



UNITED DOCKS LTD



2016 | ANNUAL
REPORT

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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, 2016.

This report was approved by the Board of Directors on 30 September 2016.



M. H. Dominique Galea
Chairperson

BOARD OF DIRECTORS

M. H. Dominique Galea (Chairperson)	Non-Executive
Ismael Ibrahim Bahemia	Independent
J. Alexis Harel	Non-Executive
L. M. C. Michele Lionnet	Non-Executive
M Nadeem Lallmamode	Independent
Nicolas Maigrot	Non-Executive
K.H. Bernard Wong Ping Lun	Non-Executive
Nitin Pandeia	Executive

CHIEF EXECUTIVE OFFICER

Nitin Pandeia

CORPORATE SECRETARY

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

AUDITOR

Ernst & Young
Tower 1
9th Floor, NeXTeracom
Ebene

REGISTRAR AND TRANSFER OFFICE

SBM FUND SERVICES
State Bank Tower
Port Louis

REGISTERED OFFICE ADDRESS

Kwan Tee Street
Caudan
Port Louis

Notice is hereby given that the annual meeting of shareholders will be held at the registered office of the Company, Kwan Tee Street, Caudan, Port Louis on Friday 02 December 2016 at 10.00 hrs 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 2016 and the report of the auditors thereon.

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

- 2.1 Mr I. Ibrahim Bahemia
- 2.2 Mr M. H. Dominique Galea
- 2.3 Mr J. Alexis Harel
- 2.4 Mr M. Nadeem Lallmamode
- 2.5 Mrs L. M. C. Michèle Lionnet
- 2.6 Mr M. E. Nicolas Maigrot
- 2.7 Mr Nitin Pandea
- 2.8 Mr K. H. Bernard Wong Ping Lun

3. To note that Messrs 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 Jean Benoit Yencana
Secretary

Dated this 7 November 2016

- 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 from the CEO 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 Thursday 01 December 2016 at 10.00 hrs at latest.

- A member may decide to vote by way of a postal vote. SBM Fund Services 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 from the CEO at the Registered Office of the Company.

Completed postal votes should be delivered to SBM Fund Services Ltd, Level 3, State Bank Tower, 1 Queen Elizabeth II Avenue, Port Louis by Wednesday 23 November 2016 at 10.00 hrs 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 meeting shall be those shareholders whose names are registered in the share register of the Company as at 4 November 2016.

- Duly signed minutes of the annual meeting held on 16 December 2015 are available for consultation by the shareholders at the Registered Office of the Company.



M. H. Dominique Galea
Chairperson

I am very pleased to present the Annual Report of United Docks Ltd and its subsidiaries for the year ended 30 June 2016.

1. PRINCIPAL ACTIVITIES

Under the financial year review, the Group's main activities have remained unchanged and consist mainly of real estate holdings and development, management of investments and renting of warehouses and offices.

2. RESULTS

For the year under review, the Group has incurred a profit of Rs 9.9m compared to Rs 54.3m last year.

The Board does not recommend the payment of any dividend for the year under review (2015: NIL).

3. A COMPLETE METAMORPHOSIS

United Docks Ltd is currently undergoing a metamorphosis process with meaningful projects under consideration.

I am pleased to report that United Docks Ltd has embarked on two projects in Caudan that are expected to give a new dynamism to the capital city of Mauritius.

4. UNITED DOCKS BUSINESS PARK

United Docks Ltd has started an important renovation project in Caudan by developing a business park to provide modern facilities for companies in the services sector.

This project involves the renovation of more than 2000 square meters of office space. In the same vein, United Docks Ltd is upgrading its infrastructure within the business park with significant investment in road networks, drains, parking amenities and landscaping.

5. QUAY HEIGHTS – PDS PROJECT

The year under review has seen the emergence of Quay Heights Project – www.quayheights.com which is a project approved by the Board of Investment under the Investment Promotion (Property Development Scheme) Regulations 2015.

Quay Heights project will be the tallest mixed use complex in the skyline of Port Louis.

Quay Heights is the first high-rise mixed-use development of Mauritius offering an interesting mix of commercial, medical, sports, wellness, leisure, office and residential amenities within a single iconic project.

Quay Heights is tailored to the sophisticated needs of professionals, investors and retirees.

6. A PASSIONATE JOURNEY AHEAD

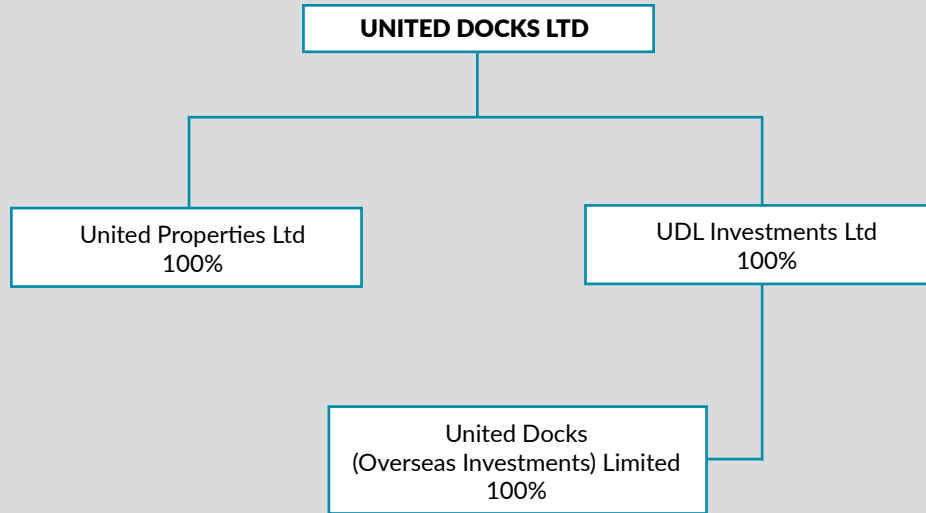
I have no doubt that the journey ahead will be very passionate despite challenges. The property under construction is expected to be the linchpin of future development for United Docks Ltd in the years to come.

I would like to humbly thank my fellow Board Directors for their unflinching support and commitment throughout the year under review. I would also like to thank the shareholders for their continuous support to the Board of the company and the staff of the company for their dedication and hard work.

1. HOLDING STRUCTURE

United Docks Ltd is a listed Company with a diverse shareholding of more than 1,600 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 June 30, 2016.

Shareholders	% Holding
Horus Ltée	18.27 %
Ducray Lenoir (Investments) Ltd	12.09 %
Terra Mauricia Ltd	6.04 %

3. DIRECTORS' PROFILE



M. H. DOMINIQUE GALEA
CHAIRPERSON (Non-Executive)

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.



ISMAEL I. BAHEMIA
(Independent Non-Executive)

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.



J. ALEXIS HAREL
(Non-Executive)

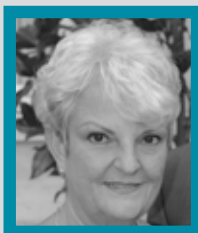
Mr. Harel holds a Bachelor in Science degree in Business Administration. He started his career in the audit department of De Chazal du Mée, Chartered Accountants, and then occupied managerial positions in the industrial and IT sectors. He joined Grays & Co Ltd in 1992 and presently occupies the position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



M. NADEEM LALLMAMODE
(Independent Non-Executive)

Nadeem Lallmamode read law at the University of Wolverhampton and holds a Master’s degree in international commercial law from the University of Nottingham, England. He was admitted to the Bar in Mauritius in 2006 and is a member of Clarel Benoit Chambers, a leading company law, financial services, and commercial litigation set in Mauritius. Nadeem focuses on fund work, financial services and securities law, intellectual property and competition law. He also lectures in company law, insolvency and bankruptcy for the Law Practitioners Vocational Course.

3. DIRECTORS' PROFILE



L. M. C. MICHELE LIONNET
(Non-Executive)

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.



NICOLAS MAIGROT
(Non-Executive)

Nicolas Maigrot holds a degree in Management Sciences from the London School of Economics and Political Sciences and acquired, during his career, a rich experience at executive levels. He operated in various manufacturing industries, as well as in the areas of finance and services in Africa, Asia and Mauritius. Throughout his career, he had various leadership positions such as Chief Executive of Ciel Textile Ltd and Ireland Blyth Limited. He is presently the CEO of Terra.



K. H. BERNARD WONG PING LUN
(Non-Executive)

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



NITIN PANDEA
(CEO)

Nitin Pandea started his career in the banking sector and worked for HSBC and Barclays prior to joining Board of Investment (BOI), the national investment promotion agency of Mauritius, where he has more than 12 years' experience.

Nitin was appointed CEO of United Docks Ltd in February 2015. He holds a BA (Hons) Economics, an MSc E-Business and has also followed an Advanced Management Programme from ESSEC Business School. He is a Chartered Accountant fellow of the Association of Chartered Certified Accountants and also a member of the Mauritius Institute of Professional Accountants.

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 June 30, 2016. It also shows their direct and indirect interests in the share capital of the Company as at June 30, 2016.

Name	From	To	Attendance at meetings			Interest in shares			
			Board 4	Audit Committee 4	Corporate Governance Committee 2	Direct		Indirect	
						No of shares	% holding	No of shares	% holding
Directors in office									
M. H. Dominique Galea	17.10.06		4/4		2/2			2,428,189	22.3150
Ismael I Bahemia	09.05.12		4/4	4/4	2/2			533	0.0049029
J. Alexis Harel	17.10.06		4/4	4/4					
M Nadeem Lallmamode	23.09.15		4/4						
L. M. C. Michele Lionnet	29.12.06		3/4		1/2	86,876	0.8227	1,526	0.0145
Nicolas Maigrot	01.01.16		2/2						
K.H. Bernard Wong Ping Lun	17.10.06		4/4	4/4					
Nitin Pandea	01.02.15		4/4	4/4	2/2				

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 195,359 shares in the Company during the year ended 30 June 2016.

Other than the above, the directors did not transact in the shares of the Company during the year ended 30 June 2016

5. DIRECTORSHIPS OF THE BOARD MEMBERS IN OTHER LISTED COMPANIES AS AT 30 JUNE 2016

Directors	Listed Companies
M.H Dominique Galea (Chairperson)	Forges Tardieu Limited/Mauritius Union Assurance/Ascencia
Ismael I Bahemia	None
J. Alexis Harel	Terra Mauricia Ltd
L.M.C. Michèle Lionnet	None
Nicolas Maigrot	Swan Life Limited/Swan General Ltd/ Terra Mauricia Ltd
K.H. Bernard Wong Ping Lun	Forges Tardieu Ltd
Nitin Pandea (CEO)	None

6. DIRECTORS OF SUBSIDIARIES AT 30 JUNE 2016

	United Properties Ltd	UDL Investments Ltd	United Docks (Overseas Investments) Ltd
M. H. Dominique Galea	✓	✓	✓
K.H. Bernard Wong Ping Lun	-	-	✓

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 July 01, 2015 to June 30, 2016.

	Company		Subsidiaries		Other related corporations	
	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000
Executive Director	3658	5606	-	-	-	-
Non-Executive Directors	535	528	-	-	-	-
	4193	6134	-	-	-	-

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 June 30, 2016 the Board consisted of 8 Directors, out of which 2 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.

9. BOARD AND COMMITTEES (CONTINUED)

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 Chief Executive officer 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.

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 judgement.

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

Corporate Governance Committee

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

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

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

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

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

11. BOARD AND DIRECTOR APPRAISAL (CONTINUED)

Corporate Governance Committee (Continued)

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 June 30, 2016
- Board composition and future recommendations

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;

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 June 30, 2016 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 June 30, 2016.

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	
	2016 Rs 000	2015 Rs 000	2016 Rs 000	2015 Rs 000
Audit Services	550	592	440	440
Tax Services	51	64	28	28
Other Services	275	-	275	-
	876	656	743	468

20. SHARE PRICE INFORMATION

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

PERIOD	30.06.11	30.06.12	30.06.13	30.06.14	30.06.15	30.06.16
AMOUNT	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>	<u>Rs</u>
NET ASSETS PER SHARE	185	181	176	178	188	186
SHARE PRICE	114	83	68	68	66.75	60.75

20. SHARE PRICE INFORMATION (CONTINUED)



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 or disposal
- Establish an organisational structure with clearly-defined levels of authority and division of responsibilities
- Meet the Chief Executive Officer and heads of departments to review all operational aspects of the business and risk management systems

21. INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

The Audit Committee also identified the following major risks:

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

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 since 2014.

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 2017 are set out below:-

Events	Dates
Publication of abridged accounts:	
<ul style="list-style-type: none"> Quarter ended September 30, 2016 Quarter ended December 31, 2016 Quarter ended March 31, 2017 	November 15, 2016 February 15, 2017 May 15, 2017
Publication of the abridged audited financial statements for year ended June 30, 2017	September 30, 2017
Publication of abridged accounts for quarter ended September 30, 2017	November 15, 2017
Circulation of Annual Report 2017	November 2017
Annual Meeting 2017	November / December 2017

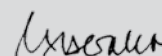
Company law requires the Directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

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

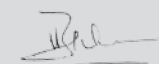
The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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

Approved by the Board of Directors on 30 September 2016 and signed on its behalf by:



Director



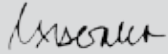
Director

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

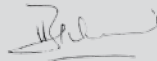
Name of PIE : United Docks Ltd

Reporting Period : 1st July 2015 to 30th June 2016

We, the Directors of United Docks Ltd ('PIE'), confirm that to the best of our knowledge that the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance.



Director

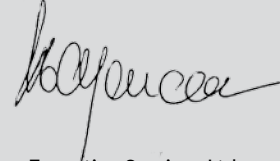


Director

Date: 30 September 2016

16. 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, 2016, all such returns as are required of the Company under the Companies Act 2001.



Executive Services Ltd.
Company Secretary

Date: 30 September 2016

17. 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 24 to 78 which comprise the statements of financial position as at June 30, 2016 and the statements of profit or loss and other 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 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

As stated in note 7, the Directors have not been able to assess the potential impairment of the investment in Societe Libra due to inability to obtain any financial information regarding the investment. This is a result of a legal dispute which arose in prior years. On the other hand, the fair value of investment held by AXYS Group Ltd has been based on financial information from June 30, 2015 as a starting point, which is not the latest available information as at June 30, 2016. This is the result of legal disputes which arose between United Docks Limited and the related parties in prior years. We were therefore unable to obtain sufficient appropriate audit evidence regarding the carrying value of the Available-for-Sale investments in Societe Libra and Axys Group Ltd as at June 30, 2016 to the value of Rs. 226,744,832.

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

Report on the Financial Statements (Continued)

Basis for qualified opinion (Continued)

These matters also caused us to qualify our opinion in the prior year with regards to the Available for Sale investments. Since opening balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the Net gain or loss in fair value of Available for Sale investments for the year ended 30 June 2016 in the Statement of Comprehensive Income and the net cash flows from operating activities reported in the Statement of Cash Flows. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and corresponding figures.

Qualified opinion

In our opinion, except for the effects of matter described in the Basis for Qualified Opinion paragraph, the financial statements on pages 24 to 78 give a true and fair view of the financial position of the Company and the Group as at June 30, 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Other matter

This report has been prepared solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 capacity 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 appears from our examination of those records.

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

Report on Other Legal and Regulatory Requirements (Continued)

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the "Code") as disclosed in the Annual report and on whether the disclosures are consistent with the requirements of the Code.

In our opinion, the disclosures in the annual report are consistent with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

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

Date: 30 September 2016

Notes	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-current assets				
Property, plant and equipment	4	2,439,836	2,701,480	2,439,836
Investment properties	5	1,851,014,664	1,849,573,280	783,858,685
Investment in subsidiaries	6	-	-	50,000
Available-for-sale investments	7	256,631,777	308,357,630	121,633,871
Employee benefit assets	12	-	3,076,822	-
		2,110,086,277	2,163,709,212	907,982,392
Current assets				
Trade and other receivables	8	8,935,752	17,175,047	882,272,346
Cash at bank and on hand	9 (a)	30,366	47,444	16,306
		8,966,118	17,222,491	882,288,652
		2,119,052,395	2,180,931,703	1,790,271,044
TOTAL ASSETS				
EQUITY AND LIABILITIES				
Equity				
Stated capital	10	105,600,000	105,600,000	105,600,000
Share premium	10	24,631,914	24,631,914	24,631,914
Other reserves	10	101,460,876	126,088,248	101,460,876
Retained earnings		1,729,606,374	1,724,052,234	1,400,962,345
Equity attributable to owners of parent		1,961,299,164	1,980,372,396	1,632,655,135
Non controlling interests		-	(95,700)	-
Total equity		1,961,299,164	1,980,276,696	1,632,655,135
LIABILITIES				
Non-current liabilities				
Employee benefits Liability	12	1,258,523	-	1,258,523
Interest-bearing loans and borrowings	11	30,654,878	20,062,429	30,654,878
		31,913,401	20,062,429	31,913,401
Current liabilities				
Trade and other payables	13	3,536,816	3,893,476	3,403,966
Income tax liabilities	14 (b)	-	80,524	-
Interest-bearing loans and borrowings	11	120,700,146	174,999,878	120,695,674
Dividend payable	15	1,602,868	1,618,700	1,602,868
		125,839,830	180,592,578	125,702,508
Total liabilities		157,753,231	200,655,007	157,615,909
TOTAL EQUITY AND LIABILITIES		2,119,052,395	2,180,931,703	1,790,271,044

These financial statements have been approved for issue by the Board of Directors on 30 September 2016

Director

Director

The notes on pages 29 to 77 form an integral part of these financial statements.

Notes	THE GROUP		THE COMPANY		
	2016	2015	2016	2015	
	Rs.	Rs.	Rs.	Rs.	
Revenue	21	21,719,377	23,923,421	21,719,377	23,923,421
Other income	16	22,639,089	11,696,787	22,639,089	11,696,787
Operating expenses		(20,886,967)	(31,994,364)	(20,674,304)	(31,385,245)
Operating profit	17	23,471,499	3,625,844	23,684,162	4,234,963
Net gain in fair value of investment properties	5	-	65,876,280	-	39,643,280
Gain on winding up of subsidiary	6	158,550	-	-	-
Finance costs	18	(13,661,919)	(15,139,318)	(13,661,416)	(15,138,977)
Profit before tax		9,968,130	54,362,806	10,022,746	28,739,266
Income tax expense	14(c)	(690)	(95,759)	(690)	(95,759)
Profit for the year		9,967,440	54,267,047	10,022,056	28,643,507
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)</i>					
Net (loss) / gain in fair value of available-for-sale investments	7	(4,558,190)	42,117,818	(4,558,190)	42,117,818
Disposal of available-for-sale investment		(20,069,182)	(1,388,985)	(20,069,182)	(1,388,985)
		(24,627,372)	40,728,833	(24,627,372)	40,728,833
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Remeasurement losses on defined benefit plans	12 (d)	(4,413,300)	(2,492,337)	(4,413,300)	(2,492,337)
Net other comprehensive loss not being reclassified to profit or loss in subsequent periods		(4,413,300)	(2,492,337)	(4,413,300)	(2,492,337)
Other comprehensive(loss)/ income, net of tax		(29,040,672)	38,236,496	(29,040,672)	38,236,496
Total comprehensive (loss)/ income, net of tax		(19,073,232)	92,503,543	(19,018,616)	66,880,003
Profit for the year attributable to:					
Equity holders of the parent		9,967,440	54,277,507	10,022,056	28,643,507
Non-controlling interests		-	(10,460)	-	-
		9,967,440	54,267,047	10,022,056	28,643,507
Total comprehensive (loss)/ gain attributable to:					
Equity holders of the parent		(19,073,232)	92,514,003	(19,018,616)	66,880,003
Non-controlling interests		-	(10,460)	-	-
		(19,073,232)	92,503,543	(19,018,616)	66,880,003
Earnings per share (Basic and diluted)	19	0.94	5.14	0.95	2.71

The notes on pages 29 to 77 form an integral part of these financial statements.

THE GROUP	Attributable to equity holders of the company				Total equity
	Stated capital (Note 10)	Share premium (Note 10)	Other reserves (Note 10)	Retained earnings	
	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2014	105,600,000	24,631,914	85,359,415	1,670,327,162	1,885,833,251
Amalgamation of Fanifaron Advertising Ltd	-	-	-	1,939,902	1,939,902
Other comprehensive income for the year	-	-	40,728,833	(2,492,337)	38,236,496
Profit for the year	-	-	-	54,277,507	54,277,507
Total comprehensive income for the year, net of tax	-	-	40,728,833	51,785,170	92,514,003
At June 30, 2015	105,600,000	24,631,914	126,088,248	1,724,052,234	1,980,372,396
At July 1, 2015	105,600,000	24,631,914	126,088,248	1,724,052,234	1,980,372,396
Derecognition of subsidiary	-	-	-	-	-
Other comprehensive loss for the year	-	-	(24,627,372)	(4,413,300)	(29,040,672)
Profit for the year	-	-	-	9,967,440	9,967,440
Total comprehensive loss for the year, net of tax	-	-	(24,627,372)	5,554,140	(19,073,232)
At June 30, 2016	105,600,000	24,631,914	101,460,876	1,729,606,374	1,961,299,164

The notes on pages 29 to 77 form an integral part of these financial statements.

	Stated capital (Note 10)		Share premium (Note 10)		Other reserve (Note 10)		Retained earnings		Total	
	Rs.		Rs.		Rs.		Rs.		Rs.	
At July 1, 2014	105,600,000		24,631,914		85,359,415		1,364,982,597		1,580,573,926	
Amalgamation of Fanaron Advertising Ltd	-		-		-		4,219,822		4,219,822	
Other comprehensive income for the year	-		-		40,728,833		(2,492,337)		38,236,496	
Profit for the year	-		-		-		28,643,507		28,643,507	
Total comprehensive income for the year, net of tax	-		-		40,728,833		26,151,170		66,880,003	
At June 30, 2015	105,600,000		24,631,914		126,088,248		1,395,353,589		1,651,673,751	
At July 1, 2015	105,600,000		24,631,914		126,088,248		1,395,353,589		1,651,673,751	
Other comprehensive loss for the year	-		-		(24,627,372)		(4,413,300)		(29,040,672)	
Profit for the year	-		-		-		10,022,056		10,022,056	
Total comprehensive loss for the year, net of tax	-		-		(24,627,372)		5,608,756		(19,018,616)	
At June 30, 2016	105,600,000		24,631,914		101,460,876		1,400,962,345		1,632,655,135	

The notes on pages 29 to 77 form an integral part of these financial statements.

Notes	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Operating activities				
Profit before tax	9,968,130	54,362,806	10,022,746	28,739,266
Adjustments for:				
- Gain on winding up of subsidiary	6	158,550	-	-
- Depreciation of property, plant and equipment	4	572,357	725,185	725,185
- (Profit)/loss on disposal of property, plant and equipment	17	(5,000)	36,122	36,122
- Defined Benefit Plan		(77,955)	95,415	95,415
- Finance cost	18	13,661,919	15,139,318	13,661,416
- Increase in fair value of investment properties	5	-	(65,876,280)	(39,643,280)
- Profit on disposal of available-for-sale investments	16	(20,850,124)	(1,348,437)	(1,348,437)
		3,427,877	3,134,129	3,323,440
Working capital adjustments:				
- Decrease in trade and other receivables		8,239,295	1,357,065	7,071,992
-(Decrease)/increase in trade and other payables		(521,204)	(65,471)	(359,430)
		11,145,968	4,425,723	10,036,002
Income tax paid	14 b	(81,214)	(72,741)	(81,214)
		(81,214)	(72,741)	(72,741)
Net cash flows generated from operating activities		11,064,754	4,352,982	9,954,788
Investing activities				
Proceeds from sale of available-for-sale investments		47,948,605	3,485,337	47,948,605
Additions to investment properties	5	(1,441,384)	-	(329,405)
Acquisition of property, plant and equipment	4	(310,713)	(1,087,096)	(310,713)
Proceeds from disposal of property, plant and equipment		5,000	521,739	5,000
		5,000	521,739	5,000
Net cash flows generated from investing activities		46,201,508	2,919,980	47,313,487
Financing activities				
Proceeds from borrowings		-	263,500	-
Repayment of loans		(54,231,996)	(1,633,500)	(54,231,996)
Repayment of finance lease liability		(171,953)	(157,206)	(171,953)
Dividends paid	15	(15,832)	-	(15,832)
Interest paid		(13,560,226)	(15,139,318)	(13,559,723)
		(67,980,007)	(16,666,524)	(67,979,504)
Net cash flows used in financing activities		(67,980,007)	(16,666,524)	(67,979,504)
Net decrease in cash		(10,713,745)	(9,393,562)	(10,711,229)
At July 1,		(99,780,481)	(90,386,919)	(99,792,585)
At June 30,	9(b)	(110,494,226)	(99,780,481)	(110,503,814)

The notes on pages 29 to 77 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, 2016 have been authorised for issue by the Board of Directors on the date stamped on page 24.

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).

Basis of consolidation

The financial statements comprise the financial statements of United Docks Ltd and its subsidiaries as at 30 June 2015. 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

2. ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

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 consolidated from the date the Group gains control until the date the Group ceases to control the subsidiary.

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, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. There were no new standards and interpretations which were effective for this financial year.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARD ISSUED BUT NOT YET EFFECTIVE

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

New or revised Standards	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments	January 01, 2018
IFRS 14 Regulatory Deferral Accounts	January 01, 2016
IFRS 15 Revenue from Contracts with Customers	January 01, 2018
IFRS 16 Leases	January 01, 2019
Amendments	
Accounting for Acquisitions of interests in Joint Operations (Amendments to IFRS 11)	January 01, 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 01, 2016
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	January 01, 2016
Equity Method in Separate Financial Statements (Amendments to IAS 27)	January 01, 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely
Annual Improvements 2012-2014 Cycle	January 01, 2016
Disclosure initiative (Amendments to IAS 1)	January 01, 2016
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	January 01, 2017
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	January 01, 2016
Clarifications to IFRS 15 Revenue from Contracts with Customers	January 01, 2018
Disclosure initiative (Amendments to IAS 7)	January 01, 2017
Clarifications and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	January 01, 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARD ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

[IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – January 01, 2018](#)

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

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL.

However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

IFRS 16 Leases - effective 1 January 2019

The IASB has redrafted this new leasing standard that would require lessees to recognise assets and liabilities for most leases that is similar to current finance lease accounting. Lessees applying IFRS would have a single recognition and measurement model for all leases (with certain exemptions). Lessors applying IFRS would classify leases using the principle in IAS 17; in essence, lessor accounting would not change.

The Group is still assessing the impact of this new standard.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARD ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Amends IAS 12 Income Taxes to clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The Group is still assessing the impact of this new standard, but it is not expected to have a significant effect on financial position of the Group.

IFRS 15 Revenue from Contracts with Customers - effective January 01, 2018

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 position of the Group.

Amendments to IAS 27: Equity Method in Separate Financial Statements - effective January 01, 2016

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Group is still assessing whether the entity will apply the equity method when accounting for investments in subsidiaries as per this new standard.

2. ACCOUNTING POLICIES (CONTINUED)

Disclosure Initiative (Amendments to IAS 1) - effective January 01, 2016

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The Group is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements.

Disclosure Initiative (Amendments to IAS 7)

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The Group is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

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, 2016, the Group had no deferred tax assets.

In prior year, the Group had deferred tax assets worth Rs.418, 870 which have not been recognised. The analysis of the temporary differences on which the deferred tax arises is shown in note 14.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

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 liability at June 30, 2016 is Rs. 1,258,523 and net employee benefit asset was Rs. 3,076,822 as at June 30, 2015. 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 significant and prolonged and thereby assess whether impairment should be recognized in profit or loss. At June 30, 2016 no impairment losses have been recognized for available-for-sale financial assets (2015: Rs Nil). The carrying amount of available-for-sale financial assets was Rs 256,631,777 (2015: Rs 308,357,630) and Rs 121,633,871 (2015: Rs 173,359,724) for the Group and the Company respectively. Refer to Note 7.

Fair value of financial instruments

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

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.

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

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

Depreciation is calculated on the straight line method to write off the cost of each asset 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	- 1.0% - 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Investment properties (Continued)

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 costs 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets (Continued)

Subsequent measurement (Continued)

Available-for-sale financial assets (Continued)

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 management has the ability and intention to hold the assets for the foreseeable 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 amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate method. Any difference between the new amortised cost and the maturity amount is also amortised 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)

Subsequent measurement (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 recognised 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Derecognition of financial assets and liabilities

Financial assets

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of financial assets (Continued)

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.

Financial asset at amortised cost

For financial assets at amortised 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 profit or loss. Interest income (recorded as finance income in 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 of disposal 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 of disposal, 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.

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 profit or loss.

(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 profit or loss 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 and 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).

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 recognised using the same policy as for a defined benefit scheme.

A liability is recognised in Note 12.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxes (Continued)

Deferred income tax (Continued)

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

The principal or the most advantageous market must be accessible to 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.

(q) Acquisition of entities under common control

The Group uses the pooling of interests method for the amalgamation of subsidiaries. All assets and liabilities are transferred at their carrying values. No restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control. The group will consistently apply its chosen accounting policy to account for acquisitions of entities under common control.

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP AND THE COMPANY

COST	Improvement to buildings	Furniture and office equipment	Motor Vehicles		Total
	Rs.	Rs.	Owned	Leased	
At July 1, 2014	1,569,762	9,587,032	1,741,671	854,363	13,752,828
Additions	577,226	509,870	-	-	1,087,096
Disposals	-	(37,733)	(1,688,845)	-	(1,726,578)
At June 30, 2015	2,146,988	10,059,169	52,826	854,363	13,113,346
At July 1, 2015	2,146,988	10,059,169	52,826	854,363	13,113,346
Additions	-	310,713	-	-	310,713
Scrapped	-	(5,781,667)	-	-	(5,781,667)
At June 30, 2016	2,146,988	4,588,215	52,826	854,363	7,642,392
DEPRECIATION					
At July 1, 2014	102,089	9,503,060	958,183	292,067	10,855,399
Charge for the year	177,588	123,397	248,687	175,513	725,185
Disposals	-	(14,674)	(1,154,044)	-	(1,168,718)
At June 30, 2015	279,677	9,611,783	52,826	467,580	10,411,866
At July 1, 2015	279,677	9,611,783	52,826	467,580	10,411,866
Charge for the year	214,699	186,785	-	170,873	572,357
Scrapped	-	(5,781,667)	-	-	(5,781,667)
At June 30, 2016	494,376	4,016,901	52,826	638,453	5,202,556
NET CARRYING AMOUNT					
At June 30, 2016	1,652,612	571,314	-	215,910	2,439,836
At June 30, 2015	1,867,311	447,386	-	386,783	2,701,480

5. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
At July 1	1,849,573,280	1,783,697,000	783,529,280	743,886,000
Additions	1,441,384	-	329,405	-
Net gain in fair value	-	65,876,280	-	39,643,280
At June 30	1,851,014,664	1,849,573,280	783,858,685	783,529,280

- (a) Investment properties which consist of freehold land and buildings were revalued on 18 August 2015 by Noor Dilmohamed & Associates, Chartered Practising Valuer. Fair value of the properties was determined by using open market value. This means that valuations performed by the valuer are based on active market prices, adjusted for difference in the nature, location or condition of the specific property. This valuation amounted to Rs. 2,117,689,200 on a vacant possession basis and Rs. 1,683,387,280 on the current use basis. Management has used a mix of the vacant possession and current use valuation amounts for the fair valuation of the investment properties. Based on the letter of comfort of Noor Dilmohamed & Associates dated 16 August 2016, the Directors considered that the reported open market values of the investment properties are still valid and appear to be fair and reasonable as at 30 June 2016. The independent valuer is a well-known established and experienced land surveyor in Mauritius performing valuations on freehold land and building. He is a Certified Practising Valuer of the Fellow Australian Property Institute and a registered valuer under the laws of Mauritius.

Rental income from investment properties amounted to Rs. 20,694,277 (2015: Rs. 22,421,846) for the Group and the Company. Direct operating expenses arising on the investment properties during the year amounted to Rs. 15,060,776 (2015: Rs. 10,042,627) for the Group and 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).

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, 2016:

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	16-Aug-16	1,851,014,664	-	1,851,014,664	-

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	16-Aug-16	783,858,685	-	783,858,685	-

7. AVAILABLE-FOR-SALE INVESTMENTS

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
At July 1,	308,357,630	269,765,697	173,359,724	134,767,791
Disposals	(47,167,663)	(3,525,885)	(47,167,663)	(3,525,885)
(Loss)/gain in fair value	(4,558,190)	42,117,818	(4,558,190)	42,117,818
At June 30,	256,631,777	308,357,630	121,633,871	173,359,724

Available-for-sale financial assets include the following:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Shares:				
Listed on the SEM & DEM	-	46,057,180	-	46,057,180
Unquoted	256,631,777	262,300,450	121,633,871	127,302,544
	256,631,777	308,357,630	121,633,871	173,359,724
Analysed as:				
At fair value				
Other quoted investments (note (a))	-	46,057,180	-	46,057,180
Unquoted investment in Axys Group (note (b))	91,746,926	92,458,134	91,746,926	92,458,134
Other unquoted investments (note (d&e))	29,886,945	34,844,410	29,886,945	34,844,410
At cost less impairment				
Unquoted investment in Societe Libra (note (c))	134,997,906	134,997,906	-	-
	256,631,777	308,357,630	121,633,871	173,359,724

- (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.

7. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

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. 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 2016. 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.

Management does not have access to the latest financial information of AXYS Group as at 30 June 2016. The most recent information that the Directors have on hand is the audited accounts of the investee company as at 30 June 2015. This is the most updated information available based on which the Directors has used to determine the most appropriate fair value. Hence, the fair value of Axys Group as at 30 June 2016 was calculated using the net assets value of the investee company as at 30 June 2015. Accordingly, a qualified audit opinion has been provided in the audit report.

- (c) There are 2 disputes currently pending before the Supreme Court of Mauritius with respect to the shareholding of the UDL Group in Societe Libra.

The dispute relates to what the UDL Group considers to be breaches of the shareholders agreement "Pacte de Societaires", agreed upon by UDL Group and Societe Pronema pertaining to their investment in Societe Libra. The UDL Group is seeking the dissolution of Societe Libra. The other dispute (initiated by Societe Libra) 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 the fair value and have measured the investment at cost. The investment has also not been assessed for impairment as the directors are not able to determine the estimated future cash flows expected to arise from the investment in Societe Libra.

The Group holds 49.9% 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, 2016, the share of market capitalisation was below the cost of acquisition by 7% and was at a 48% discount over the share of net assets.

A qualified audit opinion has been issued in the audit report due to a lack of information to fair value the investment in Societe Libra as at 30 June 2016.

- (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.

7. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

- (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

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Assets measured at fair value				
Level 1	-	46,057,180	-	46,057,180
Level 3	121,633,871	127,302,544	121,633,871	127,302,544

Group and Company

Fair value measurement using significant unobservable inputs (level 3)

	At 1 July 2015	Acquisitions	Disposals	Losses recognised in SOCI	At 30 June 2016
Other investments	34,844,410	-	(1,110,483)	(3,846,982)	29,886,945
Investment in Axys Group	92,458,134	-	-	(711,208)	91,746,926
	127,302,544	-	(1,110,483)	(4,558,190)	121,633,871

Group and Company

	At 1 July 2014	Acquisitions	Disposals	Gain recognised in SOCI	At 30 June 2015
Other investments	15,968,018	-	-	18,876,392	34,844,410
Investment in Axys Group	79,030,103	-	-	13,428,031	92,458,134
	94,998,121	-	-	32,304,423	127,302,544

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:

- Investments in the unquoted available-for-sale investments have been fair valued based on Net Asset Value of the Investee Companies.

7. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Sensitivity analysis

Significant increases (decreases) in the Net asset value would result in a significantly (lower) higher fair value measurement.

	Valuation technique	Significant unobservable inputs	Change in Basis Point	Sensitivity of the input to fair value
Available-for-sale investments in unquoted equity and preference shares	Net Asset Value	Net asset value of unquoted investments	+/- 5	5% (2015: 5%) increase / (decrease) in the Net asset value would result in an increase (decrease) in fair value by Rs. 6,081,694 (2015: Rs. 6,365,127).

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Trade receivables	5,578,472	4,718,314	5,578,472	4,718,314
Receivable from subsidiaries	-	-	874,867,327	872,245,489
Other debtors and prepayments	3,357,280	12,456,733	1,826,547	12,380,536
	8,935,752	17,175,047	882,272,346	889,344,339

- (a) The carrying amount of trade and other receivables approximate their fair value due to short term nature.
- (b) The provision for impairment on trade and other receivables for the Group and the Company is Rs. 3,701,401 (2015: Rs. 3,251,004). The trade receivables are individually impaired.
- (c) Other debtors and prepayments comprise mainly of dividend receivable from available-for-sale investments and prepaid expenses.

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
At July 1,	3,251,004	2,126,976	3,251,004	2,126,976
Charged for the year	551,397	1,158,528	551,397	1,158,528
Utilised during the year	(95,000)	(34,500)	(95,000)	(34,500)
At June 30,	3,707,401	3,251,004	3,707,401	3,251,004

- (d) Trade receivables are non-interest bearing and are generally on 30 days terms.
- (e) For terms and conditions relating to related party receivables, refer to note 22.

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
Neither past due nor impaired				
Past due but not impaired:				
- Less than 30 days	728,054	805,690	728,054	805,690
- 30 to 90 days	383,302	965,899	383,302	965,899
- Greater than 90 days	4,467,116	2,946,725	4,467,116	2,946,725
	5,578,472	4,718,314	5,578,472	4,718,314

9. CASH AT BANK AND ON HAND

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
(a) Cash at bank and on hand				
Petty cash	13,814	29,226	13,814	29,226
Cash at bank	16,552	18,218	2,492	3,125
	30,366	47,444	16,306	32,351

9. CASH AT BANK AND ON HAND (CONTINUED)

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

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
Cash at bank and on hand	30,366	47,444	16,306	32,351
Bank overdrafts (note 11 (b))	(110,524,592)	(99,827,925)	(110,520,120)	(99,824,936)
	(110,494,226)	(99,780,481)	(110,503,814)	(99,792,585)

10. STATED CAPITAL AND RESERVES

(a) **Stated capital**

THE GROUP AND THE COMPANY

Authorised

15,000,000 Ordinary shares of Rs. 10 each

THE GROUP AND THE COMPANY

Issued and fully paid

10,560,000 Ordinary shares of Rs. 10 each

(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	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Non-current				
Bank loans (note (a))	30,580,103	19,799,570	30,580,103	19,799,570
Obligations under finance lease (note (c))	74,775	262,859	74,775	262,859
	30,654,878	20,062,429	30,654,878	20,062,429

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Current				
Bank overdraft (note (b))	110,524,592	99,827,925	110,520,120	99,824,936
Bank loans (note (a))	9,987,470	75,000,000	9,987,470	75,000,000
Obligations under finance lease (note (c))	188,084	171,953	188,084	171,953
	120,700,146	174,999,878	120,695,674	174,996,889
TOTAL	151,355,024	195,062,307	151,350,552	195,059,318

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
Within one year	9,987,470	75,000,000
After one year and before two years	9,812,100	11,165,928
After two years and before five years	20,768,003	8,633,642
	40,567,573	94,799,570

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

The effective interest rate on the bank loans vary from 7.65% to 7.90% per annum. The bank loans are denominated in Mauritian rupees and have a maturity date of 31 May 2018 and 30 June 2020. At 30 June 2016, the Group and the Company had available undrawn loan facilities of Rs. 95m (2015: nil). The fair value is disclosed in Note 23.

(b) The bank overdraft is secured by floating charges on the assets of the Company. The rate of interest on the bank overdraft vary between 7.15% and 7.90% per annum. There were no undrawn overdraft facilities at year end for both the Group and the Company (2015:10.2m).

11. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(c) Obligations under finance lease

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
Finance lease liabilities - minimum lease payments		
Within one year	204,108	204,108
Later than one year and not more than five years	76,282	280,390
	280,390	484,498
Future finance charges on finance lease	(17,531)	(49,686)
Present value of finance lease liabilities	262,859	434,812

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
Within one year	188,084	171,953
After one year and before two years	74,775	262,859
	262,859	434,812

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.

12. EMPLOYEE BENEFIT OBLIGATIONS/EMPLOYEE BENEFIT ASSETS

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

- A defined benefit scheme. It is based on its fund pensionable emoluments.
- 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/EMPLOYEE BENEFIT ASSETS (CONTINUED)

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
Defined benefit obligation	32,000,884	35,303,757
Fair value of plan assets (note (f))	(30,742,361)	(38,380,579)
	1,258,523	(3,076,822)
Benefit liability / (asset)	1,258,523	(3,076,822)

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
At 1 July,	(3,076,822)	(5,664,575)
Amount recognised in profit or loss (note (c))	254,894	269,810
Amount recognised in other comprehensive income (note (d))	4,413,300	2,492,337
Direct benefits paid	(332,849)	(174,394)
At 30 June,	1,258,523	(3,076,822)

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
Current service cost	335,009	305,984
Fund expenses and life insurance	182,878	471,527
Contribution by employees	(34,960)	(45,893)
Net interest cost	(228,033)	(461,808)
Net benefit expense	254,894	269,810

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
Remeasurement gains/(losses) in other comprehensive income		
Actuarial gains/(losses) on obligation arising from financial assumptions	143,502	(719,922)
Actuarial losses on plan assets arising from financial assumptions	(4,556,802)	(1,772,415)
	(4,413,300)	(2,492,337)

12. EMPLOYEE BENEFIT OBLIGATIONS/EMPLOYEE BENEFIT ASSETS (CONTINUED)

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
At 1 July,	38,380,579	40,678,356
Interest received	2,560,289	3,129,389
Contributions to plan assets	167,809	220,287
Benefits paid out of plan assets	(3,657,113)	(3,403,511)
Fund expenses and life insurance	(182,878)	(471,527)
Actuarial (loss)/gain on plan assets	(6,526,325)	(1,772,415)
At 30 June,	30,742,361	38,380,579

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

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
At 1 July,	35,303,758	35,013,782
Current service cost	482,926	777,511
Interest cost	2,332,255	2,667,581
Benefits paid	(3,822,153)	(3,403,511)
Fund expenses and life insurance	(182,878)	(471,527)
Actuarial (loss)/gain on obligation	(2,113,024)	719,922
At 30 June,	32,000,884	35,303,758

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

	THE GROUP AND THE COMPANY	
	2016	2015
	%	%
Local equities	73%	62%
Properties	-	26%
Loan	13%	11%
Others	14%	1%
	100%	100%

Expected contributions to post-employment benefit plans for the year ending June 30, 2016 is Rs. 167,809 (2015: Rs. 220,286) for the Group and the Company.

12. EMPLOYEE BENEFIT OBLIGATIONS/EMPLOYEE BENEFIT ASSETS (CONTINUED)

(g) The assets in the plan are made up as follows (Continued)

	THE GROUP AND THE COMPANY	
	2016	2015
	%	%
Discount rate	7.0%	7.0%
Future salary increases	5.5%	5.5%
Actuarial table for employee mortality	PM A92/PFA92 standard mortality table	

(h) A quantitative sensitivity analysis for significant assumption as at 30 June 2016 is shown as follows below:

Assumptions Sensitivity Level	Discount rate		Future salary increases	
	1% increase	1% decrease	1% increase	1% decrease
	Rs.	Rs.	Rs.	Rs.
Impact on defined benefit obligation	(2,366,821)	2,795,969	294,793	(265,298)
Assumptions Sensitivity Level	Life expectancy of pensioners			
	Increase by 1 year		Decrease by 1 year	
	879,018		(912,114)	

The sensitivity analysis 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 occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (2015: 8 years).

13. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Trade payables	2,507,325	1,375,735	2,507,325	1,299,811
Accruals and other payables	1,029,491	2,517,741	896,641	2,361,892
	3,536,816	3,893,476	3,403,966	3,661,703

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.

14. TAXES

(a) Deferred income tax

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2015: 15%). In prior year, 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 the tax profits will be available to offset the tax losses is nil.

Deferred tax arises on the following temporary differences:

	THE GROUP		
	2016	2015	Movement
	Rs.	Rs.	Rs.
Accelerated depreciation	(85,104)	113,705	(198,808)
Tax losses	-	(532,575)	532,575
	(85,104)	(418,870)	333,767
Utilisation of tax losses	85,104	-	85,104
	-	(418,870)	418,870

Deferred tax arises on the following temporary differences:

	THE COMPANY		
	2016	2015	Movement
	Rs.	Rs.	Rs.
Accelerated depreciation	(85,104)	113,705	(198,809)
Tax losses	-	(518,095)	518,095
	(85,104)	(404,390)	319,286
Utilisation of tax losses	85,104	-	85,104
	-	(404,390)	404,390

(b) Income tax liabilities - Statement of Financial Position

	THE GROUP	
	2016	2015
	Rs.	Rs.
At July 1,	80,524	68,241
Income tax charge for the year	-	80,523
Corporate Social Responsibility	-	10,736
Tax paid	(81,214)	(72,741)
Under/(over) provision of current tax	690	4,500
Tax deducted at source (i)	(885,641)	(10,735)
At June 30,	(885,641)	80,524

(i) Tax deductible at source is included under trade and other receivables.

14. TAXES (CONTINUED)

(c) Income tax expense

	THE GROUP	
	2016	2015
	Rs.	Rs.
Current tax on the adjusted profit for the year at 15% (2015: 15%)	-	80,523
Corporate social responsibility tax	-	10,736
Under provision from previous year	690	4,500
	690	95,759

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	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Profit/(loss) before tax	9,968,130	54,877,227	10,022,746	28,739,266
Tax calculated at a rate of 15%	1,495,220	8,231,584	1,503,412	4,310,890
Income not subject to tax	(3,305,066)	(10,308,944)	(3,281,284)	(6,373,994)
Expenses not deductible for tax purposes:				
Corporate social responsibility tax	-	10,736	-	-
Under provision from previous year	690	4,500	690	-
Deferred tax (liabilities)/assets not utilised	-	418,870	-	404,390
Utilisation of tax losses	(85,104)	-	(85,104)	-
	690	95,760	690	-

15. DIVIDEND PAYABLE

	THE GROUP AND THE COMPANY	
	2016	2015
	Rs.	Rs.
At July 1,	1,618,700	1,011,422
Unclaimed dividend by shareholders returned by MCB Registry	-	607,278
Paid during the year	(15,832)	-
At June 30,	1,602,868	1,618,700

Dividend payable relates to dividend declared by United Docks Ltd in previous years which were unclaimed at 30 June 2016.

16. OTHER INCOME

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Profit on disposal of available-for-sale investments (a)	20,850,124	1,348,437	20,850,124	1,348,437
Insurance proceeds	1,700,000	10,332,900	1,700,000	10,332,900
Sundry income	88,965	15,450	88,965	15,450
	22,639,089	11,696,787	22,639,089	11,696,787

(a) The profit on disposal of available-for-sale investments include the reclassification of the fair value reserve of the investment disposed from other comprehensive income.

17. OPERATING PROFIT

(a) Operating profit is arrived at:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
After crediting:				
Profit on disposal of available-for-sale investments	20,850,124	1,348,337	20,850,124	1,348,337
Other Income	83,965	15,450	83,965	15,450
and charging:				
Preliminary project expenses written off	208,980	10,261,514	208,980	10,261,514
Depreciation on property, plant and equipment	572,357	725,185	572,357	725,185
(Profit)/loss on disposal of property, plant and equipment	(5,000)	36,122	(5,000)	36,122
Employee benefit expense (note (b))	9,040,117	11,274,420	9,040,117	11,274,420

(b) Employee benefit expense:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Wages and salaries	8,471,038	9,057,466	8,471,038	9,057,466
Pension costs	54,894	269,810	54,894	269,810
Social security costs	314,185	271,188	314,185	271,188
Severance allowance	200,000	1,675,956	200,000	1,675,956
	9,040,117	11,274,420	9,040,117	11,274,420

18. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
Interest expense on:	Rs.	Rs.	Rs.	Rs.
- Bank overdraft	6,292,159	7,461,766	6,291,656	7,461,425
- Finance lease	32,155	46,902	32,155	46,902
- Bank loans	7,337,605	7,597,997	7,337,605	7,597,997
- Other loans	-	32,653	-	32,663
	13,661,919	15,139,318	13,661,416	15,138,987

19. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
Profit for the year attributable to equity holders of the Parent	Rs. 9,967,440	Rs. 54,277,507	Rs. 10,022,056	Rs. 28,643,507
Number of ordinary shares in issue (note 10(a))	10,560,000	10,560,000	10,560,000	10,560,000
Earnings per share (Basic and diluted)	0.94	5.14	0.95	2.71

There are no diluted investments during the financial year ended June 30, 2016 (2015: 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 and the risk is not significant on the Group.

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.

	THE GROUP AND THE COMPANY	
	Increase / (decrease) in interest rate (basis points)	Effect on profit/(loss) before tax
		Rs.
June 30, 2016	+100	(1,510,877)
June 30, 2015	+100	(1,946,275)

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 as all financial assets and liabilities are denominated in Mauritian Rupees.

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. 121,633,871 (2015: Rs. 127,302,544) and there were no exposure to listed securities at fair value (2015: Rs. 46,057,180). A change of 10% in the price would have an impact of approximately Rs. 12,163,387 (2015: Rs. 17,335,972) on equity 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Since the Group trades only with 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 is the carrying amount which is disclosed in Notes 8 and 9.

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

Liquidity risk

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

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

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

	THE GROUP					
	On demand	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
June 30, 2016						
Interest bearing loans and borrowings	110,524,592	3,226,499	9,669,835	35,782,637	-	159,203,562
Trade and other payables	-	3,095,477	441,339	-	-	3,536,816
Dividend Payable	1,602,868	-	-	-	-	1,602,868
	112,127,460	6,321,976	10,111,174	35,782,637	-	164,343,246
June 30, 2015						
Interest bearing loans and borrowings	99,827,925	1,886,214	80,647,137	21,412,319	-	203,773,595
Trade and other payables	-	3,277,593	615,883	-	-	3,893,476
Dividend Payable	1,618,700	-	-	-	-	1,618,700
	101,446,625	5,163,807	81,263,020	21,412,319	-	209,285,771

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk management (Continued)

<i>Financial Liabilities</i>	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, 2016						
Interest bearing loans and borrowings	110,520,120	3,226,499	9,669,835	35,782,637	-	159,199,090
Trade and other payables	-	2,962,627	441,339	-	-	3,403,966
Dividend Payable	1,602,868	-	-	-	-	1,602,868
	112,122,988	6,189,126	10,111,174	35,782,637	-	164,205,924
June 30, 2015						
Interest bearing loans and borrowings	99,824,936	1,886,214	80,647,137	21,412,319	-	203,770,606
Trade and other payables	-	3,045,820	615,883	-	-	3,661,703
Dividend Payable	1,618,700	-	-	-	-	1,618,700
	101,443,636	4,932,034	81,263,020	21,412,319	-	209,051,009

Interest bearing loans and borrowings include future finance charges.

(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, 2016 and June 30, 2015.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Capital risk management

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

The Group manages their capital structure and make adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the years ended June 30, 2016 and June 30, 2015.

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 includes 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, 2016 and June 30, 2015 were as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs	Rs	Rs	Rs
Interest-bearing loans and borrowings	151,355,024	195,062,307	151,350,552	195,059,318
Cash at bank and on hand	(30,366)	(47,444)	(16,306)	(32,351)
Net debt	151,324,658	195,014,863	151,334,246	195,026,967
Equity	1,961,299,164	1,980,276,696	1,632,655,135	1,651,673,751
Net unrealised gains reserve	(101,460,876)	(126,088,248)	(101,460,876)	(126,088,248)
Total capital	1,859,838,288	1,854,188,448	1,531,194,259	1,525,585,503
Capital and net debt	2,011,162,946	2,049,203,311	1,682,528,505	1,720,612,470
Gearing ratio	8%	10%	9%	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 operating profit of the Group are as follows:

June 30, 2016

	Rental	Investment income (a)	Head office	Total
	Rs.	Rs.	Rs.	Rs.
Revenue	20,694,277	1,025,100	-	21,719,377
Depreciation	-	-	(572,357)	(572,357)
Operating profit	7,333,500	21,079,983	(4,941,984)	23,471,499
Gain on winding up of subsidiary				158,550
Finance costs				(13,661,919)
Profit before tax				9,968,130
Income tax expense				(690)
Profit for the year				9,967,440

(a) Investment income is received from available-for-sale investments.

June 30, 2015

	Rental	Investment income	Head office	Total
	Rs.	Rs.	Rs.	Rs.
Revenue	22,421,846	1,501,575	-	23,923,421
Depreciation	-	-	(725,185)	(725,185)
Operating profit	87,680,814	(7,213,028)	(10,965,662)	69,502,124
Finance costs				(15,139,318)
Profit before tax				54,362,806
Income tax expense				(95,759)
Profit for the year				54,267,047

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

June 30, 2016

	Rental	Investment income	Head office	Total
	Rs.	Rs.	Rs.	Rs.
Segment assets	1,861,562,836	257,192,127	297,432	2,119,052,395
Segment liabilities	154,891,840	1,602,868	1,258,523	157,753,231
Capital expenditure	1,441,384	-	310,713	1,752,097

21. SEGMENT INFORMATION (CONTINUED)

THE GROUP (CONTINUED)

June 30, 2015	Rental	Investment income	Head office	Total
	Rs.	Rs.	Rs.	Rs.
Segment assets	1,862,133,759	308,357,630	10,440,314	2,180,931,703
Segment liabilities	195,102,569	1,618,700	3,933,738	200,655,007
Capital expenditure	543,548	-	543,548	1,087,096

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.

22. RELATED PARTY DISCLOSURES

THE GROUP

	Nature of transaction	Interest income/ (interest expense)	Pension contribution	Amount owed to	Amount owed by
		Rs.	Rs.	Rs.	Rs.
June 30, 2016					
United Docks Superannuation Fund*	Pension contribution	-	(88,917)	(43,931)	-
June 30, 2015					
United Docks Superannuation Fund*	Interest on loan and pension contribution	(32,675)	(174,394)	-	-

* Related party relationship arises with common directorship in both United Docks Limited and United Docks Superannuation Fund.

22. RELATED PARTY DISCLOSURES (CONTINUED)

THE COMPANY

	Nature of transaction	Interest income/ (interest expense)	Pension contribution	Amount owed to	Amount owed by
		Rs.	Rs.	Rs.	Rs.
June 30, 2016					
Subsidiaries:					
UDL Investments Ltd	Dividend receivable and expenses paid on behalf	-	-	-	12,648,725
United Properties Ltd	Dividend receivable and expenses paid on behalf	-	-	-	734,059,616
United Docks (Overseas Investments) Ltd	Financing of acquisition of investment and expenses paid on behalf	-	-	-	128,158,986
		-	-	-	874,867,327
Other related parties:					
United Docks Superannuation Fund*	Pension contribution	-	(88,917)	(43,931)	-

(i) Included in dividend receivable and other expenses are:

	2016	2015	
	Rs.	Rs.	
Subsidiaries:			
UDL Investments Ltd	Expenses paid on behalf during the year	38,650	39,550
United Properties Ltd	Expenses paid on behalf during the year	101,850	71,800
United Docks (Overseas Investments) Ltd	Expenses paid on behalf during the year	74,400	445,800

22. RELATED PARTY DISCLOSURES (CONTINUED)

THE COMPANY

	Nature of transaction	Interest income/ (interest expense)	Pension contribution	Amount owed to	Amount owed by
June 30, 2015		Rs.	Rs.	Rs.	Rs.
Subsidiaries:					
UDL Investments Ltd	Dividend receivable and expenses paid on behalf	-	-	-	12,610,075
United Properties Ltd	Dividend receivable and expenses paid on behalf	-	-	-	731,378,753
United Docks (Overseas Investments) Ltd	Financing of acquisition of investment and expenses paid on behalf	-	-	-	128,084,586
Uptown Development Company Ltd	Expenses paid on behalf	-	-	-	172,075
					872,245,489
Other related parties:					
United Docks Superannuation Fund*	Interest on loan and pension contribution	(32,675)	(174,394)	-	-

For the financial year ended June 30, 2016, the Company assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2015: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the entity related party operates. Related party receivables are neither past due nor impaired. On the other hand, the inter-company balances are payable on demand and is interest free.

22. RELATED PARTY DISCLOSURES (CONTINUED)

KEY MANAGEMENT PERSONNEL COMPENSATION

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Salaries and short-term employee benefits	4,193,433	4,457,819	4,193,433	4,457,819
Severance allowance	-	1,675,956	-	1,675,956

- (i) Key management personnel includes executive directors and top level management personnel. The compensation includes short-term employee benefits only.
- (ii) United Docks Superannuation Fund is the pension fund of the company.

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. The interest-bearing loans and borrowings carrying amounts approximate fair value. They are allocated as level 2 items in the fair value hierarchy, with the significant input in determining fair value being the applicable interest rates. The technique used to determine the fair value is the discounted cash flow method.

24. COMMITMENTS

	THE GROUP
	2016
	Rs:000
United Docks Business Park (i)	55,000
Quay Heights (ii)	1,845,750
	1,900,750

- (i) United Docks Ltd is developing a business park in the heart of the capital city of Port Louis. The project will comprise of fully-fitted office spaces ranging from 20 sqm to 1,000 sqm available for long term and short term lease and 350 parking slots facilities. United Docks Business Park is expected to be operational in 2017.
- (ii) Quay Heights will be developed on an area of 53,000 square metres. The project will comprise of high-rise mixed-use development of Mauritius offering an interesting mix of commercial, medical, sports, wellness, leisure, office and residential amenities within a single iconic project. Quay Heights is an approved project by the Board Of Investment under the "Investment Promotion (Property Development Scheme) Regulations 2015".

24. COMMITMENTS (CONTINUED)

Operating lease commitments-Group as lessor

The Group has entered into operating leases on its investment property portfolio consisting of offices and warehouses. These leases have term between 1 and 2 years. The total rental revenue recognised as income during the year is Rs. 20,694,277 (2015: Rs. 22,421,486).

Future minimum rentals receivable under non cancellable operating leases as at 30 June are as follows:

THE GROUP	
2016	2015
Rs.	Rs.
Within one year	19,239,328
After one year but no more than two years	11,780,717
12,132,338	31,020,045
819,340	
12,951,678	

25. 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.

26. EVENTS AFTER REPORTING DATE

No material adjusting and non-adjusting events have arisen between the reporting date and the date the financial statements were approved.

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 Friday 02 December 2016 at 10.00 a.m. and at any adjournment thereof.

1. Proxy Form (Option 1)

I hereby appoint.....of.....

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

or the Chairperson as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company

to be held on Friday 02 December 2016 at 10.00 a.m. and at any adjournment thereof.

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

2. Postal Vote (Option 2)

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

Ordinary Business:

- | | | FOR | AGAINST | ABSTAIN |
|-----|--|--------------------------|--------------------------|--------------------------|
| 1 | To receive and adopt the annual report and financial statements of the Company and of the Group for the year ended 30 June 2016 and the report of the auditors thereon | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | To re-elect the following persons as directors of the Company to hold office until the next Annual Meeting (as separate resolutions): | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.1 | Mr I. Ibrahim Bahemia | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.2 | Mr M. H. Dominique Galéa | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.3 | Mr J. Alexis Harel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.4 | Mr M. Nadeem Lallmamode | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.5 | Mrs L. M. C. Michèle Lionnet | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.6 | Mr Nicolas M. E. Maigrot | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.7 | Mr Bhoonesh Pandea | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.8 | Mr K. H. Bernard Wong Ping Lun | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

Signed:

Date:

- If you wish to appoint a proxy (whether a member or not) to attend and vote in your stead, please tick the appropriate box how you wish to vote, sign and date in the space provided and return it to the Registered Office of the Company, Kwan Tee Street, Caudan, Port Louis on Thursday 01 December 2016 at 10.00 a.m. at latest. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.
- Proxy forms are available with the 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 SBM Fund Services Ltd, Level 3, State Bank Tower, 1 Queen Elizabeth II Avenue, Port Louis by Wednesday 23 November 2016 at 10.00 a.m. at latest
- Postal vote forms are available with the Manager at the Registered Office of the Company.



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