Amendments in 2013

- Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures;
- Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss
- Removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 14 Regulatory Deferral Accounts - effective 1 January 2016

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. This new standard will not have an impact, as the Group is not a first time adopter of IFRS.

IFRS 15 Revenue from Contracts with Customers - effective 1 January 2017

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
  Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Group is still assessing the impact of this new standard, but it is not expected to have a significant effect on financial performance. There may be an impact on the level of disclosure provided.

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 15 Revenue from Contracts with Customers - effective 1 January 2017 (Continued)

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities – effective 1 January 2014

This amendment to IAS 32 Financial Instruments: Presentation was made to clarify certain aspects because of diversity in application of the requirements on offsetting thereby focusing on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off';
- The application of simultaneous realisation and settlement;
- The offsetting of collateral amounts; and
- The unit of account for applying the offsetting requirements.

This amendment is not expected to have an impact on the financial position or performance of the Group.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective 1 January 2014

These amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements were made to:

- Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and
- Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

These amendments will not have an impact as the Group is not considered to be an investment entity.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective 1 January 2014

IAS 36 Impairment of Assets was amended 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.

This amendment may have an impact on the disclosure in future, if assets are impaired and the fair value less costs of disposal is used as the recoverable amount.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective 1 January 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties.
In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The Group will assess the impact if in future periods it enters into a hedge arrangement.

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) - effective 1 July 2014

This amendment to IAS 19 Employee Benefits clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

The Group will assess the impact of the standard.

Annual Improvements 2010-2012 Cycle - effective 1 July 2014

The annual improvements 2010-2012 Cycle make amendments to the following standards:

- **IFRS 2** — Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition';
- **IFRS 3** — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date;
- **IFRS 8** — Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly;

Annual Improvements 2010-2012 Cycle - effective 1 July 2014

- **IFRS 13** — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only);
- **IAS 16 and IAS 38** — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount; and
- **IAS 24** — Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements 2011-2013 Cycle - effective 1 July 2014

The annual improvements 2011-2013 Cycle make amendments to the following standards:

- **IFRS 1** — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only);
- **IFRS 3** — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- **IFRS 13** — Clarify the scope of the portfolio exception in paragraph 52; and
- **IAS 40** — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) - effective 1 January 2016

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured). The amendment will not have an impact since the Group does not have any interests in joint operations.

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) - effective 1 January 2016

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated; and
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The amendment will not have an impact since the Group does not use a depreciation method based on revenue for its plant and equipment and intangible assets.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) - effective 1 January 2016

Amends IAS 16 Property, Plant and Equipment and IAS 41 Agriculture to:

- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16;
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and
- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

The amendment will not have an impact as the Group does not recognise 'bearer plants'.

IFRIC 21 Levies - effective 1 January 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation 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.

It 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.

2.4 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 financial statements of the Group 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, 2014, the Group had Rs 12,404,729 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 14.

Retirement benefit obligations

The cost of defined benefit pension plans and related provision, as disclosed in note 12 to the financial statements requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimate in respect of inter-alia, discount rate, future salary increases, mortality rate and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, such estimate is subject to significant uncertainty. All assumptions are reviewed at each reporting date. The net employee benefit asset at June 30, 2014 is Rs 5,664,574 (2013: 1,898,521). Further details are set out in note 12.

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, 2014 no impairment losses have been recognized for available-for-sale financial assets (2013: Rs Nil). The carrying amount of available-for-sale financial assets was Rs 269,765,697 (2013: Rs 251,494,475) and Rs 134,767,791 (2013: Rs 116,496,569) for the Group and the Company respectively. Refer to Note 7.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 5.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment is recorded at cost net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs 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 asses is derecognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and equipment (continued)

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. 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, including the corresponding tax effect.

Fair values are determined based on evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee ("IVSC").

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

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.

(d) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale investments or as derivatives designated as hedging instruments in an effective hedge, 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 financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e, the date that the Group commits to purchase or sell the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets (Continued)

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 investments 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 subsequently 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, at which time the cumulative gain or loss is recognised in other operating income, or 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 in finance costs. Interest earned while holding available-for-sale financial investments is reported as interest income using the EIR method.

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 , the Group may elect to reclassify these financial assets. If the management has the ability and intention to hold the asset for forseeable future or until maturity.

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.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets (Continued)

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 and measurement

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 as finance cost in profit or loss.

(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 primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Derecognition of financial assets and liabilities (Continued)

Financial assets (Continued)

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 since 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.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in profit or loss.

(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 properties 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of non-financial assets (Continued)

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 assumptions 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.

(j) 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 a 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) 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.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'administration expenses' in consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income.

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).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefit liabilities (Continued)

Defined contribution plans (Continued

Payments to defined 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 determined and valued by the actuary and provided for. The obligations arising under this item are not funded. Actuarial gains or losses are recognized using the same policy as for a defined benefit scheme.

A liability is recognised in Note 12.

(l) 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.

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 deferred tax liability 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, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred 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:

- when the deferred 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxes (Continued)

Deferred income tax (Continued)

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:

- when 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
- when receivables and payables 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.

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.

(m) 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 regardless of when the payment is being made. Revenue is recognised at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

The following specific criteria must also be met:

- Rental Income

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue Recognition (Continued)

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.

(n) 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.

A leased asset is depreciated over the useful life of the asset. However, the asset is 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 operating expense in profit or loss on a straight-line basis over the lease term.

(o) 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.

(p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Fair value measurement (Continued

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External valuers are involved for valuation of significant assets, such as land and buildings. Involvement of external valuers is decided upon every 3 years. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with their external valuers, which valuation techniques and inputs to use for each case.

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, 2012	229,426	9,573,919	2,231,763	-	12,035,108
Additions	-	22,742	-	854,363	877,105
Disposal	-	-	(490,092)	-	(490,092)
At June 30, 2013	**229,426**	**9,596,661**	**1,741,671**	**854,363**	**12,422,121**
At July 1, 2013	229,426	9,596,661	1,741,671	854,363	12,422,121
Additions	1,569,762	41,371	-	-	1,611,133
At June 30, 2014	**1,799,188**	**9,638,032**	**1,741,671**	**854,363**	**14,033,254**
DEPRECIATION					
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**
At July 1, 2013	229,426	9,507,185	620,414	121,194	10,478,219
Charge for the year	102,089	46,875	337,769	170,873	657,606
At June 30, 2014	**331,515**	**9,554,060**	**958,183**	**292,067**	**11,135,825**
NET BOOK VALUE					
At June 30, 2014	**1,467,673**	**83,972**	**783,488**	**562,296**	**2,897,429**
At June 30, 2013	-	89,476	1,121,257	733,169	1,943,902

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b)

THE COMPANY	Improvement to buildings	Furniture and office equipment	Motor Vehicles Owned	Motor Vehicles Leased	Total
COST	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2012	-	9,522,919	2,231,763	-	11,754,682
Additions	-	22,742	-	854,363	877,105
Disposal	-	-	(490,092)	-	(490,092)
At June 30, 2013	**-**	**9,545,661**	**1,741,671**	**854,363**	**12,141,695**
At 1 July, 2013	-	9,545,661	1,741,671	854,363	12,141,695
Additions	1,569,762	41,371	-	-	1,611,133
At June 30, 2014	**1,569,762**	**9,587,032**	**1,741,671**	**854,363**	**13,752,828**
DEPRECIATION					
At July 1, 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**
At 1 July, 2013	-	9,456,185	620,414	121,194	10,197,793
Charge for the year	102,089	46,875	337,769	170,873	657,606
At June 30, 2014	**102,089**	**9,503,060**	**958,183**	**292,067**	**10,855,399**
NET BOOK VALUE					
At June 30, 2014	**1,467,673**	**83,972**	**783,488**	**562,296**	**2,897,429**
At June 30, 2013	-	89,476	1,121,257	733,169	1,943,902

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5. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	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 revalued on 21 September 2012 by Noor Dilmohamed & Associates, Chartered Practising Valuer. This valuation amounted to Rs 2,093,299,250 on a vacant possession basis and Rs 1,652,158,250 on the current use basis. Based on Noor Dilmohamed & Associates' letter of comfort dated 15 September 2014, the Directors have decided to maintain the investment properties at their existing fair value.

Rental income from investment properties amounted to Rs.23,008,464 (2013: Rs.21,970,836) for the Group, and Rs. 22,335,714 (2013: Rs. 21,164,661) for the Company. Direct operating expenses arising on the investment properties during the year amounted to Rs. 10,042,627 (2013: Rs. 8,509,949) for the Group, and Rs. 9,958,395 (2013: Rs.8,457,829) 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 11).

(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.

The following table provides the fair value measurement hierarchy of the Group's investment properties.

Quantitative disclosures fair value measurement hierarchy for assets as at June 30, 2014:

Group	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties	21-Sep-12	1,783,697,000	-	-	1,783,697,000

Company	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties	21-Sep-12	743,886,000	-	-	743,886,000

5. INVESTMENT PROPERTIES (CONTINUED)

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2013:

Group	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties	21-Sep-12	1,783,697,000	-	-	1,783,697,000

Company	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties	21-Sep-12	743,886,000	-	-	743,886,000

Description of valuation technique used and key inputs to valuation of investment properties:

	Valuation technique	**Significant unobservable inputs**
Investment properties	Vacant possession basis	Estimated price per square metre
Investment properties	Current use basis	Estimated price per square metre

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2014	2013
Unquoted	Rs.	Rs.
At June 30	150,000	149,890

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

Name of subsidiaries	Type	Main business	Issued capital	Nominal value of investment 2014	Nominal value of investment 2013	% Holding 2014	% Holding 2013
			Rs.	Rs.	Rs.	%	%
Fanfaron Advertising Limited (d)	Direct	Advertising	100,000	100,000	99,890	100%	99.9%
United Docks (Overseas Investments) Limited	Indirect	Investment holding	25,000	-	-	100%	100%
The Group Thirty One (International) Ltd (c)	Direct	Risk Management Services	2,000,000	-	-	70%	70%
United Properties Ltd	Direct	Property development	25,000	25,000	25,000	100%	100%
Uptown Development Co Ltd	Indirect	Property development	25,000	-	-	60%	60%
UDL Investments Ltd	Direct	Investment holding	25,000	25,000	25,000	100%	100%
			2,200,000	150,000	149,890		

(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 except for investment in The Group Thirty One (International) Ltd, is below the recoverable amount.

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

(d) During the year under review, United Docks Ltd purchased 1 ordinary share from United Investments Ltd for a consideration of Rs 110. This made United Docks Ltd the sole shareholder of Fanfaron Advertising Ltd.

7. AVAILABLE-FOR-SALE INVESTMENTS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
At July 1,	251,494,475	184,756,051	116,496,569	49,758,145
Additions	-	-	-	-
Reclassified from held for sale	-	69,144,675	-	69,144,675
Disposals	(5,208,000)	-	(5,208,000)	-
Gain/ (loss) in fair value	23,479,222	(2,406,251)	23,479,222	(2,406,251)
At June 30,	269,765,697	251,494,475	134,767,791	116,496,569

Available-for-sale financial assets include the following:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
Shares:	Rs.	Rs.	Rs.	Rs.
Listed on the SEM & DEM	39,769,670	40,767,276	39,769,670	40,767,276
Unquoted	229,996,027	210,727,199	94,998,121	75,729,293
	269,765,697	251,494,475	134,767,791	116,496,569
Analysed as:				
At fair value				
Other investments	39,769,670	40,767,276	39,769,670	40,767,276
Investment in Axys Group	79,030,103	69,144,675	79,030,103	69,144,675
Other investments	15,968,018	6,584,618	15,968,018	6,584,618
At cost less impairment				
Investment in Societe Libra	134,997,906	134,997,906	-	-
	269,765,697	251,494,475	134,767,791	116,496,569

(a) The fair value of shares quoted on the Stock Exchange of Mauritius official list ("SEM") and the Stock Exchange of Mauritius - Development & Enterprise Market ("DEM") are based on the prices prevailing at the reporting date.

(b) The Company owns 99,503 shares in AXYS Group Ltd, representing a 20% shareholding, with an original cost of Rs 23,932,462. On 30 June 2010, the Board of Directors accepted an offer of exchange for shares in AXYS Group Ltd for shares 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 effected. On 30 October 2012, the Court delivered a judgment in favour of the Company and on 16 November 2012, the former shareholders of AXYS Group Ltd lodged an appeal against the Court's judgment. On 3 July 2014 the Court of Civil Appeal of the Supreme Court dismissed the appeal. The former shareholders of AXYS Group Ltd have applied to the Supreme Court for leave to appeal to the Judicial Committee of the Privy Council.

7. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

However, the Directors, acting on the basis of legal advice, consider that, even in the event of a favourable judgment before the Privy Council, the investment in AXYS Group Ltd should be maintained as available for sale and valued at fair value at 30 June 2014. Further, the Company will start procedures to reinstate its full rights on its shares in AXYS Group Ltd. 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.

(c) There are disputes pending before the Supreme Court of Mauritius with respect to the shareholding of the UDL Group in Societe Libra.

The first dispute relates to what the UDL Group considers to be breaches of the shareholders agreement "Pacte de Societaires" pertaining to Societe Libra and the UDL Group. The UDL Group is seeking the dissolution of Societe Libra. The other dispute relates to the entitlement of the Group to maintain its shareholding in Societe Libra and also to the Group's right and ability to appoint representatives on the administrative organ of the entity.

As the Group is currently unable to exercise its rights as members of Societe Libra, the directors consider that it would not be appropriate to classify the "parts sociales" as investment in associate. However, the directors have been advised that the Group should at the very least be able to re-instate the right of the Group. Accordingly, the investment has since 30 June 2007 been classified as available for sale investment and shall remain so until the final resolution of the dispute. Since the beginning of the dispute, the Group has been prevented from having access to any financial information of Societe Libra. As a result, the directors have been unable to determine neither the fair value nor the costs less impairment amount of the investment in Societe Libra.

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, 2014, the share of market capitalisation exceeded the cost of acquisition by 26% and was at a 49% 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 are fair valued using the Net Assets Value of the investee companies.

(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 (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is observable

7. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs	Rs.	Rs
Assets measured at fair value				
Level 1	**39,769,670**	40,767,276	**39,769,670**	40,767,276
Level 3	**94,998,121**	75,729,293	**94,998,121**	75,729,293

Group and Company

Fair value measurement using significant unobservable inputs (level 3)

	At 1 July 2013	Acquisitions	Disposals	Transfer to/(from) level 3	Gain/(losses) recognised in SOCI	At 30 June 2014
Other investments	6,584,618	-	(1,428,001)	-	10,811,401	**15,968,018**
Investment in Axys Group	69,144,675	-	-	-	9,885,428	**79,030,103**
	75,729,293	-	(1,428,001)	-	20,696,829	**94,998,121**

Group and Company

	At 1 July 2012	Acquisitions	Disposals	Transfer to/(from) level 3	Gain/(losses) recognised in SOCI	At 30 June 2013
Other investments	6,584,618	-	-	-	-	6,584,618
Investment in Axys Group	-	-	-	111,087,319	(41,942,644)	69,144,675
	6,584,618	-	-	111,087,319	(41,942,644)	75,729,293

Note:

Last year following a court judgement in favour of the Company, the investment in Axys Group, previously classified as held for sale, was reclassified as available for sale investment.

Valuation methods and assumptions

The fair value of the available-for-sale investments is the amount at which the investments could be sold in a current transaction between market participants.

The following methods and assumptions were used to estimate the fair values:

- Fair value of the quoted investments is derived from quoted market prices in active markets.
- Investments in the unquoted available-for-sale investments have been fair valued based on Net Asset Value of the Investee Companies.

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Trade receivables	4,228,604	5,714,077	4,127,666	5,525,852
Receivable from subsidiaries	-	-	873,782,795	871,374,789
Other debtors and prepayments	14,093,974	13,929,661	11,857,728	13,790,861
Deposit on shares	209,534	209,534	209,534	209,534
	18,532,112	19,853,272	889,977,723	890,901,036

(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 is Rs 2,126,976 and for the company is Rs 2,092,476 (2013: for the Group and Company: Rs 1,937,876). The trade receivables are individually impaired.

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
At July 1,	1,937,876	1,500,626	1,937,876	1,500,626
Charged for the year	189,100	603,000	154,600	603,000
Utilised during the year	-	(165,750)	-	(165,750)
At June 30,	2,126,976	1,937,876	2,092,476	1,937,876

(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 22.

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

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Neither past due nor impaired	-	-	-	-
Past due but not impaired:				
- Less than 30 days	951,496	1,965,098	951,496	1,776,873
- 30 to 90 days	864,157	1,425,373	763,219	1,425,373
- Greater than 90 days	2,412,951	2,323,606	2,412,951	2,323,606
	4,228,604	5,714,077	4,127,666	5,525,852

9. CASH AT BANK AND ON HAND

		THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs.	Rs	Rs.	Rs
(a)	Cash at bank and on hand				
	Petty cash	20,928	29,048	20,928	29,048
	Cash at bank	926,367	422,383	3,758	4,391
		947,295	451,431	24,686	33,439

(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	947,295	451,431	24,686	33,439
Bank overdrafts (note 11)	(91,334,214)	(105,762,998)	(91,332,652)	(105,762,588)
	(90,386,919)	(105,311,567)	(91,307,966)	(105,729,149)

10. STATED CAPITAL AND RESERVES

(a) Stated capital

THE GROUP AND THE COMPANY	2014 & 2013
Authorised	Rs
15,000,000 Ordinary shares of Rs. 10 each	150,000,000

THE GROUP AND THE COMPANY	2014 & 2013
Issued and fully paid	Rs
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) *Other 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.

11. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs	Rs.	Rs
Non-current				
Bank loan (note (a))	94,799,570	18,196,598	94,799,570	18,196,598
Obligations under finance lease (note (c))	434,812	592,018	434,812	592,018
	95,234,382	18,788,616	95,234,382	18,788,616

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs	Rs.	Rs
Current				
Bank overdraft (note (b))	91,334,214	105,762,998	91,332,652	105,762,588
Bank loan (note (a))	-	59,305,011	-	59,305,011
Loan from related party (note (d))	1,370,000	2,000,000	1,370,000	2,000,000
Obligations under finance lease (note (c))	157,206	155,129	157,206	155,129
	92,861,420	167,223,138	92,859,858	167,222,728
TOTAL	188,095,802	186,011,754	188,094,240	186,011,344

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

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs.	Rs
Within one year	-	59,305,011
After one year and before two years	-	10,081,149
After two years and before five years	94,799,570	8,115,449
	94,799,570	77,501,609

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

The effective interest rate on the bank loan is PLR + 1 % (2013: PLR + 0.75%) for the loans with maturity 30th June 2016.

(b) The bank overdraft is secured by floating charges on the assets of the Company. The rate of interest on the bank overdraft is at PLR + 1 %.

11. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(c) Obligations under finance lease

	THE GROUP AND THE COMPANY	
Finance lease liabilities - minimum lease payments	2014	2013
	Rs.	Rs
Within one year	204,108	221,117
Later than one year and not more than five years	484,497	680,360
	688,605	901,477
Future finance charges on finance lease	(96,587)	(154,330)
Present value of finance lease liabilities	592,018	747,147

The present value of finance lease liabilities may be analysed as follows:

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs.	Rs
Within one year	157,206	155,129
After one year and before two years	171,950	157,206
After two years and before five years	262,862	434,812
	592,018	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 where the loan balance as at 30 June 2014 is Rs 1,370,000.

12. EMPLOYEE BENEFIT OBLIGATIONS

(i) The Group has two types of employees schemes:-

(a) A defined benefit scheme. It is based on its fund pensionable emoluments.

(b) An unfunded retirement gratuity which is based on its final emoluments.

As per the Employment Rights Act, the latter defined a day's emolument as being the daily rate at which the employee has been remunerated over a period of 12 months, inclusive of any quantifiable benefits paid.

The fund has been registered as an association and is under the Private Pension Act 2012.

12. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(a) The amounts recognised in the statements of financial position are as follows:

	THE GROUP AND THE COMPANY	
Finance lease liabilities - minimum lease payments	2014	2013
		Restated
	Rs.	Rs
Defined benefit obligation	35,013,782	36,429,479
Fair value of plan assets	(40,678,356)	(38,328,000)
	(5,664,574)	(1,898,521)
Unrecognised actuarial gains	-	-
Benefit asset	(5,664,574)	(1,898,521)

(b) Movement in the liability/(asset) recognised in the statement of financial position:

	THE GROUP AND THE COMPANY	
	2014	2013
		Restated
	Rs.	Rs
At 1 July,	(1,898,521)	(9,330,880)
Amount recognised in profit or loss (note c)	261,247	(621,188)
Amount recognised in other comprehensive income (note d)	(3,831,491)	8,295,948
Direct benefits paid	(195,810)	(242,401)
At 30 June,	(5,664,575)	(1,898,521)

(c) The amounts recognised in profit or loss are as follows:

	THE GROUP AND THE COMPANY	
	2014	2013
		Restated
	Rs.	Rs
Current service cost	298,217	293,133
Past service Cost	-	(207,509)
Fund expenses and life insurance	166,056	196,363
Contribution by employees	(51,529)	(50,500)
Net interest cost	(151,497)	(852,675)
Net actuarial losses recognised in period	-	-
Net benefit expense	261,247	(621,188)

12. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(d) The amounts recognised in other comprehensive income are as follows:

	THE GROUP AND THE COMPANY	
	2014	2013
		Restated
	Rs.	Rs
Remeasurement gains/(losses) in other comprehensive income		
Actuarial gains/(losses) on obligation arising from financial assumptions	796,679	(4,256,303)
Actuarial gains/(losses) on plan assets arising from financial assumptions	3,034,812	(4,039,645)
Net impact on prior years' adjustment in other comprehensive income	3,831,491	(8,295,948)

(e) The net impact of adopting the revised IAS 19 on the retirement benefit obligations for the year ended 30 June 2013 is Rs 8,295,948 and Rs 720,548 (2012: Rs 15,032,385) pertaining to actuarial gain/(losses). The impact of Rs 8,295,948 and Rs 720,548 was recorded in other comprehensive income and profit or loss in the prior financial year.

The financial statements for the Group and Company has been restated to reflect the retrospective application of IAS 19 Employee Benefits (Revised).

(f) Movement in the fair value of plan assets are as follows:

	THE GROUP AND THE COMPANY	
	2014	2013
		Restated
	Rs.	Rs
At 1 July,	38,328,001	42,241,589
Interest received	2,754,100	3,656,514
Contributions to plan assets	247,338	292,901
Benefits paid out of plan assets	(3,519,839)	(3,591,260)
Fund expenses and life insurance	(166,056)	(232,098)
Actuarial gain/(loss) on plan assets	3,034,812	(4,039,645)
At 30 June,	40,678,356	38,328,001

12. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(g) Changes in present value of funded and unfunded obligation are as follows:

	THE GROUP AND THE COMPANY	
	2014	2013
		Restated
	Rs.	Rs
At 1 July,	36,429,480	32,910,709
Current service cost	464,273	489,496
Past service cost	-	(207,509)
Interest cost	2,602,603	2,803,839
Benefits paid	(3,519,839)	(3,591,260)
Fund expenses and life insurance	(166,056)	(232,098)
Actuarial (gain)/loss on obligation	(796,679)	4,256,303
At 30 June,	35,013,782	36,429,480

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

	THE GROUP AND THE COMPANY	
	2014	2013
	%	%
Local equities	56%	49%
Properties	25%	23%
Loan	14%	18%
Others	5%	10%
	100%	100%

The plan assets include assets used by the Group and Company with a fair value of Rs 38,464,078 (2013: Rs 35,365,555).

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.

Expected contributions to post-employment benefit plans for the year ending June 30, 2014 is Rs 264,652 (2013: Rs 242,401) for the Group and the Company.

	THE GROUP AND THE COMPANY	
	2014	2013
	%	%
Discount rate	8.0%	7.5%
Future salary increases	6.5%	6.5%
Future pension increases	0.00%	0.00%
Actuarial table for employee mortality	PM A92/PFA92 standard mortality table	PM A92/PFA92 standard mortality table

12. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

(i) A quantitative sensitivity analysis for significant assumption as at 30 June 2014 is shown as follows below:

	Discount rate		Future salary increases	
Assumptions Sensitivty Level	1% increase	1% decrease	1% increase	1% decrease
	Rs.	Rs	Rs.	Rs
Impact on defined benefit obligation	32,194,022	38,144,621	35,866,625	34,251,549

Assumptions	Life expectancy of pensioners	
Sensitivity Level	Increase by 1 year	Decrease by 1 year
	34,297,335	29,912,220

The sensitivity analsysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

No contributions are expected to be paid to the defined benefit plan obligation in future years.

The average duration of the defined benefit plan obligation at the end of the reporting period is 23 years (2013: 15 yrs).

13. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs	Rs.	Rs
Trade payables	3,522,140	2,878,451	1,913,934	1,374,811
Accruals and other payables	2,973,251	3,547,961	2,754,764	3,201,345
Payable to related companies	-	-	3,019,917	2,933,828
	6,495,391	6,426,412	7,688,615	7,509,984

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 22.

14. TAXES

(a) Deferred income tax

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2013: 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		
	2014	2013	Movement
	Rs	Rs.	Rs
Accelerated depreciation	(211,685)	(266,047)	54,362
Tax losses	(12,193,044)	(14,478,771)	2,285,727
Total unrecognised deferred tax	(12,404,729)	(14,744,818)	2,340,089

	THE COMPANY		
	2014	2013	Movement
	Rs	Rs.	Rs
Accelerated depreciation	(211,685)	(266,047)	54,362
Tax losses	(12,067,613)	(13,244,990)	(95,727)
Total unrecognised deferred tax	(12,279,298)	(13,511,037)	(41,365)

(b) Income tax liabilities - Statement of Financial Position

	THE GROUP	
	2014	2013
At July 1,	126,028	100,789
Income tax charge for the year	102,465	126,028
Under provision from previous year	149,341	-
Tax paid	(279,869)	(70,817)
Tax deducted at source	(29,724)	(29,972)
At June 30,	68,241	126,028

(c) Income tax expense

	THE GROUP	
	2014	2013
Current tax on the adjusted profit for the year at 15% (2013: 15%)	102,465	126,028
Corporate social responsibility tax	-	14,638
Under provision from previous year	119,617	-
	222,082	140,666

14. TAXES (CONTINUED)

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	
	2014	2013	2014	2013
	Rs.	Rs	Rs.	Rs
Loss before tax	(5,234,362)	(7,704,774)	(5,661,485)	(8,106,789)
Tax calculated at a rate of 15%	(785,154)	(1,155,716)	(849,223)	(1,216,018)
Income not subject to tax	(979,415)	(613,770)	(979,415)	(266,436)
Expenses not deductible for tax purposes	854,192	333,552	828,768	221,148
Corporate social responsibility tax	-	14,638	-	-
Under provision from previous year	119,617	-	-	-
Deferred tax assets not utilised	1,012,842	1,561,962	999,870	1,261,306
	222,082	140,666	-	-

15. DIVIDEND PAYABLE

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs	Rs.
At July 1,	1,015,315	1,029,397
Paid during the year	(3,893)	(14,082)
At June 30,	1,011,422	1,015,315

16. OTHER INCOME

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs	Rs.	Rs
Profit on disposal of available-for-sale investments	552,688	-	552,688	-
Profit on disposal of property, plant and equipment	-	186,957	-	186,957
Sundry income	-	21,739	-	21,739
	552,688	208,696	552,688	208,696

17. OPERATING PROFIT

(a) Operating profit is arrived at:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs	Rs.	Rs
After crediting:				
Profit on disposal of property, plant and equipment	-	186,957	-	186,957
Profit on disposal of available-for-sale investments	552,688	-	552,688	-
and charging:				
Depreciation on property, plant and equipment	657,606	540,359	657,606	540,359
Employee benefit expense	8,575,702	7,589,359	8,575,702	7,589,359

		THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs.	Rs.	Rs.	Rs.
(b)	Employee benefit expense:				
	Wages and salaries	8,075,571	7,605,539	8,075,571	7,605,539
	Pension costs	261,247	(621,188)	261,247	(621,188)
	Social security costs	238,884	423,646	238,884	423,646
	Severance allowance	-	181,362	-	181,362
		8,575,702	7,589,359	8,575,702	7,589,359

18. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
Interest expense on:	Rs.	Rs.	Rs.	Rs.
- Bank overdraft	7,812,792	8,899,463	7,812,673	8,899,463
- Finance lease	65,988	41,567	65,988	41,567
- Bank loans	6,814,197	5,732,869	6,814,197	5,732,869
-Other loans	90,626	91,502	218,515	186,662
	14,783,603	14,765,401	14,911,373	14,860,561

19. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Loss for the year attributable to equity holders of the Company	(5,440,404)	(7,766,951)	(5,729,501)	(8,106,789)
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)	(0.52)	(0.74)	(0.54)	(0.77)

There are no diluted investments during the financial year ended June 30, 2014 (2013: Nil).

20. 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 cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprise three types of risk: interest risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest risk rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank overdrafts, bank loans and finance lease 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	THE GROUP AND THE COMPANY	
	Increase / decrease in interest rate (basis points)	Effect on profit/(loss) before tax
		Rs.
June 30, 2014	+100	(1,867,242)
June 30, 2013	+100	(1,840,113)

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

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.

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.94,998,121(2013: Rs 75,729,293) and the exposure to listed securities at fair value was Rs. 39,769,670 (2013: Rs. 40,767,276). A change of 10% in the price would have an impact of approximately Rs. 13, 476,779 (2013: Rs 11, 649,657) depending on whether or not the decline is significant and prolonged.

Credit risk

Credit risk is the risk that a counter party will not meet the obligations under a financial instrument or customer customer leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

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 and cash is disclosed in Notes 8 and 9.

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

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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, 2014						
Interest bearing loans and borrowings	91,334,214	-	1,370,000	109,967,501	-	202,671,715
Trade and other payables	-	6,008,527	486,864	-	-	6,495,391
Dividend Payable	1,011,422	-	-	-	-	1,011,422
	92,345,636	6,008,527	1,856,864	109,967,501	-	210,178,528
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

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk management (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, 2014						
Interest bearing loans and borrowings	91,332,652	-	1,370,000	109,967,501	-	202,670,153
Trade and other payables	-	4,181,834	486,864	-	3,019,917	7,688,615
Dividend Payable	1,011,422	-	-	-	-	1,011,422
	92,344,074	4,181,834	1,856,864	109,967,501	3,019,917	211,370,190
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

(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, 2014 and June 30, 2013.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Capital risk management (Continued)

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, 2014 and June 30, 2013 were as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs	Rs	Rs	Rs
Interest-bearing loans and borrowings	188,095,802	186,011,754	188,094,240	186,011,344
Cash at bank and on hand	(947,295)	(451,431)	(24,686)	(33,439)
Net debt	187,148,507	185,560,323	188,069,554	185,977,905
Equity	1,885,833,251	1,865,759,092	1,580,573,926	1,560,772,714
Net unrealised gains reserve	(85,359,415)	(63,660,193)	(85,359,415)	(63,660,193)
Total capital	1,800,473,836	1,802,098,899	1,495,214,511	1,497,112,521
Capital and net debt	1,987,622,343	1,987,659,222	1,683,284,065	1,683,090,426
Gearing ratio	9%	9%	11%	11%

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

21. 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.

21. SEGMENT INFORMATION (CONTINUED)

THE GROUP

The segment results of the Group are as follows:

June 30, 2014	Rental	Investment income	Finance income	Head office	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenues	23,008,464	3,228,988	-	-	26,237,452
Depreciation	546,503	55,552	-	55,552	657,607
Segments results	12,965,837	1,137,620	(308,623)	(4,245,593)	9,549,241
Finance costs					(14,783,603)
Loss before tax					(5,234,362)
Income tax expense					(222,082)
Loss for the year					(5,456,444)

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)	(6,410,560)	7,060,627
Finance costs					(14,765,401)
Loss before tax					(7,704,774)
Income tax expense					(140,666)
Loss for the year					(7,845,440)

21. SEGMENT INFORMATION (CONTINUED)

THE GROUP

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

June 30, 2014	Rental	Investment income	Finance income	Head office	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Segment assets	7,529,152	2,065,865,167	-	8,109,788	2,081,504,107
Segment liabilities	7,893,672	187,777,185	-	-	195,670,857
Capital expenditure	1,569,762	-	-	41,371	1,611,133

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	-	3,636,347	2,059,338,601
Segment liabilities	8,058,905	185,509,556	-	11,048	193,579,509
Capital expenditure	-	-	-	877,105	877,105

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. 4.4m.

22. RELATED PARTY DISCLOSURES

THE GROUP	Interest income/ interest expense	Pension contribution	Amount owed by	Amount owed to
	Rs.	Rs.	Rs.	Rs.
June 30, 2014				
United Docks Superannuation Fund	90,626	-	1,370,000	-
	90,626	-	1,370,000	-
June 30, 2013				
United Docks Superannuation Fund	91,503	191,900	2,156,485	-
	91,503	191,900	2,156,485	-

22. RELATED PARTY DISCLOSURES

THE COMPANY	Interest income/ interest expense	Pension contribution	Amount owed by	Amount owed to
June 30, 2014	Rs.	Rs.	Rs.	Rs.
Subsidiaries:				
UDL Investments Ltd	-	-	-	12,570,525
United Properties Ltd	-	-	-	731,306,953
United Docks (Overseas Investments) Ltd	-	-	-	127,638,786
Uptown Development Company Ltd	-	-	-	135,575
Fanfaron Advertising Ltd	127,889	-	3,019,917	-
Other related parties:				
United Docks Superannuation Fund	90,626	-	1,370,000	-
	218,515	-	4,389,917	871,651,839

THE COMPANY	Interest income/ interest expense	Pension contribution	Amount owed by	Amount owed to
	Rs.	Rs.	Rs.	Rs.
June 30, 2013				
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

KEY MANAGEMENT PERSONNEL COMPENSATION

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs	Rs.	Rs.	Rs.
Salaries and short-term employee benefits	3,522,661	3,545,096	3,522,661	3,545,096

22. RELATED PARTY DISCLOSURES (CONTINUED)

KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

(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.

23. 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.

24. CONTINGENT LIABILITY

"There are pending litigations in respect of court cases against the Company for an amount of approximately Rs 10m for which Management believes that the possibility of any outflow in settlement is remote.

25. EVENTS AFTER THE REPORTING DATE

On 18 August 2014, the Board approved the disposal of 2,136,900 shares in Fortis Darne.

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 16 December 2014 at 11.00 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 16 December 2014 at 11.00 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 2014 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 the following persons as directors of the Company to hold office until the next Annual Meeting (as separate resolutions):			
3.1 Mr M. H. Dominique Galéa			
3.2 Mr J. Alexis Harel			
3.3 Mrs L. M. C. Michèle Lionnet			
3.4 Mr M. E. Cyril Mayer			
3.5 Mr K. H. Bernard Wong Ping Lun			
3.6 Mr I. Ibrahim Bahemia			
4 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 apppoint 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 15 December 2014 at 11.00 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 Manager 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 12 December 2014 at 11.00 a.m. at latest.**
- Postal vote forms are available with the Manager at the Registered Office of the Company.

DESIGNED AND PRINTED BY PRÉCIGRAPH LIMITED

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