ANNUAL REPORT

2020

FINANCIAL YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

INTRODUCTION TO SHAREHOLDERS BY CHAIRPERSON

Dear shareholders,

The Board of Directors is pleased to present the Annual Report of United Docks Ltd (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended June 30, 2020.

This report was approved by the Board of Directors on 25 September 2020

M. H. Dominique Galea

Chairperson

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

M. H. Dominique Galea (Chairperson)
Ismael Ibrahim Bahemia
Nicolas Eynaud
Antoine Galea
J. Alexis Harel
Nadeem Lallmamode
L.M.C. Michele Lionnet
Nicolas Marie Edouard Maigrot
Mushtaq Oosman
K.H. Bernard Wong Ping Lun
Bhoonesh Pandea

CHIEF EXECUTIVE OFFICER

Bhoonesh Pandea

CORPORATE SECRETARY

ECS Secretaries Ltd
3rd floor, Labama House
Sir William Newton Street
Port Louis

AUDITOR

Deloitte
7-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity 72201
Ebene

REGISTRAR AND TRANSFER OFFICE

SBM FUND SERVICES LTD
Level 10, Hennessy Tower
Pope Hennessy Street
Port Louis

REGISTERED OFFICE ADDRESS

Kwan Tee Street
Caudan
Port Louis

UNITED DOCKS

Notice is hereby given that the Annual Meeting of the Shareholders of United Docks Ltd ('*the Company*') will be held on **Wednesday the 16th December 2020 at 10:00 a.m.** at United Docks Business Park, Caudan, Port Louis, to transact the following as ordinary business:

AGENDA

1) To consider the annual report and the report of the auditors, and to adopt the audited financial statements of the Company and of the Group for the year ended 30 June 2020

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

2.1 Mr. Nicolas Eynaud
2.2 Mr. Antoine Galea
2.3 Mr M. H. Dominique Galea
2.4 Mr J. Alexis Harel
2.5 Mr. Nadeem Lallmamode
2.6 Mrs L. M. C. Michèle Lionnet
2.7 Mr. Nicolas M. E. Maigrot
2.8 Mr. Mushtaq Oosman
2.9 Mr. Bhoonesh Pandea
2.10 Mr. K.H. Bernard Wong Ping Lun

3) In accordance with Section 138(6) of the Companies Act 2001, to re-appoint Mr. I. Ibrahim Bahemia as director of the Company to hold office from the date of this Annual Meeting of Shareholders until the next Annual Meeting of the Company.

4) Pursuant to section 41A of the Financial Reporting Act 2004, as amended, and in compliance with section 195 of the Companies Act 2001, to appoint Deloitte as auditors of the Company and to authorise the Board of Directors to fix their remuneration.

5) Shareholders' question time.

By order of the Board

ECS Secretaries Ltd
Secretary
Mrs Marie-Anne Adam

Dated this 11 November 2020

Notes:

1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of him and that proxy needs not be a member of the Company. A proxy form is herewith attached and is also available from the Registered Office of the Company.

2) Completed proxy forms should be delivered at the Registrar and Transfer Office, SBM Fund Services Ltd, Level 10 Hennessy Tower, Pope Hennessy Street, Port-Louis, by Tuesday the 15th December 2020 at 10:00 a.m. at latest.

3) As authorised by the Constitution of the Company, postal votes are permitted. The notice for casting a postal vote must be made in writing on the attached form and sent to the attention of the Registrar and Transfer Office (person authorised by the Board to receive and count postal votes), SBM Fund Services Ltd, Level 10 Hennessy Tower, Pope Hennessy Street, Port-Louis at latest on Monday the 14th December 2020 at 10:00 a.m., and in default, the notice of postal vote shall not be treated as valid. A form for postal vote is herewith attached and is also available from the Registered Office of the Company.

4) 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 Tuesday the 17th November 2020.

5) Duly signed minutes of the annual meeting held on 19 December 2019 are available for consultation by the shareholders at the Registered Office of the Company.

Special measures due to the COVID-19 pandemic:

Reference is made to Practice Direction (No. 5 of 2020) pursuant to Section 20A of The Companies Act 2001 and to the communiqué issued by the Financial Services Commission dated 21 July 2020 and the Stock Exchange of Mauritius Ltd dated 22 July 2020:

- *The Annual Report 2020 is available on the Company's website: www.uniteddocks.com*
- *A copy of the Financial Statements for the year ended 30 June 2020 can be requested by the shareholders by email to the following address: contact@uniteddocks.com or by telephone on 212 3261; and same shall be sent by email or any other electronic means acceptable to the shareholder.*
- *The shareholder shall retain his right to receive a hard copy of the Annual Report 2020 at any time upon request.*

Arrangements will be made to be in conformance with the prevailing sanitary measures for the holding of this Annual Meeting of the Shareholders.

CHAIRPERSON'S STATEMENT

I am pleased to present the Annual Report of United Docks Ltd (UDL) and its subsidiaries for the year ended 30 June 2020.

The year under review has been very challenging with Covid-19 and other exceptional events that have affected the country. However, the business of UDL has shown strong resilience reflected in increasing revenue.

RESULTS

For the financial year ended 30 June 2020, despite the extremely difficult context, revenue of the Group increased from Rs 55.9 Million to Rs 56.9 Million. The expenses of the Group declined from Rs 70.3 Million to Rs 53.8 M. The expenses of Rs 53.8 Million includes an exceptional item of Rs 17 Million paid for the relocation of tenants in Trou Fanfaron so that UDL can unlock a new parking project in Trou Fanfaron.

The Group realized an operating profit of Rs 3.1 Million compared to a loss of Rs 14.4 Million last year. There was no gain realised in fair value of properties during the year under review.

The Group incurred a loss of Rs 16.4 Million for the year, compared to a profit of RS 16.4 Million for the year ended June 2019, which was mainly attributable to an increase in fair value of investment properties.

The Board does not recommend the payment of dividends for the year under review.

PROPERTY RENTAL ACTIVITIES

The income from property rental increased substantially by 34% during the year under review from Rs 26.4 M to Rs 35.4 M, mainly due to improved occupancies and new rental contracts signed. I am happy to report that the occupancy rates increased from 90% in June 2019 to 94% in June 2020. The Gross Lettable Area (GLA) are also increased from 15,796 sqm to 16,666 sqm.

In the same perspective, property management income increased by more than 45% from Rs 3.1 Million to Rs 4.5 M.

PARKING ACTIVITIES

Revenue from parking increased by 8% from Rs 8.1 Million to Rs 8.7 Million. However, occupancy rates fell from 96% in June 2019 to 82% in June 2020 due to the impact of Covid-19. However, as business is gradually getting back to normal, occupancy rates are also increasing. UDL expects to reach full occupancy before the end of the financial year.

RIGHTS ISSUE

To support the strategic expansion of UDL as a leading real estate developer, the Board has approved a Rights issue of Rs 300 Million. UDL has obtained all approvals from regulatory

CHAIRPERSON'S STATEMENT

authorities for the Rights Issue. However, UDL could not proceed with the Rights issue due to the confinement related to Covid-19 and has requested for an extension from the regulatory authorities and the same has been accepted. UDL is now proceeding with the Rights Issue and the closure of the Rights issue is scheduled for 22 December 2020.

NOTE PROGRAMME

To further support the long-term expansion plans of UDL, the Board has on 6 May 2020 approved the implementation of a Note Programme of Rs 750 Million by way of private placement. The Note Programme was approved by the shareholders on 11 August 2020. The purpose of the Note Programme is to restructure existing debts of the company and to finance the development of a new office tower in Caudan.

THE DOCKS PROJECT

UDL has been issued a Building and Land Use Permit for the construction of an office complex of four towers with a total Gross Building Area of 28,000 sqm, known as "The Docks" project. The Docks project will be implemented in four phases. The first Phase of the project is expected to start in November 2020 and be completed in the first quarter of 2022. The Docks will be an intelligent building complex with modern architectural and technological features designed for companies operating in financial and technology sectors.

PARKING PROJECT IN TROU FANFARON

UDL is the pioneer of Park and Ride services in Mauritius with an existing capacity of 600 parking bays with full-day shuttle facilities to Port Louis City centre. UDL is now looking at further increasing its footprint by developing a second Park and Ride facility with 800 additional parking bays in Trou Fanfaron. Construction of the parking is expected to start by end of 2020 and the facility is expected to be operational by the second quarter of 2021.

WAY FORWARD

The activities of UDL have shown strong resilience despite the difficult context of Covid-19.UDL will pursue with its strategy to consolidate its position as a leading real estate developer in the capital city by offering world-class office and parking infrastructure to companies and professionals.

UDL will further consolidate its activities and come up with innovative projects that are adapted to the current market requirements and to create value for its shareholders.

I would like to conclude by thanking my fellow members of the Board and the staff of United Docks for their unfailing support and commitment.

Yours sincerely,
M.H. Dominique Galea
Chairman

BOARD OF DIRECTORS

M.H. Dominique GALEA

Date of Birth: 3rd November 1952

Date of Appointment: 17th October 2006

Qualification: Hautes Etudes Commerciales (HEC)

Current Status: Non-Executive Chairperson

Skills and Experience: Mr Galea 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.

Board Committee membership: Chairman of the Corporate Governance Committee

Directorships in other listed companies: Forges Tardieu Limited, MUA Ltd, Ascencia Limited

Resident of Mauritius

Ismael Ibrahim BAHEMIA

Date of Birth: 22nd September 1947

Appointment: 9th May 2012

Qualification: Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW)

Current Status: Independent Non-Executive Director

Skills and Experience: Mr Bahemia is 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.

Board Committee Membership: Audit & Risk Committee and Corporate Governance Committee member

Other Directorships in other listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS

Nicolas EYNAUD

Date of Birth: 15th March 1967

Appointment: 21st April 2017

Qualification: National Diploma in Land Surveying (South Africa)

Current status: Non-Executive Director

Skills and Experience: Mr Eynaud started his career in 1991 at SDDSR (Land Surveyors), where he became a partner in 1995. There, he was involved in an extensive range of projects for the island's major estates and corporate bodies, in the fields of building, engineering and cadastral surveying. In 2001 he joined Espral, a service company providing full land management & commercial support to all land-based assets owned by the ENL Group. He was appointed General Manager of Espral in 2009, a position which he held until 2013. After spending some two years as Group Property Manager at Compagnie de Beau Vallon, Nicolas Eynaud joined Terra Mauricia Ltd in January 2016 as Real Estate Development Executive. He is presently the General Manager of Novaterra, the real estate arm of the group.

Board Committee membership: None

Other Directorships in other listed companies: None

Resident of Mauritius

Antoine GALEA

Date of Birth: 16th October 1986

Appointment: 22nd June 2017

Qualification: Bachelor of Business & Administration in Marketing & Finance.

Current status: Non-Executive Director

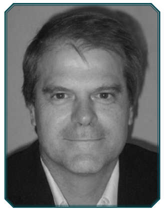
Skills and Experience: Mr Galea, born in 1986, is Managing Director at Watertech Ltd. Before joining Rey & Lenferna, he occupied from 2012 to 2016 various positions at Labelling Industries Ltd, Berque Ltée and Narrow Fabrics Ltd, such as Operations Manager, Sales Manager and Supply Chain Manager. Mr Galea also worked for Ernst and Young Mauritius in the Audit team from 2009 to 2012.

Board Committee membership: None

Other Directorships in listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS



J. Alexis HAREL

Date of Birth: 26th April 1962

Date of first Appointment: 17th October 2010

Current Status: Non-Executive Director

Qualifications: Bachelor Degree in Business Administration (Accounting)

Skills and Experience: Mr Harel started his career in the audit department of De Chazal du Mée, Chartered Accountants, and then occupied managerial positions in the industrial sector and participated in setting up the first BPO (Business Process Outsourcing) company in Mauritius where he was Managing Director. He joined Grays & Co Ltd in 1992 and presently occupies the position of Managing Director.

Board Committee Membership: Audit & Risk Committee member

Directorships in other listed companies: Terra Mauricia Ltd

Resident of Mauritius

Nadeem LALLMAMODE

Date of Birth: 30th March 1980

Date of first appointment: 23rd September 2015

Qualifications: Law Degree- University of Wolverhampton
Masters Degree in International Commercial Law
University of Nottingham Bar at Law

Current Status: Independent Non-Executive Director

Skills and experience: 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 has also lectured in company law, insolvency and bankruptcy for the Law Practitioners Vocational Course.

Board Committee membership: None

Directorships in other listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS

L.M.C. Michele LIONNET (Mrs)

Date of Birth: 5th March 1953

Date of first appointment: 29th December 2006

Qualifications: Diploma in Business Management University of Surrey (UK)

Current Status: Independent Non-Executive Director

Skills and Experience: Mrs Lionnet 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.

Board Committee membership: Corporate Governance Committee member

Directorships in other listed companies: None

Resident of Mauritius

Nicolas Marie Edouard MAIGROT

Date of Birth: 15th March 1968

Date of first appointment: 1st January 2016

Current Status: Non-Executive Director

Qualifications: Degree in Management Sciences (LSE)

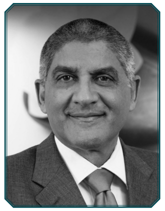
Skills and Experience: Mr Maigrot holds a degree in Management Sciences from the London School of Economics and Political Sciences. He is presently the Managing Director of Terra Mauricia Ltd. He has acquired, during his career, a rich experience at executive levels. He operated in various manufacturing industries, as well as in the areas of finance and services. Throughout his career, he had various leadership positions such as Chief Executive Officer of Ciel Textile Ltd and Ireland Blyth Limited.

Board Committee membership: None

Directorships in other listed companies: Swan General Ltd, Terra Mauricia Ltd

Resident of Mauritius

BOARD OF DIRECTORS



Mushtaq OOSMAN

Date of Birth: 8th October 1954

Appointed: 22nd June 2017

Qualification: Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW)

Current Status: Independent Non-Executive Director

Skills & Experience: Mr Oosman was a Partner in PwC Mauritius since 01 July 1991. He was Assurance Partner and responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. He has served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board. He has over 25 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading. Mr. Oosman trained and qualified as a Chartered Accountant with Sinclairs in the UK. He joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius) and have been with PwC since then.

Board Committee Membership: Audit & Risk Committee Chairman

Other Directorships in other listed companies: ENL Land Ltd, MUA Ltd, Automatic Systems Ltd

Resident of Mauritius

K.H. Bernard WONG PING LUN

Date of Birth: 9th March 1955

Appointed: 17th October 2006

Qualifications: B.Sc (Econ), FCCA

Current Status: Non-Executive Director

Skills and Experience: Mr. Wong is currently the Financial Director of a number of private companies.

Board Committee Membership: Audit & Risk Committee Member

Other Directorships in other listed companies: Forges Tardieu Limited

Resident of Mauritius

BOARD OF DIRECTORS

Bhoonesh PANDEA

Date of Birth: 29th November 1979

Date of Appointment: 1st February 2015

Qualification: BA (Hons) Economics (University of Delhi)
Msc E-Business (University of Mauritius)
Fellow of the Association of the Chartered Certified Accountants (FCCA)
Advanced Management Programme (ESSEC)

Current Status: Executive Director

Skills and Experience: Mr Pandea started his career in the banking sector and worked for HSBC and Barclays Bank, prior to joining Board of Investment (BOI), the national investment promotion agency of Mauritius (now known as Economic Development Board), where he worked for more than 12 years and occupied the position of Senior Director. Bhoonesh was appointed CEO of United Docks Ltd in February 2015. He holds a BA (Hons) Economics, an Msc E-Business and he is a fellow of Association of Chartered Certified Accountant and a member of the Mauritius Institute of Professional Accountants. He has also followed an Advanced Management Programme from ESSEC Business School.

Board Committee membership: None

Directorships in other listed companies: None

Resident of Mauritius

MANAGEMENT TEAM PROFILE

Chief Executive Officer

Skills and Experience: Mr Pandea started his career in the banking sector prior to joining Board of Investment (BOI), the national investment promotion agency of Mauritius, where he worked for more than 12 years and occupied the position of Senior Director. He has also followed an Advanced Management Programme from ESSEC Business School and is a member of the Mauritius Institute of Professional Accountants.

Head of Finance

Skills and Experience: Mrs Anju Goburdhun Loday is a member of ACCA and also holds a Master in Business Administration (risk management) from University of Wales. She is a member of the Mauritius Institute of Professional Accountants. Prior to joining the Company, she was the accountant of a telecommunication company.

Project Executive

Skills and Experience: Mr Jerry Luke Manikam joined United Docks Ltd in 2018. He is the Project Executive responsible for all aspects of property management at United Docks. He holds a Bsc (Hons) Civil Engineering from University of Mascareignes.

COMPANY INFORMATION

United Docks Ltd (the "Company"), incorporated in the Republic of Mauritius on 1st October 1991, is a Public Interest Entity ("PIE") as defined by the Financial Reporting Act 2004 and is listed on the Official Market of the Stock Exchange of Mauritius with a diverse shareholding of more than 1,600 members. The Company has two wholly owned subsidiaries, namely United Properties Ltd and UDL Investments Ltd (the 'Group'). As at 30 June 2020, the Group had 23 employees.

Its registered office is situated at United Docks Business Park, Caudan, Mauritius.

The Corporate Governance Report includes Other Statutory Disclosures pursuant to Section 221 of the Mauritius Companies Act 2001.The Board is aware of its responsibilities for applying and implementing within the Company the eight principles contained in the National Code of Corporate Governance (2016). The Board is committed to attaining and sustaining the highest standards of Corporate Governance with the aim of creating long-term value for the shareholders and stakeholders at large.

COMPANY'S PHILOSOPHY

The Company is committed to the conduct of business practices that display characteristics of good corporate governance. Business integrity, transparency, independence, accountability, fairness and professionalism are key values of the Company. It ensures that its organisation and operations are managed ethically and responsibly to enhance business value for its shareholders and other stakeholders such as suppliers and the public at large.

1. GOVERNANCE STRUCTURE

1.1. Role and Function of the Board

The Board structure of United Docks Ltd is a unitary Board.

The Board is responsible for the stewardship of the Company, overseeing its conduct and affairs to create sustainable value for the benefit of its stakeholders. It acknowledges its responsibility for leading and controlling the Company, ensuring that strategic direction and management structure are in place and assumes responsibility for meeting legal and regulatory requirements. The board has approved a statement of accountabilities for the Directors and all of them are aware of their legal responsibilities. Its principal functions also include the following:

- Protecting and enhancing shareholders' value by identifying and monitoring key risks areas and key performance indicators;
- Approving such acquisition and disposal of assets as appropriate;
- Exercising leadership, enterprise, intellectual honesty, integrity and judgement in directing the Company so as to achieve sustainable prosperity for the Company;
- Reviewing and evaluating present and future opportunities, threats and risks in the external environment, and current and future strengths, weaknesses and risks relating to the Company;
- Determining strategic options, selecting those to be pursued, and resolving the means to implement and support them;
- Determining the business strategies and plans that underpin the corporate strategy;
- Ensuring that the Company's organisational structure and capabilities are appropriate for implementing the chosen strategies;
- Delegating such authority and power to management as may be deemed appropriate and monitoring and evaluating the implementation of policies, strategies and business plans;
- Overseeing information governance within the Group and ensuring that information assets are managed effectively;
- Communicating with senior management;
- Ensuring that communications both to and from shareholders and relevant stakeholders and all strategic partners are effective; and
- Understanding and taking into account the interests of shareholders and relevant stakeholders in policy and strategy implementation.

1. GOVERNANCE STRUCTURE (CONTINUED)

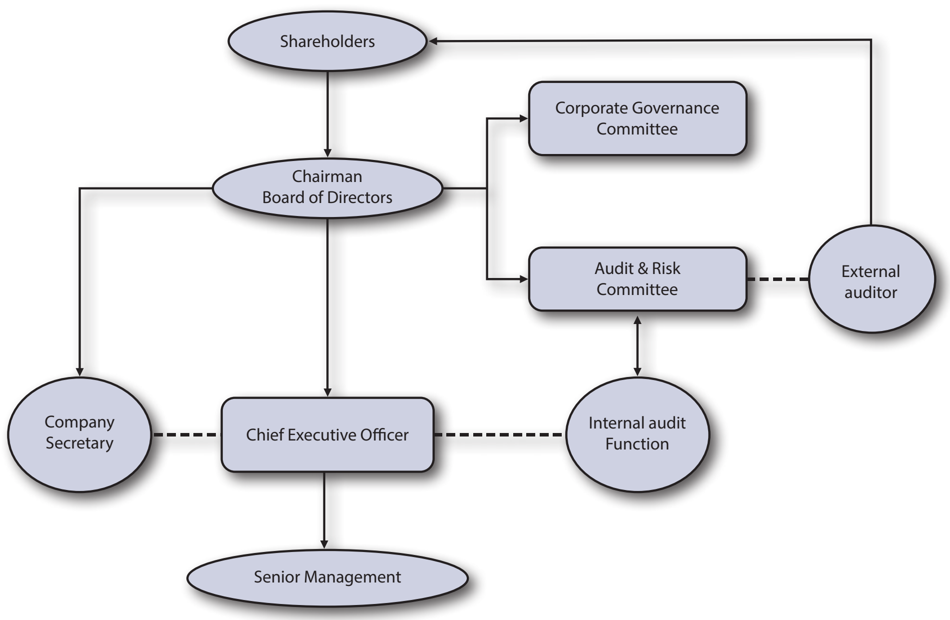
1.2. Charters and Code of Ethics

The Board is committed in doing business within high standards of conduct and ethical behaviour and has approved its charter, the organisation's Code of Ethics as well as a Code of Ethics for directors.

1.3. Organisational Chart and Statement of Accountabilities

The Company operates within a defined governance framework with clear lines of authority, accountability and responsibility as illustrated in the chart below.

The Board has approved the positions statements for the Key Governance positions of the Chairman, the Chief Executive Officer (CEO) and the Company Secretary, as well as the Organisational Chart as hereunder:



1.4. Role & Function of the Chairperson

Mr Dominique Galea is the Chairperson of the Company. The Chairperson has no executive or management responsibilities and acts as Chairperson of the Board and of Shareholders' meetings. The Board has ensured that the Chairperson commits sufficient time to carry out his duties and responsibilities effectively.

The Chairperson's primary function is to:

- Preside over the meetings of directors and ensure the smooth functioning of the Board in the interests of good governance;
- Provide overall leadership and encourage active participation of all directors;
- Ensure that all the relevant information and facts are placed before the Board to enable the directors to reach informed decision, and maintain sound relations with the Company's shareholders;
- Advise and provide support and supervision to the CEO; and
- Ensure that committees are properly structured with appropriate terms of reference.

1.5. Role & Function of the Chief Executive Officer (CEO)

Mr Pandea is the CEO of the Company. The Chief Executive Officer is responsible for the implementation of the board strategy and policy with respect to the Company's business. The Chief Executive Officer reports to the board of directors. He sits on the board of directors .

The Chief Executive Officer's function also include the following duties:

- Manages the day-to day operations
- Develops and execute the plans and strategy of the business in line with the policies set by the Board
- Consults regularly with the Chairman and Board on matters which may have a material impact on the Group
- Acts as a liaison between Management and the Board
- Provides leadership and direction to senior management
- Ensures the Group has implemented the necessary frameworks and structure to identify, assess and mitigate risks

1.6. Role of the Non-Executive & Independent Non-Executive directors

The non-executive and the independent non-executive Directors make a significant contribution to the functioning of the board, thereby ensuring that no one individual or group dominates the decision-making process.

The Director's function also includes the following duties:

- Contributes to the development of the Group Strategy
- Analyses and monitors the performance of Management against the set objectives
- Ensures that the Group has adequate and proper financial controls and systems of risk management

COMPANY'S PHILOSOPHY (CONTINUED)

1. GOVERNANCE STRUCTURE (CONTINUED)

1.6. Role of the Non-Executive & Independent Non-Executive directors (Continued)

- Participates actively in Board decision-making and constructively challenge, if necessary proposals presented by Management.
- Provide specialist knowledge and experience to the Board

1.7. Role and Function of the Company Secretary

The Company Secretary to the Board and its Committees is ECS Secretaries Ltd having its registered office address at 3rd Floor, Labama House, Sir William Newton Street, Port Louis. This company is an independent provider of company secretarial services since more than two decades, and employs fully qualified secretaries from the Chartered Institute of Chartered Secretaries to fulfil its duties as Company Secretary in accordance with qualifications required by the Companies Act 2001. The role of the Company Secretary has been defined in a Position Statement as approved by the Board of Directors.

2. STRUCTURE OF BOARD AND COMMITTEES

2.1. Board

The Company's constitution stipulates that the Board shall consist of a minimum of six and a maximum of fifteen directors. As at 30 June 2020, the Board comprises of one executive director, six non-executive directors and four independent non-executive directors of whom one is a woman. The directors come from diverse business backgrounds and the board considers that it possesses the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company.

The majority of directors does not have a relationship with the majority substantial shareholders.

Although the Code of Corporate Governance for Mauritius recommends having at least 2 executive Directors, the Board considers that the presence of one executive director is adequate for the Company's operations considering the Company's scale and complexity of operations.

The Board Charter stipulates that composition of the Board shall include at least one executive director, two independent directors and gender balance with at least one woman director.

The profiles of the Directors are disclosed on pages 7 to 12 of the Annual Report.

The Board meets on quarterly basis and at such ad hoc times as may be required. For the year under review, the Board has met five times.

It has performed its duties and considered matters relevant to the development of the business, strategic orientation, key transactions of relevance to the Company.

2. STRUCTURE OF BOARD AND COMMITTEES (CONTINUED)

All directors receive timely information in the form of board packs so that they participate effectively in decisions and discussions at board meetings.

2.2. Directors' Attendance at Meetings for period 1st July 2019 to 30th June 2020

The table below shows the Directors of the Company and their attendance at meetings for the year ended June 30, 2020. It also shows their direct and indirect interests in the share capital of the Company as at June 30, 2020.

Name	Date of Appointment	Attendance at meetings			Interest in shares			
		Board	Audit Committee	Corporate Governance Committee	Direct		Indirect	
					No of shares	% holding	No of shares	% holding
		5	4	2				
Directors in office								
M. H. Dominique Galea	17.10.06	5/5		2/2	8,200	0.08	2,504,088	23.71
Ismael Ibrahim Bahemia	09.05.12	5/5	4/4	2/2			520	0.00
Nicolas Eynaud	21.04.17	4/5						
Antoine Galea	22.06.17	4/5						
J. Alexis Harel	17.10.06	3/5	2/4					
M. Nadeem Lallmamode	23.09.15	4/5						
L. M. C. Michele Lionnet	29.12.06	2/5		0/2	86,876	0.82	770	0.00
Nicolas M. E. Maigrot	01.01.16	4/5						
K. H. Bernard Wong Ping Lun	17.10.06	4/5	3/4					
Mushtaq Oosman	22.06.17	4/5	3/4		4,700	0.05		
Bhoonesh Pandea	01.02.15	5/5			900	0.00		

During the period 1st July 2019 to 30th June 2020, share dealing by directors and their associates were as follows:

BOARD OF DIRECTORS	Acquired	Disposed of
Bhoonesh Pandea	900	

2.3 Directors of the subsidiaries as at 30 June 2020

The names of the directors within the Group are as follows:

	United Properties Ltd	UDL Investments Ltd
M. H. Dominique Galea	✓	✓
K. H. Bernard Wong Ping Lun	✓	-
Nicolas Maigrot	✓	✓
J. Alexis Harel	✓	-
Bhoonesh Pandea	✓	-

2. STRUCTURE OF BOARD AND COMMITTEES (CONTINUED)

2.4. Board Committees

The Board delegates certain roles and responsibilities to its Audit & Risk and Corporate Governance Committees.

The Board is satisfied that the committees are appropriately structured and sufficiently competent.

The committees, which are set out below, meet regularly under terms of reference approved by the board. The chairman of each committee has the responsibility to report to the board regarding all decisions/recommendations and matters arising at committee meetings. The committees may from time to time seek independent professional advices which are then approved by the board.

2.4.1. Corporate Governance Committee

Membership of the Corporate Governance Committee as at 30 June 2020

NAME OF DIRECTOR	NO. OF MEETINGS	TYPE OF DIRECTOR
M.H.Dominique Galea (Chairman)	3	Non-Executive Director
L.M.C.Michèle Lionnet		Independent Non-Executive Director
Ismael Ibrahim Bahemia		Independent Non-Executive Director
Regular attendees by invitation		
Chief Executive Officer		

Main Duties of the Corporate Governance Committee

The main duties and responsibilities of the Corporate Governance Committee encompass the Remuneration Committee and Nomination Committee. Its duties include namely:

- Determining, agreeing and developing the Company's general policy on executive and senior management remuneration.
- Determining specific remuneration packages for executives and directors of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, pensions and other benefits.
- Determining the level of the non-executive and independent non-executive director's fees.
- Aiming to give the executive director every encouragement to enhance the Company's performance and to ensure that they are fairly rewarded for their contributions and performance.
- Being responsible to ascertain whether the new director is fit and proper and not disqualified from being a director.
- Ensuring that the board has a right balance of skills, expertise and independence.
- Making recommendations on the composition of the board.
- Ensuring that the potential new director is fully cognizant of what is expected from a director.
- Ensuring that the right candidates are chosen to assume executive and senior management responsibilities.

2. STRUCTURE OF BOARD AND COMMITTEES (CONTINUED)

2.4.1. Corporate Governance Committee (Continued)

- Determining, agreeing and developing the Company's general policy on corporate governance in accordance with the Code of Corporate Governance of Mauritius.
- Ensuring that a succession planning does exist in respect of the Chief Executive Officer.
- Appointing independent advisors and professionals as it deems necessary to carry out its duties.
- Having unrestricted access to any employee and information relevant to the performance of its duties.

The Committee met two times during the year.

2.4.2. Audit & Risk Committee

Membership of the Audit and Risk Committee as at 30 June 2020

NAME OF DIRECTOR	NO. OF MEETINGS	TYPE OF DIRECTOR
Mushtaq Oosman (Chairman)	3	Independent Non-Executive Director
Ismael Ibrahim Bahemia		Independent Non-Executive Director
J Alexis Harel		Non-Executive Director
K.H. Bernard Wong Ping Lun		Non-Executive Director
Regular attendees by invitation		
Chief Executive Officer		
Head of Finance		

Main Duties of the Audit & Risk Committee

The primary objective of the Audit & Risk Committee is to provide the Board with assurance regarding accounting, auditing, internal control and financial matters together with their associated risks and includes:

- Reviewing and recommending to the Board, for approval, the audited consolidated and financial statements and the abridged audited consolidated results as at June 30 (the end of the financial year), as well as the unaudited quarterly abridged consolidated financial statements for publication in accordance with the Securities Act 2005;
- Evaluating the work of the external auditors; agree on accounting principles and disclosures after discussions with the external auditors;
- Ensuring that significant adjustments, unadjusted differences, disagreements with Management and management letters are discussed with the external auditors;
- Reviewing the contents of the annual report before its release;
- Reviewing and discussing with Management the recommendations made by the external auditors and their implementation;

2. STRUCTURE OF BOARD AND COMMITTEES (CONTINUED)

2.4.2. Audit & Risk Committee(Continued)

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up of any fraudulent acts and/or non-compliance;
- Overseeing the Company's compliance with legal and regulatory provisions, its Constitution, Code of Ethics, by-laws and any rules established by the Board;
- Identifying any significant issues in relation to the financial statements and how these issues were addressed; and
- Making recommendations to the Board as regards the appointment or reappointment of the external auditor.

The Audit Committee met four times during the year.

The external auditors have unrestricted access to the records, to management and employees of the Company.

On the 25 September 2019, the Board has appointed Mr Mushtaq Oosman as additional member and Chairman of the Audit & Risk Committee, in replacement of Mr Ismael Bahemia. Mr Ismael Bahemia remains a member of the Audit and Risk Committee.

Board has decided to review Board and Committees' charter every three years upon recommendation of the Corporate Governance, Nomination and Remuneration Committee.

3. DIRECTORS' APPOINTMENT PROCEDURES

According to the Constitution of the Company, directors may be appointed by:

- Directors' resolution to fill a casual vacancy or to increase the number of directors up to the maximum number allowable by the Constitution. The newly appointed director shall hold office only until the next following Annual Meeting and shall be eligible for re-election.
- Shareholders' ordinary resolution.
- Moreover, to be in line with the National Code of Corporate Governance, the Board has adopted a Nomination Policy which define the election and re-election processes:
- Directors are appointed on a yearly basis at the annual meeting of shareholders. Each director is elected by a separate resolution.

3.1. Induction and Professional Development

New Directors receive a formal and tailored induction on joining the Board, including meetings with senior management and visits to the company's operational locations. The Board recognizes the importance of on-going professional development and training to sustain an effective, well informed and functional Board. They are also made aware of their responsibilities and legal duties.

3. DIRECTORS' APPOINTMENT PROCEDURES (CONTINUED)

3.2. Succession Planning

The Corporate Governance Committee has considered a set of criteria for the selection of prospective directors and key employees in view of the needs and strategic orientations of the Group, alongside considering gender diversity in its assessment. These, amongst others, relate to their knowledge base, competencies, experience, time commitment, ethics and values which provide the basis for assessing prospective successors for the Board and key employees. The Board of Directors assumes responsibility for of having a succession planning. The Board will endeavour to implement a formal succession plan in the near future.

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

Directors are made aware of their legal duties in the induction program they benefit on first appointment. The Board Charter includes a summary of legal duties under various relevant enactments.

Each director ensures that no decision or action is taken that places his interests in front of the interests of the business. The Company operates a process whereby each board member is required to disclose any actual or potential conflicts of interests.

During the financial year ended 30 June 2020, apart from the disclosures made under paragraph 2.2, no entries had been made in the Register of Directors Interests.

4.1 Conflict of Interest and Related Party Transaction

Directors inform the Company whenever they are interested in a transaction. The Company Secretary keeps a register of Directors' interests and ensures that the latter is updated regularly. The register is available to the shareholders upon written request to the Company Secretary.
Conflicts of Interests and Related Party Policy, as approved by the Board, provide clear guidance on procedures to follow when any occurrence that may lead to a conflict of interest arises.
In line with the Model Code for Securities Transaction by Directors of Listed Companies (Appendix 6 of Listing Rules of SEM), the Board has approved a Share Dealing Policy which is applicable to directors and senior management. Declarations made by directors are entered in the Register of Interests which is maintained by the Company Secretary.

Directors' interest in the shares of the Company are disclosed on page 18 of the report.

Related party transactions are set out in Note 22 of the Annual Financial Statements.

4.2. Remuneration Philosophy

The Corporate Governance Committee has the responsibility for reviewing the remuneration of key executives. The level of remuneration is based on market trend and is reviewed on a regular basis.

4.3. Directors' Remuneration

Remuneration received by the non-executive directors from the Company for the year was Rs. 890,625 (2019: Rs. 978,125). Remuneration paid to each individual director has not been disclosed as this information is considered sensitive.

The directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

4.4. Board Evaluation

The Board has set up process for conducting the evaluation of the Board, individual directors and committee performance. Directors grade areas such as the performance of the Board, the directors, its Committees, the effectiveness of the Chairman, Executive and Non-executive Directors.

The last Board evaluation was carried out by an external consultant in May 2018 and the evaluation method employed by the latter involved the use of questionnaires and interviews. Board has decided to conduct an evaluation every three years.

4.5. Information Technology and Information Security

The Company has a defined policy with regards to information, information technology and information security. It closely monitors and evaluates significant expenditure on Information Technology on a regular basis. The Company's website (http://uniteddocks.com/) contains more information about investors relations, shareholding and governance.

5. RISK MANAGEMENT, INTERNAL CONTROL & INTERNAL AUDIT

5.1. Risk Management Function

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.

The Board is considering outsourcing the internal audit function in view of further reinforcing controls and also the forthcoming projects.

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

- Reviewing adequacy of corrective action taken in response to internal control weaknesses identified.
- Ensuring the maintenance proper and appropriate accounting records.

5. RISK MANAGEMENT, INTERNAL CONTROL & INTERNAL AUDIT (CONTINUED)

5.1. Risk Management Function (Continued)

- Ensuring the maintenance of a comprehensive system of financial reporting and forecasting.
- Safeguarding the Group's assets against unauthorised use of disposal.
- Establishing an organisational structure with clearly-defined levels of authority and division of responsibilities. The organisational structure is available on the Company's website.
- Meeting the Chief Executive Officer and heads of departments to review all operational aspects of the business and risk management systems.

Management regularly submits a risk map to the Audit & Risk committee for review, and reporting to the Board. Management also assists the Board in implementing, operating and monitoring the internal control systems which manage the risks of calamities and failure to achieve business objectives, and provide reasonable but not absolute safeguards against material misstatements or losses. The systems of internal controls put in place by management include:

- the maintenance of proper accounting records;
- the implementation of the policies and strategies approved by the Board;
- the regular assessment of specific risk managements such as – market risks, credit risks, liquidity risks, operation risks, commercial risks, technological risks, compliance risks and human resource risks; and
- the overseeing and reviewing on an ongoing basis of the risks associated with occupational health and safety, as well as environmental issues.

The Audit & Risk Committee also identified the following major risks:

- Interest risks – the risk that the value of a financial instrument will fluctuate because of changes in market interest rate
- The Audit and Risk Committee regularly requests management to benchmark the interest rates prevailing in the market and work toward restructuring of the debt of the company to minimize finance costs.
- Currency risk – the risk that the value of a financial instrument will fluctuate due to an exposure to changes in foreign exchange
- United Docks does not deal in foreign currency. All rental agreements as well as debts are in Mauritian Rupees. Therefore the company is not exposed to currency risk.
- Price risk – the risk that the value of a financial instrument will fluctuate as a result of changes in market prices
- UDL continuously readjusts its strategy to ensure a competitive pricing in line with market offering.
- Credit risk – the risk that customers default on payment
- The Audit and Risk Committee ensures that there are tight credit control procedures in place to ensure that there are not long ageing debtors. Furthermore, the Audit and Risk Committee ensures that all covenants of the bank are strictly adhered to.
- Treasury risk – the risk that the group is faced with cash flow pressure
- Management submits cash flow projections which are scrutinized and assessed by the Audit and Risk Committee to ensure that the is no foreseeable cash flow pressure.

RISK	RISK DESCRIPTION	RISK MITIGATION
Business risk	Tenants may not settle rental payments in time or due to legal disputes. Company highly dependent on few tenants	Close monitoring of rental dues. Review of rental agreements to ensure that terms and conditions are adequate. Monitoring of court cases. Diversify clients portfolio.
Interest Rate risk	Interest rate changes could affect the financial performance of an entity	Renegotiate loan interest with banks.
Liquidity	Inability to raise funds to meet financial commitments	Close monitoring of debtors. Ensure having enough overdraft facilities with bank.
Strategic risk	Delay in the realisation of projects. Limited capital resources	Close monitoring of projects. Align strategic plan with market trends. Negotiate credit facilities with banks.
Regulatory risk	The risk that changes in legislation or regulations can impact negatively on the Group's operations	Close monitoring of changes in legislation or regulations and review business plans accordingly.

6. REPORTING WITH INTEGRITY

The directors reaffirm their responsibility for preparing the annual report including the annual financial statements in compliance with International Financial Reporting Standards and the Companies Act 2001, and considers the annual report, taken as a whole, fair balanced and understandable. The Board confirms its commitment in providing therein necessary information for shareholders and stakeholders to assess the Group's position, performance and outlook.
The annual report for financial year ended 30 June 2020 will be published on the Company's website.

6.1. Social, Safety, Health and Environmental policies

The Company had started the implementation of social, safety, health and environmental policies and practices that comply with existing legislative and regulatory frameworks.

The Company has decided to appoint a part-time qualified Safety and Health Officer who will be responsible to ensure compliance and who will carry out regular risk assessments. Safety and Health committees will be held every two months. Regular training sessions, both in-house and outsourced, will also be provided to ensure that health and safety culture prevails within the Company and to inform employees of its importance in the workplace.

The Company operates its day-to-day business activities in line with green, environmentally-friendly and energy-saving principles.

6. REPORTING WITH INTEGRITY (CONTINUED)

6.2. Code of Ethics

The Company has adopted a Code of Ethics, approved by the Board of Directors, and is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Company ensures that all staff members are aware of the code. Adequate grievances and disciplinary procedures are in place to enable enforcement of the Code of Ethics. The Board regularly monitors and evaluate compliance with its code of ethics.

6.3. Corporate Social Responsibility (CSR)

The Company's CSR activities are focused on the following specific areas:

- Support NGOs in their activities for the needy of the community.
- Support sustainable programs towards food self- sufficiency.

During the year, no amount has been earmarked (2019: nil) for various activities associated with CSR actions.

6.4. Whistleblowing Policy

The Company encourages whistleblowing and all employees are invited to raise malpractices to the Chairman of the Board.

6.5. Training

United Docks Ltd ensures that employees are trained and are sufficiently experienced to competently and effectively undertake their assigned activities and responsibilities.

The Company has created a learning environment where employees are prepared to accept change, develop new skills and take responsibility for their own continuous development.

6.6. Environment

The Company is committed to reducing its impact on the environment. It strives to improve its environmental performance and initiates additional projects and activities that will further reduce its impact on the environment.

All the new real estate projects of United Docks are designed to be energy-friendly and optimizes on natural lighting, energy saving devices.

The park and ride facilities helps by reducing the number of vehicles travelling to city centre and hence reduces Co2 emissions.

6. REPORTING WITH INTEGRITY (CONTINUED)

6.7 Donations

The Company and its subsidiaries made no donation during the year (2019: Nil).

7. AUDIT

7.1 External Auditor

Following a tender process in the year 2020, the Board of Directors appointed Deloitte as external auditors in replacement of Ernst & Young who had completed seven consecutive years in office as external auditors in compliance with section 41A of the Financial Reporting Act 2004 as amended.

During the year the external auditors have not rendered non-audit related services to the Company.

The fees payable to auditors for audit were:

		2020	2019
		Rs 000	Rs 000
Company:			
	Audit Fees	**535**	480
	Tax Services	**31**	31
	Total	**566**	511
Group:			
	Audit Fees	**625**	583 .5
	Tax Services	**47**	49.4
	Total	**672**	632.9

8. SHAREHOLDERS AND STAKEHOLDERS

The Board is committed to fair financial disclosure for its shareholders and all the stakeholders at large. The Company holds an annual general meeting of shareholders, where relevant stakeholders are given the opportunity to be involved in a dialogue on the Company's position, performance and outlook at the annual meeting of shareholders.

The Board aims at properly understanding the information needs of all shareholders and other stakeholders and places great importance on an open and meaningful dialogue with all those involved with the Company. It ensures that shareholders are kept informed on matters affecting the Company. Open lines of communication are maintained to ensure transparency and optimal disclosures. All board members are requested to attend the Annual General Meeting, to which all shareholders are invited and for which the required notice is given. The Board provides the required notice of the Annual General Meeting but does not publish votes at the Annual General Meeting on its website. Moreover, the Annual report is published in full on the company's website.

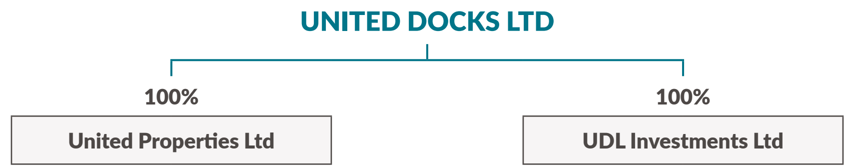
8. SHAREHOLDERS AND STAKEHOLDERS (CONTINUED)

Due to Covid-19 lockdown period, the Rights Issue as approved by the shareholders in December 2019, was unable to progress along the dates set out in the calendar of events as approved by regulatory authorities. The Company has made an application to relevant authorities for an extension of six months of the date of closure of the subscription of the Rights Issue in the light of the Covid-19 pandemic.

At a special meeting of the Company held on 11 August 2020, the shareholders have approved the proposed Note Programme of a maximum aggregate value of MUR.750 Million to be subscribed by way of private placement.

8.1 Holding Structure

The holding structure up to and including the holding company is as illustrated:



The following shareholders held more than 5% of the shareholding of the Company as at 30 June 2020:

Shareholders	% Holding
Horus Ltée	18.27%
Ducray Lenoir (Investments) Ltd	13.27%
Terra Mauricia Ltd	6.04%

8.2 Constitution

The constitution of the Company does not provide for any ownership restrictions.

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares shall, before issue, be offered to existing members in proportion to their existing shareholdings.

8.3 Shareholders' Agreement

The directors are not aware of any agreement in existence among the shareholders of the Company as at June 30, 2020.

8. SHAREHOLDERS AND STAKEHOLDERS (CONTINUED)

8.4 Management Agreement

There is no management agreement with any third parties.

8.5 Contracts of Significance

There is no contract of significance with the Company in which a Director, Management or controlling shareholder is materially interested directly or indirectly for the year under review.

8.6 Share Option Plan

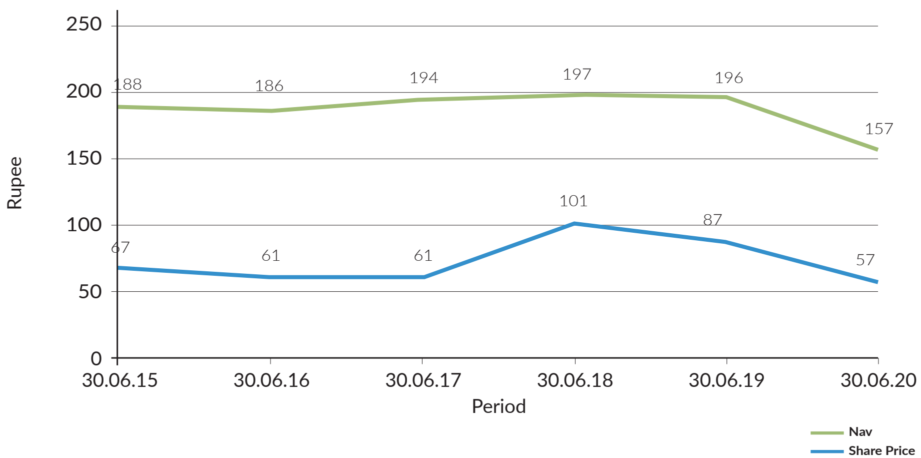
The Group and the Company have no share option plan.

8.7 Dividend Policy

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

8.8 Share Price Information

PERIOD	30.06.15	30.06.16	30.06.17	30.06.18	30.06.19	30.06.20
AMOUNT	Rs	Rs	Rs	Rs	Rs	Rs
NET ASSETS PER SHARE	188	186	194	197	196	157
SHARE PRICE	67	61	61	101	87	57



Shareholders' Calendar of events

Events	
Publication of abridged accounts:	
• Quarter ended 30 September	Mid November
• Quarter ended 31 December	Mid February
• Quarter ended 31 March	Mid May
Publication of the abridged audited financial statements for year ending 30 June	End of September
Circulation of Annual Report to shareholders	November
Annual Meeting	November/ December

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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;
- 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 Mauritius 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 25 Sept 2020 and signed on its behalf by:

Chairperson

Director

UNITED DOCKS LTD AND ITS SUBSIDIARIES

CERTIFICATE OF COMPLIANCE

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

Name of Company: United Docks Ltd

Reporting Period: 1st July 2019 to 30th June 2020

We, the Directors of United Docks Ltd, confirm that to the best of our knowledge that the Company has complied with most of its obligations and requirements under the Code of Corporate Governance, except for the following sections:

Principles	Reasons for non-compliance
Executive Directors Principle 2: All Boards should consider having a strong executive management presence with at least two executives as members	The Code recognises that all boards should have a strong executive management presence with at least two executives as members. In view of the business scope and activities of the Company, the Board is of the opinion that one executive, working in close collaboration with the Chairman is sufficient
Remuneration of Directors Principle 4: All Boards should consider disclosing details of the remuneration paid to each individual director in their annual report	Individual remuneration has not been disclosed due to the commercial sensitivity of the information
Internal Audit Principle 7: Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors	The Board is of opinion that the current controls and processes in place are sufficient for the time being, but might consider the services of a third party for internal audit functions in the near future.
Company Website Disclosures required on the Company's website	Necessary actions are being taken to improve the Company's website, with selecting concise rather than extensive disclosures in line with the requirements of the Code.

Approved by the Board of Directors on 25 Sept 2020 and signed on its behalf by

M. H. Dominique Galea
Chairperson

Bhoonesh Pandea
Director

CERTIFICATE FROM THE COMPANY SECRETARY UNDER SECTION 166(d) OF THE MAURITIUS 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, 2020, all such returns as are required of the Company under the S(166(d)) of the Mauritius Companies Act 2001.

ECS Secretaries Ltd.
Company Secretary

Date: 25 Sept 2020

INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF UNITED DOCKS LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Qualified opinion

We have audited the consolidated and separate financial statements of United Docks Ltd (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 41 to 81, which comprise the consolidated and separate statements of financial position as at 30 June 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and consolidated and separate notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2020, and of their consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for qualified opinion

The Group holds 20% shareholding in Axys Group Ltd and 49.9% shareholding in Societe Libra. However, due to inability to exercise significant influence over those companies, the investments were designated as at fair value through other comprehensive income. The Group's carrying amount of investment in Axys Group Ltd and Societe Libra is Rs 74,625,890 and Rs 134,997,906 respectively as at 30 June 2020.

As stated in Note 7, the Directors have not been able to assess the fair value or the impairment of the investments in Axys Group Ltd and in Societé Libra due to inability to obtain up to date financial information regarding the investments. We were therefore unable to obtain sufficient appropriate audit evidence regarding the fair value of those financial assets designated at fair value through other comprehensive income as at 30 June 2020 and whether any adjustments might be necessary to the amounts recorded in the financial statements at reporting date.

These matters also caused the predecessor auditor to qualify his opinion in prior years. 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.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

TO THE SHAREHOLDERS OF UNITED DOCKS LTD (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Other matter

The consolidated and separate financial statements of United Docks Ltd for the year ended 30 June 2019 were audited by another auditor who issued a qualified opinion on 25 September 2019.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value of investment properties Investment properties consist of freehold land and buildings (Note 5) and present a significant portion (89%) of the assets of the Group as at 30 June 2020. As set out in the accounting policies in Note 3 to the financial statements, investment properties are initially measured at cost and subsequently measured at fair value with any change in fair value recognised in profit or loss. The investment properties were valued by an independent valuation specialist on 30 June 2019. The fair value of the investment properties were determined by taking into account active market price of comparable properties, adjusted for difference in the nature, location or condition of the specific property. The directors have re-assessed the reasonableness of the fair value of the investment properties as at 30 June 2020. The determination of the fair value requires significant judgment and estimates applied by both the independent valuation specialist and the Directors. Inappropriate estimates made in the fair valuation of investment properties would result in a significant impact on the Group's and the Company's results and on the carrying amount of the investment properties. As such, we considered the fair valuation of investment properties to be a key audit matter.	Our procedures included the following: • We have obtained, read and understood the valuation report from the independent valuation specialist. • We have evaluated the competence, capabilities, objectivity of management's expert and further confirmed the independence of the valuation specialist. • We have enquired with management and the independent valuation specialist to obtain an understanding of the valuation methodology, key inputs and whether there were events or market condition changes that could significantly impact on the fair value of the investment properties in the year under review. • We have involved our internal specialist to assess the adequacy of the valuation methodology and mathematical accuracy of the valuation of the investment properties. • We have reviewed and ensured that all disclosures relating to the significant estimates and critical judgements made by management in respect of valuation of investment properties have been adequately disclosed as per IAS 40 'Investment Property' and that appropriate sensitivity disclosures in respect of the effects on fair value to changes in the assumptions and valuation techniques under IFRS 13 'Fair Value Measurement' have been made in the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have not obtained all information and explanations that we have required in so far as explained in the basis for qualified opinion;
- in our opinion, except for the matters explained in the basis for qualified opinion section, proper accounting records have been kept by the Company as far as appears from our examination of those records; and
- except for the matters explained in the basis of qualified opinion section, the financial statements of the Company comply with the Mauritius Companies Act 2001.

Other information

The directors are responsible for the other information. The other information comprises the Introduction to Shareholders by Chairperson, Management and Administration, Chairperson's Statement, Statement of Directors' Responsibilities, Certificate of Compliance and Certificate from the Company Secretary but does not include the Corporate Governance Report, the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations for non-compliance with any requirement of the Code. From our assessment of the disclosures made on Corporate Governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards,

Responsibilities of directors for the consolidated and separate financial statements (Continued)

and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible 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.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

Auditor's responsibilities for the audit of the consolidated and separate financial statements (Continued)

to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte
Chartered Accountants

L. Yeung Sik Yuen, ACA
Licensed by FRC

Date: 30 Spet 2020

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Notes	THE GROUP 2020 Rs.	THE GROUP 2019 Rs.	THE COMPANY 2020 Rs.	THE COMPANY 2019 Rs.
ASSETS					
Non-current assets					
Property and equipment	4	**1,765,686**	2,134,474	**1,765,686**	2,134,474
Investment properties	5	**2,219,032,446**	2,228,160,551	**931,473,907**	948,534,218
Investment in subsidiaries	6	**-**	-	**50,000**	50,000
Financial assets at fair value through other comprehensive income	7	**239,871,531**	239,960,997	**104,873,625**	104,963,091
		2,460,669,663	2,470,256,022	**1,038,163,218**	1,055,681,783
Current assets					
Trade and other receivables	8	**31,132,744**	24,539,155	**1,060,964,825**	1,046,258,511
Cash at bank and in hand	9	**37,573**	25,608	**27,645**	14,647
		31,170,317	24,564,763	**1,060,992,470**	1,046,273,158
TOTAL ASSETS		**2,491,839,980**	2,494,820,785	**2,099,155,688**	2,101,954,941
EQUITY AND LIABILITIES					
Equity					
Stated capital	10	**105,600,000**	105,600,000	**105,600,000**	105,600,000
Share premium	10	**24,631,914**	24,631,914	**24,631,914**	24,631,914
Other reserves	10	**84,700,630**	84,790,096	**84,700,630**	84,790,096
Retained earnings		**1,842,264,728**	1,856,514,998	**1,449,694,718**	1,463,770,995
Total equity		**2,057,197,272**	2,071,537,008	**1,664,627,262**	1,678,793,005
LIABILITIES					
Non-current liabilities					
Retirement benefit obligations	12	**2,897,550**	4,422,183	**2,897,550**	4,422,183
Interest-bearing loans and borrowings	11	**180,210,500**	176,936,872	**180,210,500**	176,936,872
		183,108,050	181,359,055	**183,108,050**	181,359,055
Current liabilities					
Trade and other payables	13	**28,576,219**	61,070,362	**28,461,937**	60,948,521
Interest-bearing loans and borrowings	11	**221,355,571**	179,251,492	**221,355,571**	179,251,492
Dividend payable	15	**1,602,868**	1,602,868	**1,602,868**	1,602,868
		251,534,658	241,924,722	**251,420,376**	241,802,881
Total liabilities		**434,642,708**	423,283,777	**434,528,426**	423,161,936
TOTAL EQUITY AND LIABILITIES		**2,491,839,980**	2,494,820,785	**2,099,155,688**	2,101,954,941

These financial statements have been approved for issue by the Board of directors on 25 Sept 2020

Chairperson

Director

The notes on pages 45 to 81 form an integral part of these financial statements.

UNITED DOCKS LTD AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED JUNE 30, 2020

	Notes	THE GROUP 2020 Rs.	THE GROUP 2019 Rs.	THE COMPANY 2020 Rs.	THE COMPANY 2019 Rs.
Revenue	21	**56,886,381**	55,879,536	**56,886,381**	55,879,536
Other income	16	**5,109**	29,291	**5,109**	29,291
Operating expenses		**(53,798,750)**	(70,292,567)	**(53,624,757)**	(56,938,552)
Operating profit	17	**3,092,740**	(14,383,740)	**3,266,733**	(1,029,725)
Net gain in fair value of investment properties	5	**-**	50,698,178	**-**	17,221,241
Finance costs	18	**(19,500,057)**	(19,884,445)	**(19,500,057)**	(19,884,445)
(Loss)/profit before tax		**(16,407,317)**	16,429,993	**(16,233,324)**	(3,692,929)
Income tax expense	14	**-**	-	**-**	-
(Loss)/profit for the year		**(16,407,317)**	16,429,993	**(16,233,324)**	(3,692,929)
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on investment on equity instruments designated as at FVTOCI	7	**(89,466)**	(16,842,969)	**(89,466)**	(16,842,969)
Remeasurement of defined benefit obligations	12	**2,157,047**	(1,988,065)	**2,157,047**	(1,988,065)
Other comprehensive income/(loss) for the year		**2,067,581**	(18,831,034)	**2,067,581**	(18,831,034)
Total comprehensive loss for the year		**(14,339,736)**	(2,401,041)	**(14,165,743)**	(22,523,963)
(Loss)/profit for the year attributable to:					
Owners of the Company		**(16,407,317)**	16,429,993		
Non-controlling interests		**-**	-		
		(16,407,317)	16,429,993		
Total comprehensive loss attributable to:					
Owners of the Company		**(14,339,736)**	(2,401,041)		
Non-controlling interests		**-**	-		
		(14,339,736)	(2,401,041)		
(Loss)/earnings per share	19	**(1.55)**	1.56		

The notes on pages 45 to 81 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2020

THE GROUP

	Attributable to equity holders of the Company				
	Stated capital (Note 10)	**Share premium (Note 10)**	**Other reserves (Note 10)**	**Retained earnings**	**Total equity**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At July 1, 2018	105,600,000	24,631,914	101,633,065	1,842,073,070	2,073,938,049
Profit for the year	-	-	-	16,429,993	16,429,993
Other comprehensive loss for the year	-	-	(16,842,969)	(1,988,065)	(18,831,034)
Total comprehensive loss for the year, net of tax	-	-	(16,842,969)	14,441,928	(2,401,041)
At June 30, 2019	**105,600,000**	**24,631,914**	**84,790,096**	**1,856,514,998**	**2,071,537,008**
Loss for the year	**-**	**-**	**-**	**(16,407,317)**	**(16,407,317)**
Other comprehensive income for the year	**-**	**-**	**(89,466)**	**2,157,047**	**2,067,581**
Total comprehensive loss for the year, net of tax	**-**	**-**	**(89,466)**	**(14,250,270)**	**(14,339,736)**
At June 30, 2020	**105,600,000**	**24,631,914**	**84,700,630**	**1,842,264,728**	**2,057,197,272**

THE COMPANY

	Stated capital (Note 10)	**Share premium (Note 10)**	**Other reserve (Note 10)**	**Retained earnings**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At July 1, 2018	105,600,000	24,631,914	101,633,065	1,469,451,989	1,701,316,968
Loss for the year	-	-	-	(3,692,929)	(3,692,929)
Other comprehensive loss for the year	-	-	(16,842,969)	(1,988,065)	(18,831,034)
Total comprehensive loss for the year, net of tax	-	-	(16,842,969)	(5,680,994)	(22,523,963)
At June 30, 2019	**105,600,000**	**24,631,914**	**84,790,096**	**1,463,770,995**	**1,678,793,005**
Loss for the year	**-**	**-**	**-**	**(16,233,324)**	**(16,233,324)**
Other comprehensive income for the year	**-**	**-**	**(89,466)**	**2,157,047**	**2,067,581**
Total comprehensive loss for the year, net of tax	**-**	**-**	**(89,466)**	**(14,076,277)**	**(14,165,743)**
At June 30, 2020	**105,600,000**	**24,631,914**	**84,700,630**	**1,449,694,718**	**1,664,627,262**

The notes on pages 45 to 81 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2020

UNITED DOCKS LTD AND ITS SUBSIDIARIES

		THE GROUP		THE COMPANY	
	Notes	**2020**	2019	**2020**	2019
		Rs.	Rs.	**Rs.**	Rs.
Operating activities					
(Loss)/profit before tax		**(16,407,317)**	16,429,993	**(16,233,324)**	(3,692,929)
Adjustments for:					
Depreciation of property and equipment	4	**559,905**	489,610	**559,905**	489,610
Defined benefit plan		**632,413**	679,164	**632,413**	679,164
Finance costs	18	**19,500,057**	19,884,445	**19,500,057**	19,884,445
Dividend income		**-**	(14,537,600)	**-**	(14,537,600)
Expected credit losses		**850,959**	24,467	**850,959**	24,467
Net gain in fair value of investment properties	5	-	(50,698,178)	**-**	(17,221,241)
		5,136,017	(27,728,099)	**5,310,010**	(14,374,084)
Working capital adjustments					
(Increase)/decrease in trade and other receivables		**(7,444,548)**	10,937,317	**(15,557,273)**	(40,947,474)
Increase in trade and other payables		**(15,433,832)**	10,954,930	**(15,426,273)**	20,766,204
		(17,742,363)	(5,835,852)	**(25,673,536)**	(34,555,354)
Net cash used in operating activities		**(17,742,363)**	(5,835,852)	**(25,673,536)**	(34,555,354)
Investing activities					
Additions to investment properties	5	**(7,932,206)**	(72,098,043)	**-**	(43,377,977)
Acquisition of property and equipment	4	**(191,117)**	(347,741)	**(191,117)**	(347,741)
Dividend received		**-**	1,337,600	**-**	1,337,600
Net cash used in investing activities		**(8,123,323)**	(71,108,184)	**(191,117)**	(42,388,118)
Financing activities					
Proceeds from borrowings		**65,031,004**	87,294,985	**65,031,004**	87,294,985
Repayment of loans		**(7,953,564)**	(8,354,142)	**(7,953,564)**	(8,354,142)
Interest paid	18	**(19,500,057)**	(19,884,445)	**(19,500,057)**	(19,884,445)
Net cash generated from financing activities		**37,577,383**	59,056,398	**37,577,383**	59,056,398
Net increase/(decrease) in cash and cash		**11,711,697**	(17,887,638)	**11,712,730**	(17,887,074)
Cash and cash equivalents at beginning of year		**(112,188,062)**	(94,300,424)	**(112,199,023)**	(94,311,949)
Cash and cash equivalents at end of year	9	**(100,476,365)**	(112,188,062)	**(100,486,293)**	(112,199,023)

The notes on pages 45 to 81 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 Business Park, Caudan, Port Louis.

The financial statements of United Docks Ltd (the "Company") and its subsidiaries (collectively referred to as the Group) for the year ended June 30, 2020 have been authorised for issue by the Board of directors on the date stamped on page 41.

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 Changes in Accounting Policies and Disclosures

Impact of initial application of IFRS 16 Leases

In the current year, the Group and the Company have applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

The date of initial application of IFRS 16 for the Group and the Company is 1 July 2019

Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

2.2 New and revised IFRSs applied with no material effect on the financial statements

In the current year, the Group and the Company have applied the following amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 July 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

2.2 New and revised IFRSs applied with no material effect on the financial statements(continued)

IAS 12	Income Taxes – Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends)
IFRS 9	Financial Instruments – Amendments regarding prepayment features with negative compensation and modifications of financial liabilities
IFRIC 23	Uncertainty over Income Tax Treatments issued

2.3 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements – Amendments regarding the definition of material (effective 1 January 2020)
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2023)
IAS 1	Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective 1 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (effective 1 January 2020)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January 2022)
IFRS 7	Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)
IFRS 9	Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective 1 June 2020)

The directors anticipate that these IFRSs will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Judgements, Estimates and Assumptions

In the application of the Group's and the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Judgements, Estimates and Assumptions (continued)

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's and the Company's accounting policies

The following are critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's and Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The Group and the Company as a lessor

The Group and the Company have entered into commercial property leases on its investment property portfolio. The Group and the Company have determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Increase in credit risk

IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group and the Company takes into account qualitative and quantitative reasonable and supportable information.

Classification of investments in Axys Group Ltd, Societe Libra and Cathedral Development Limited.

Note 7 describes that the Group and the Company do not consider having significant influence even though the Group and the Company hold 20%, 49.9% and 20% in Axys Group Ltd, Societe Libra and Cathedral Development Limited respectively. This is based on the fact that there is no representative of the Group and the Company on the board of directors of both entities.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Judgements, Estimates and Assumptions (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

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 and longevity.

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 sensitivity to those significant estimates is disclosed in Note 12.

Valuation of investment properties

The fair value of investments properties 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 investment properties.

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

Sale presumption rebutted - Investment properties

The directors concluded that the investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is rebutted.

Expected credit losses

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expected credit losses (continued)

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with qualitative information based on the debtor's financial conditions. At every reporting date, the historical observed default rates are updated.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's and the Company's trade receivables is disclosed in Note 8.

Basis of preparation

The consolidated and separate financial statements have been prepared on a historical cost basis, except for investment properties and financial assets at fair value through other comprehensive income 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 and complied with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company 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.

The Company 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.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee as sufficient to give power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- The contractual arrangement with the other vote holders of the investee;

INDEPENDENT AUDITOR'S REPORT
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Basis of consolidation (continued)

- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights held by the Company, other vote holders or other parties.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company 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 Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of Company 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.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Property and equipment

Property and equipment is recorded at cost net of accumulated depreciation and accumulated impairment losses, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

Such costs include the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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 and equipment is reviewed at each financial year end and adjusted prospectively if appropriate. The annual rates of depreciation are as follows:

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

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.

Investments in subsidiaries

In the Company's separate financial statements investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

INDEPENDENT AUDITOR'S REPORT
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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 recognized on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

The Group and the Company measure financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at amortized cost (debt instruments) (continued)

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's and the Company's financial assets at amortized cost includes trade and other receivables and cash and cash equivalents.

Financial assets designated at fair value through OCI (equity instruments)

Debt instruments that meet the following conditions are measured subsequently at fair value through OCI:
- The financial assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized in profit or loss when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments under this category.

Derecognition of financial assets

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

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

- The Group and the Company have 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;

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets designated at fair value through OCI (equity instruments) (continued)

Derecognition of financial assets (continued)

and either (a) the Group and Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have 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 Group and the Company continue to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have 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 and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognize an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For lease receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets designated at fair value through OCI (equity instruments) (continued)

Impairment of financial assets (continued)

The Group and the Company consider a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group's and the Company's financial liabilities include trade and other payables, interest-bearing loans and borrowings and dividend payable.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group and the Company exchange with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group and the Company account for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Cash and cash equivalents

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

For the purpose of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less as defined above, net of outstanding bank overdrafts.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, and 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 and the Company expect 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.

Retirement benefit obligations

Defined benefits schemes

The Group and the Company operate 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 and the Company recognise restructuring-related costs

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement benefit obligations (Continued)

Defined benefits schemes (Continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group and the Company recognise the following changes in the net defined benefit obligation under 'operating expenses' in 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 and the Company pay fixed contributions into a separate entity. The Group and the Company have 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 and the Company operate a defined contribution retirement benefit plan for all qualifying employees.

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 Workers Right Act 2019 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.

Taxes

Current income tax

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes (continued)

Deferred income tax

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

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

- where the 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes (continued)

Deferred income tax (continued)

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.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that is measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The directors concluded that the investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale.

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 in profit or loss 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.

Revenue recognition

Revenue is measured based on the consideration to which the Group and the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

The Group and the Company recognises revenue when it transfers control of a product or service to a customer. Revenue is net of VAT and rebates.

The Group and the Company recognise revenue from the following major sources:

- Rental income (accounting policy disclosed under 'lease')
- Dividend income (accounting policy disclosed under 'financial instruments')
- Parking and shuttle income

  Parking and shuttle income are recognised at a point in time when the service is rendered to the client.

- Property management income

  Property management income is charged at a mark-up of the rental income and is recognised at a point in time as rent are charged to the tenants.

- Other income

  For utility recharges and other income, revenue is recognised by the Group and the Company at a point in time when the cost of the utility used is measured.

Lease

The Group as lessor

The Group and the Company enter into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group and the Company are a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

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 Group and the Company use 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 have been involved for valuation of significant assets, such as investment properties in the current year. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Directors decide, after discussions with their external valuers, which valuation techniques and inputs to use for each case.

INDEPENDENT AUDITOR'S REPORT
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

4. PROPERTY AND EQUIPMENT

THE GROUP AND THE COMPANY	Improvement to buildings	Furniture and office equipment	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.
COST				
At July 1, 2018	2,146,988	5,540,764	901,283	8,589,035
Additions	-	347,741	-	347,741
At June 30, 2019	**2,146,988**	**5,888,505**	**901,283**	**8,936,776**
Additions	**-**	**191,117**	**-**	**191,117**
At June 30, 2020	**2,146,988**	**6,079,622**	**901,283**	**9,127,893**
ACCUMULATED DEPRECIATION				
At July 1, 2018	933,097	4,506,464	873,131	6,312,692
Charge for the year	214,699	265,527	9,384	489,610
At June 30, 2019	**1,147,796**	**4,771,991**	**882,515**	**6,802,302**
Charge for the year	**214,699**	**335,822**	**9,384**	**559,905**
At June 30, 2020	**1,362,495**	**5,107,813**	**891,899**	**7,362,207**
CARRYING AMOUNT				
At June 30, 2020	**784,493**	**971,809**	**9,384**	**1,765,686**
At June 30, 2019	999,192	1,116,514	18,768	2,134,474

At the reporting date, the directors reviewed the carrying value of property and equipment. In their opinion, no impairment is required.

5. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**2,228,160,551**	2,105,364,330	**948,534,218**	887,935,000
Additions	**7,932,206**	72,098,043	**-**	43,377,977
Adjustments	**(17,060,311)**	-	**(17,060,311)**	-
Net gain in fair value	**-**	50,698,178	**-**	17,221,241
At June 30,	**2,219,032,446**	2,228,160,551	**931,473,907**	948,534,218

Investment properties which consist of freehold land and buildings were revalued on 24 July 2019 by Noor Dilmohamed & Associates, Chartered Practising Valuer, independent valuers not connected to the Group and the Company. 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. A letter was received from the land surveyor on 20 July 2020 confirming that the fair values at 30 June 2019 still holds at 30 June 2020.

The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use. The fair value of the investment properties was determined based on the market comparable approach that reflects recent transaction prices for similar properties as adjusted for difference in the nature, location or conditions of the specific property.

There has been no change to the valuation technique during the year.

Rental income from investment properties amounted to Rs. 46,520,695 (2019: Rs. 37,998,831) for the Group and the Company. Direct operating expenses arising on the investment properties during the year amounted to Rs. 25,435,554 (2019: Rs. 22,968,700) for the Group and the Company.

Bank overdrafts and short term borrowings are secured by floating charges on the assets of the Group and the Company including investment properties (note 11).

5. INVESTMENT PROPERTIES (CONTINUED)

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

THE GROUP

		Fair value measurement using			
	Date of valuation	Total	Level 1	Level 2	Level 3
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties	**30-Jun-20**	**2,219,032,446**	**-**	**2,219,032,446**	**-**
Investment properties	30-Jun-19	2,228,160,551	-	2,228,160,551	-

THE COMPANY

		Fair value measurement using			
	Date of valuation	Total	Level 1	Level 2	Level 3
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties	**30-Jun-20**	**931,473,907**	**-**	**931,473,907**	**-**
Investment properties	30-Jun-19	948,534,218	-	948,534,218	-

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

	Valuation technique	Significant observable inputs	Relationship and sensitivity of unobservable inputs to fair value
Investment properties on a vacant possession basis	Sales comparison method	Estimated market price per square metre taking into account the differences in location, and individual factors, such as size, at an average of Rs.18,299 - Rs.36,248 per square metre ("sqm")	A significant increase in price per square metre would result in a significant increase in fair value, and vice versa
Investment properties on a current use basis	Sales comparison method	Estimated market price per square metre taking into account the differences in location, and individual factors, such as size, at an average of Rs.15,357 - Rs.31,323 per square metre ("sqm")	A significant increase in price per square metre would result in a significant increase in fair value, and vice versa

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

6. INVESTMENT IN SUBSIDIARIES

THE COMPANY

	2020	2019
	Rs.	Rs.
Unquoted (at cost)		
At July 1 and June 30	**50,000**	50,000

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	Main business	Type	Issued capital	Nominal value of investment 2020	2019	% Holding 2020 & 2019
			Rs.	Rs.	Rs.	%
United Properties Ltd	Property development	Direct	25,000	**25,000**	25,000	100%
UDL Investments Ltd	Investment holding	Direct	25,000	**25,000**	25,000	100%
			50,000	**50,000**	50,000	

'The Company holds only ordinary shares in its subsidiaries, all of which are incorporated in the Republic of Mauritius. They all operate in the Republic of Mauritius and their accounting year end is June 30. At reporting date, the directors have reviewed the carrying amount of the investments. In their opinion, there is no objective evidence that the investments are impaired.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Investments in unquoted equity instruments				
At July 1	**239,960,997**	256,803,966	**104,963,091**	121,806,060
Fair value loss	**(89,466)**	(16,842,969)	**(89,466)**	(16,842,969)
	239,871,531	239,960,997	**104,873,625**	104,963,091
Analysed as:				
At fair value				
Unquoted investment in Axys Group (note (i))	**74,625,890**	74,625,890	**74,625,890**	74,625,890
Unquoted investment in Societe Libra (note (ii))	**134,997,906**	134,997,906	**-**	-
Other unquoted investments (note (iii))	**30,247,735**	30,337,201	**30,247,735**	30,337,201
	239,871,531	239,960,997	**104,873,625**	104,963,091

'These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's and the Company's strategy to holding these investments for long-term purposes and realising their performance potential in the long run.

Unquoted shares that do not have quoted market prices in an active market are fair valued using the Net Assets Value of the investee companies.

(i) The Company owns 99,503 shares in Axys Group Ltd ('Axys'), representing a 20% shareholding with a carrying amount of Rs. 23,932,462, which is also its initial cost. The Directors consider that they do not have significant influence since the Company does not have any representative on the Board of Directors of Axys.

On 27 July 2017, the Privy Council delivered a judgment in which the Company's full ownership rights with regards to its shares held in Axys have been reinstated. However, the Financial Statements of Axys Group Ltd from years ended 30 June 2018 to date have not yet been made available by Axys Group Ltd. As a result, the Directors have not been able to determine the fair value of the investment in Axys. A qualified audit opinion has been issued in the audit report due to a lack of information to fair value the investment in Axys as at 30 June 2020.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(ii) 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 first 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 Pronema) relates to the entitlement of the Group to maintain its shareholding in Société Libra and also to the Group's right and ability to appoint representatives on the administrative organs of the entity.

As the Group is currently unable to exercise its rights as members of Société Libra, the Directors consider that they do not have significant influence and that it would not be appropriate to classify the "parts sociales" as investment in associate. Accordingly, the investment has been classified as financial assets at fair value through other comprehensive income and shall remain so until the final resolution of the dispute.

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 of 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, 2020, the share of market capitalisation was below the cost of acquisition by 24%.

Since the beginning of the dispute, the Group has been prevented from having access to any financial information of Société Libra. As a result, the Directors have not been able to determine the fair value and have measured the investment at cost. A qualified audit opinion has been issued in the audit report due to a lack of information to fair value of the investment in Societe Libra as at 30 June 2020.

(iii) Included in other unquoted investments is a 20% shareholding in Cathedral Development Limited owned by the Company. The investment is classified as financial assets at fair value through OCI as the Directors consider that they do not have significant influence since the Company does not have any representative on the Board of Directors of Cathedral Development Limited.

The following table shows financial instruments recognised at fair value for the Group and the Company:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Assets measured at fair value				
Level 3	**239,871,531**	239,960,997	**104,873,625**	104,963,091

Sensitivity analysis

	Valuation technique	Significant observable inputs	Relationship and sensitivity of unobservable inputs to fair value
Unquoted equity investments	Net asset value	Net asset value of the unquoted investments	The higher the net asset value, the higher the fair value. If the net asset value increase/(decrease) by 5%, the carrying amount of the unquoted equity investments would increase/(decrease) by by Rs 1,512,387 (2019: Rs 1,516,860) for the Group the Company.

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**17,410,649**	11,944,566	**17,410,649**	11,944,566
Loss allowance	**(7,488,291)**	(6,637,332)	**(7,488,291)**	(6,637,332)
	9,922,358	5,307,234	**9,922,358**	5,307,234
Amount receivable from subsidiaries	**-**	-	**1,029,930,890**	1,021,793,163
Straight line rental accrual	**3,193,614**	-	**3,193,614**	-
Other debtors and prepayments	**18,016,772**	19,231,921	**17,917,963**	19,158,114
	31,132,744	24,539,155	**1,060,964,825**	1,046,258,511

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

Other debtors and prepayments comprise mainly of dividend receivable on equity investments and prepaid expenses.

For terms and conditions relating to related party receivables, refer to note 22.

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days terms. No interest is charged on outstanding receivables.

The Group and the Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and the debtor's current financial position, adjusted for factors that are specific to the debtors and the general economic conditions in which the debtors operate. Loss allowance of 100 per cent are recognised on debtors when there is information indicating that the debtor is in severe financial difficulty and that there is no realistic prospect of recovery. The Group and the Company do not hold any collateral over the impairment losses recognised on trade receivables.

Trade receivables are written off after management is sure that the amount will not be recoverable or after the Company has lost a Court case against the tenant.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**6,637,332**	6,991,844	**6,637,332**	6,991,844
Charge for the year	**850,959**	24,467	**850,959**	24,467
Utilised during the year	**-**	(378,979)	**-**	(378,979)
At June 30,	**7,488,291**	6,637,332	**7,488,291**	6,637,332

The following table details the trade receivables based on the Group's and the Company's provision matrix. As the Group's and the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

	THE GROUP AND THE COMPANY			
		Trade receivables - past due		
30 June 2020	Not past due	1 - 90	> 90	Total
Expected credit loss rate	**4.90%**	**25.50%**	**62.59%**	**43.01%**
Estimated total gross carrying amount at default	**4,077,796**	**2,847,779**	**10,485,074**	**17,410,649**
Lifetime ECL	**199,812**	**726,062**	**6,562,417**	**7,488,291**

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

	THE GROUP AND THE COMPANY			
		Trade receivables - past due		
30 June 2019	Not past due	1 - 90	> 90	Total
Expected credit loss rate	4.90%	25.50%	66.92%	55.57%
Estimated total gross carrying amount at default	1,437,918	1,121,376	9,385,272	11,944,566
Lifetime ECL	70,446	285,903	6,280,983	6,637,332

9. CASH AT BANK AND IN HAND

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Cash at bank and in hand				
Petty cash	**27,645**	14,647	**27,645**	14,647
Cash at bank	**9,928**	10,961	**-**	-
	37,573	25,608	**27,645**	14,647

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

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Cash at bank and in hand	**37,573**	25,608	**27,645**	14,647
Bank overdraft (note 11(b))	**(100,513,938)**	(112,213,670)	**(100,513,938)**	(112,213,670)
	(100,476,365)	(112,188,062)	**(100,486,293)**	(112,199,023)

10. STATED CAPITAL AND RESERVES

Stated capital

THE GROUP AND THE COMPANY	**2020 and 2019**
	Rs.
Authorised	
15,000,000 Ordinary shares of Rs. 10 each	**150,000,000**
Issued and fully paid	
10,560,000 Ordinary shares of Rs. 10 each	**105,600,000**

The ordinary shares carry one vote per share, rights to dividends and entitlement to surplus assets on winding up.

Share premium

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

Other reserves

This reserve records fair value changes on equity securities classified as financial assets at fair value through other comprehensive income. There is no tax implication on the fair value movements of the reserves.

11. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Non-current		
Bank loans (note (a))	**180,210,500**	176,936,872
	180,210,500	176,936,872
Current		
Bank overdraft (note (b))	**100,513,938**	112,213,670
Bank loans (note (a))	**120,841,633**	67,037,822
	221,355,571	179,251,492
TOTAL	**401,566,071**	356,188,364
Bank loans can be analysed as follows:-		
Within one year	**120,841,633**	67,037,822
After one year and before two years	**16,089,498**	13,697,318
After two years and before five years	**56,065,981**	51,844,023
More than five years	**108,055,022**	111,395,531
	301,052,134	243,974,694

(a) Bank borrowings are secured by floating charges over the assets of the Group and the Company.

The effective interest rate on the bank loans vary from 4.10% to 5.10% p.a (2019: 5.75% to 6.75% p.a) and are repayable on a monthly basis with final maturity date as follows: 31 Dec 2020 (Rs. 55M), 31 Mar 2028 (Rs. 40M), 30 Nov 2028 (Rs. 50M), 31 Jul 2034 (Rs. 80M) and 31 Dec 2029 (Rs. 40M). At 30 June 2020, the Group and the Company had available undrawn loan facilities of Rs. 9.5M (2019: Rs. 10.2M).

(b) The bank overdraft is secured by floating charges on the assets of the Group and the Company. The rate of interest on the bank overdraft was 4.6% (2019: 6.25%) per annum.

12. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Amounts recognised in statement of financial position		
Defined benefit scheme (a)	**1,422,765**	166,141
Unfunded retirement gratuity (b)	**(4,320,315)**	(4,588,324)
	(2,897,550)	(4,422,183)

The retirement benefit plan figures have been based on the latest actuarial report dated 7 September 2020 issued by AON Hewitt. The Group and the Company operate a final salary defined benefit pension or retirement plan for its employees.

(a) Defined benefit scheme

The fund has been registered as an association and is under the Private Pension Act 2012. The defined benefit scheme requires contributions from employees.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

12. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit scheme (Continued)

The Group and the Company operate a final salary defined benefit pension or retirement plan for its employees. The plan exposes the Group and the Company to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment risk: The plan liability is calculated using a discount date determined by reference to government bond yields; if return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Movement in the asset recognised in the statement of financial position:		
At July 1,	**166,141**	1,515,182
Amount recognised in profit or loss	**(194,613)**	(284,429)
Amount recognised in other comprehensive income	**1,300,362**	(1,229,709)
Employer contributions	**150,875**	165,097
At June 30,	**1,422,765**	166,141
Movement in the fair value of plan assets are as follows:		
At July 1,	**33,742,235**	35,281,638
Interest income	**1,842,346**	2,006,594
Employer contributions	**150,875**	165,097
Employee contributions	**39,704**	43,447
Benefits paid	**(1,900,273)**	(1,598,502)
Return on plan assets excluding interest income	**(9,511,468)**	(2,156,039)
At June 30,	**24,363,419**	33,742,235
Reconciliation of Present Value of Defined Benefit Obligation:		
At July 1,	**16,629,338**	16,829,107
Current service cost	**209,181**	378,271
Employee contributions	**39,704**	43,447
Interest cost	**878,760**	930,385
Benefits paid	**(1,900,273)**	(1,598,502)
Liability experience gain	**(1,328,909)**	(216,764)
Liability loss due to change in financial assumptions	**4,888,959**	263,394
At June 30,	**19,416,760**	16,629,338
Reconciliation of the Effect of the Asset Ceiling:		
Opening balance	**16,946,756**	16,937,350
Amount recognised in profit or loss	**949,018**	982,366
Amount recognised in other comprehensive income	**(14,371,880)**	(972,960)
Closing balance	**3,523,894**	16,946,756

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

12. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit scheme (Continued)

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Amounts recognised in profit or loss:		
Current service cost	**209,181**	378,271
Net interest cost	**(14,568)**	(93,843)
	194,613	284,428
Amounts recognised in other comprehensive income:		
Return on plan assets	**9,511,468**	2,156,039
Liability experience (gain)/losses	**(1,328,909)**	(216,764)
Liability loss due to change in financial assumptions	**4,888,959**	263,394
Change in effect of asset ceiling	**(14,371,880)**	(972,960)
	(1,300,362)	1,229,709

	THE GROUP AND THE COMPANY	
	2020	2019
	%	%
The assets in the plan are made up as follows:		
Local quoted equities	**96**	97
Local unquoted debt	**6**	5
Cash and others	**(2)**	(2)
	100	100

	THE GROUP AND THE COMPANY	
	2020	2019
Principal assumptions used:		
Discount rate	**2.7%**	5.6%
Future salary increases	**1.3%**	4.0%
Average retirement age	**60**	60
Actuarial table for employee mortality	PM A92/PFA92 standard mortality table	
Average life expectancy for:		
- Male at ARA	**21.2 years**	21.2 years
- Female at ARA	**24.2 years**	24.2 years

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and longevity. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Increase in defined benefit obligations due to 1% decrease in discount rate	**2,829,736**	2,028,442
Decrease in defined benefit obligations due to 1% increase in discount rate	**2,255,186**	1,668,991
Increase in defined benefit obligations due to 1% increase in salary rate	**350,286**	342,756
Decrease in defined benefit obligations due to 1% decrease in salary rate	**318,221**	317,104
Increase in defined benefit obligations due to 1 year increase in longevity	**828,967**	564,966
Decrease in defined benefit obligations due to 1 year decrease in longevity	**828,188**	532,731

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate or salary rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

12. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Defined benefit scheme (Continued)

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The expected employer contributionfor next year is Rs 87,928.

The weighted average duration of the defined benefit obligation is 13 years (2019: 11 years).

(b) Unfunded retirement gratuity

The unfunded liability represents the Retirement Gratuities under the Workers' Right Act (WRA) 2019 payable to employees who are not members of the defined benefit pension plan. These benefits are payable at the retirement date of the employees.

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Movement in the liability recognised in the statement of financial position:		
At July 1,	**4,588,324**	3,270,135
Amount recognised in profit or loss	**588,676**	559,833
Amount recognised in other comprehensive income	**(856,685)**	758,356
At June 30,	**4,320,315**	4,588,324
Movement in the present value of defined benefit obligation:		
At July 1,	**4,588,324**	3,270,135
Interest income	**331,730**	370,165
Interest expense	**256,946**	189,668
Liability experience (gain)/loss	**(935,132)**	814,473
Liability loss/(gain) due to change in financial assumption	**78,447**	(56,117)
At June 30,	**4,320,315**	4,588,324
Amounts recognised in profit or loss		
Current service cost	**331,730**	370,165
Net interest cost	**256,946**	189,668
	588,676	559,833
Amounts recognised in other comprehensive income		
Liability experience gain/(losses)	**935,132**	(814,473)
Liability (loss)/gain due to change in financial assumptions	**(78,447)**	56,117
	856,685	(758,356)

	THE GROUP AND THE COMPANY	
	2020	2019
Principal assumptions used:		
Discount rate	**2.7%**	5.6%
Future salary increases	**1.3%**	4.0%
Average retirement age	**65**	65
Actuarial table for employee mortality	PM A92/PFA92 standard mortality table	
Average life expectancy for:		
- Male at ARA	**19.5 years**	19.5 years
- Female at ARA	**24.2 years**	24.2 years

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

12. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Unfunded retirement gratuity (Continued)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Increase in defined benefit obligations due to 1% decrease in discount rate	**548,508**	579,648
Decrease in defined benefit obligations due to 1% increase in discount rate	**462,587**	492,741
Increase in defined benefit obligations due to 1% increase in salary rate	**550,878**	583,326
Decrease in defined benefit obligations due to 1% decrease in salary rate	**472,761**	504,255

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate or salary rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The expected employer contributions for next year is Rs 306,407.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (2019: 11 years).

13. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Trade payables	**14,945,734**	18,028,121	**14,945,734**	18,028,121
Accruals and other payables	**13,630,485**	43,042,241	**13,516,203**	42,920,400
	28,576,219	61,070,362	**28,461,937**	60,948,521

Term and conditions of the above financial liabilities:
- Accruals and other payables consist of deposits from tenants, severance allowance payable and payable to ex tenant.
- 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.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

14. TAXATION

Income tax is calculated at the rate of 15% (2019: 15%) on its profit/(loss) for the year as adjusted for income tax purpose. At 30 June 2020, the Company has accumulated tax losses of Rs 47,976,244 (2019: Rs 39,760,400) which can be carried forward for a maximum period of five years. However, non-current assets acquired after 30 June 2006 is carried forward indefinitely.

Financial year	Tax losses	Lapse in financial year		Carried forward indefinitely
	Rs.	Rs.		
30-Jun-11	255,724			255,724
30-Jun-12	594,033			594,033
30-Jun-13	596,187			596,187
30-Jun-14	1,045,002			1,045,002
30-Jun-17	9,297,676	9,297,676	30-Jun-23	-
30-Jun-18	7,098,181	7,098,181	30-Jun-24	-
30-Jun-19	14,014,323	14,014,323	30-Jun-25	-
30-Jun-20	15,075,118	15,075,118	30-Jun-26	-
	47,976,244	45,485,298		2,490,946

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Tax deducted at source is included under trade and other receivables.	**2,384,764**	1,956,260

Tax reconciliation

The charge for the year can be reconciled to (loss)/profit before tax as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
(Loss)/profit before tax	**(16,407,317)**	16,429,993	**(16,233,324)**	(3,692,929)
Tax calculated at a rate of 15% (2019: 15%)	**(2,461,098)**	2,464,499	**(2,434,999)**	(553,939)
Income not subject to tax	**(250,628)**	(9,785,367)	**(250,628)**	(4,763,826)
Expenses not deductible for tax purposes	**212,794**	7,782,415	**212,794**	5,779,312
Utilisation of previously unrecognised tax losses	**-**	(461,547)	**-**	(461,547)
Deferred tax asset not recognised	**2,498,966**	-	**2,472,867**	-
	-	-	**-**	-

Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at 17% (2019: 17%). The Group and the Company have the temporary differences which result in a total unrecognised deferred tax asset. However, no deferred tax assets have been recognised in the financial statements since it is not probable that taxable profit will be available against which deductible temporary differences can be utilised.

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Temporary differences for which deferred tax has not been recognised:		
Loss allowance on ECL on trade receivables	**1,273,009**	1,128,346
Retirement benefit obligations	**492,584**	751,771
Accumulated tax losses	**8,155,961**	6,759,268

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

15. DIVIDEND PAYABLE

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
At July 1, and June 30,	**1,602,868**	1,602,868

Dividend payable relates to dividend declared by United Docks Ltd in previous years which were unclaimed at June 30, 2020.

16. OTHER INCOME

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Sundry income	**5,109**	29,291	**5,109**	29,291

17. OPERATING PROFIT

	THE GROUP		THE COMPANY	
Operating profit is arrived at:	**2020**	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
After charging:				
Depreciation on property and equipment	**559,905**	489,610	**559,905**	489,610
Expected credit losses on trade receivables	**850,959**	24,467	**850,959**	24,467
Professional and legal fees	**3,673,874**	3,981,026	**3,673,874**	3,981,026
Compensation expense	**17,000,000**	-	**17,000,000**	-
Employee benefit expense	**18,290,550**	40,253,297	**18,290,550**	40,253,297

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Employee benefit expense:				
Wages and salaries	**13,602,988**	14,927,322	**13,602,988**	14,927,322
Defined benefit costs	**632,413**	679,164	**632,413**	679,164
Defined contribution costs	**3,507,634**	165,098	**3,507,634**	165,098
Social security costs	**536,815**	481,713	**536,815**	481,713
Severance allowance	**10,700**	24,000,000	**10,700**	24,000,000
	18,290,550	40,253,297	**18,290,550**	40,253,297

18. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Interest expense on:				
- Bank overdraft	**5,967,954**	6,630,616	**5,967,954**	6,630,616
- Bank loans	**13,532,103**	13,253,829	**13,532,103**	13,253,829
	19,500,057	19,884,445	**19,500,057**	19,884,445

19. EARNINGS PER SHARE

	THE GROUP	
	2020	2019
	Rs.	Rs.
(Loss)/profit for the year attributable to equity holders of the Company	**(16,407,317)**	16,429,993
Number of ordinary shares in issue	**10,560,000**	10,560,000
(Loss)/earnings per share	**(1.55)**	1.56

There are no diluted investments during the financial year ended June 30, 2020 (2019: Nil).

20. FINANCIAL RISK MANAGEMENT

Capital risk management

The Group and the Company manage 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 and the Company manage 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 and the Company 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, 2020 and June 30, 2019.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group's and the Company'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 and the Company include within net debt, interest-bearing loans and borrowings, less cash in hand and at bank. Total capital is calculated as ''equity'' as shown in the statement of financial position.

Gearing ratio	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Interest-bearing loans and borrowings	**401,566,071**	356,188,364	**401,566,071**	356,188,364
Cash at bank and on hand	**(37,573)**	(25,608)	**(27,645)**	(14,647)
Net debt	**401,528,498**	356,162,756	**401,538,426**	356,173,717
Equity	**2,057,197,272**	2,071,537,008	**1,664,627,262**	1,678,793,005
Net unrealised gains reserve	**(84,700,630)**	(84,790,096)	**(84,700,630)**	(84,790,096)
Total capital	**1,972,496,642**	1,986,746,912	**1,579,926,632**	1,594,002,909
Capital and net debt	**2,374,025,140**	2,342,909,668	**1,981,465,058**	1,950,176,626
Gearing ratio	**17%**	15%	**20%**	18%

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income expenses are recognised, in respect of each class of financial assets, financial liability and equity instrument are disclosed in note 3 to the financial statements

Categories of financial instruments

30 June 2020	THE GROUP		THE COMPANY	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
	Rs.	**Rs.**	**Rs.**	**Rs.**
At amortised cost:				
Trade and other receivables	**26,703,026**	**-**	**1,056,633,914**	**-**
Cash at bank and in hand	**37,573**	**-**	**27,645**	**-**
Trade and other payables	**-**	**28,466,442**	**-**	**28,352,160**
Interest-bearing loans and borrowings	**-**	**401,566,071**	**-**	**401,566,071**
Dividend payable	**-**	**1,602,868**	**-**	**1,602,868**
Designated as at FVTOCI:				
Unquoted equity investments	**239,871,531**	**-**	**104,873,625**	**-**
	266,612,130	**431,635,381**	**1,161,535,184**	**431,521,099**

30 June 2020	THE GROUP		THE COMPANY	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Financial instruments exclude the following:				
Prepayments	**320,025**	**-**	**221,218**	**-**
Value Added Tax	**1,724,929**	**-**	**1,724,929**	**-**
Tax deducted at source	**2,384,764**	**109,777**	**2,384,764**	**109,777**

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (continued)

30 June 2019	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
At amortised cost:				
Trade and other receivables	20,789,225	-	1,042,582,388	-
Cash at bank and in hand	25,608	-	14,647	-
Trade and other payables	-	56,984,974	-	56,863,133
Interest-bearing loans and borrowings	-	356,188,364	-	356,188,364
Dividend payable	-	1,602,868	-	1,602,868
Designated as at FVTOCI:				
Unquoted equity investments	239,960,997	-	104,963,091	-
	260,775,830	414,776,206	1,147,560,126	414,654,365

30 June 2019	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
Financial instruments exclude the following:				
Prepayments	191,625	-	117,818	-
Value Added Tax	1,602,045	-	1,602,045	-
Tax deducted at source	1,956,260	85,388	1,956,260	85,388
Provision	-	4,000,000	-	4,000,000

Financial risk management

The main risks arising from the Group and the Company's financial instruments are market risk (including currency risk, interest rate risk and price risk), credit risk, equity price risk and liquidity 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.

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 and the Company's exposure to the risk of changes in market interest rates relates primarily to the Group's and the Company's bank overdrafts and bank loans with floating interest rates. The Group and the Company manage its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate profile of the Group and the Company as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Financial liabilities				
Non-interest bearing	**30,069,310**	58,587,842	**29,955,028**	58,466,001
Variable interest bearing	**401,566,071**	356,188,364	**401,566,071**	356,188,364
	431,635,381	414,776,206	**431,521,099**	414,654,365

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variances held constant, on the Group's and the Company's profit before tax through the impact on floating rate financial liabilities. If interest rates had been 100 basis point higher/lower, the effect on the Group's and the Company's profit before tax would have been as follows:

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Effect on profit/(loss) before tax	**(4,015,661)**	(3,561,884)

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 and the Company is not exposed to foreign exchange risk as all financial assets and financial liabilities are denominated in MUR.

Equity price risk

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

Sensitivity analysis on the Group's and the Company's exposure to equity price risk is disclosed in note 7.

Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum exposure.

Trade receivables

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review includes external ratings, when available, and in some cases bank references.

Cash at bank

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

Liquidity risk

Management is responsible for liquidity and funding. The Group and the Company have 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 Group and the Company aim at maintaining flexibility in funding by keeping reliable credit lines available.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

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, 2020						
Interest bearing loans and borrowings	**100,513,938**	**3,328,636**	**117,512,997**	**72,155,479**	**108,055,021**	**401,566,071**
Trade and other payables	**621,767**	**14,945,734**	**12,898,941**	**-**	**-**	**28,466,442**
Dividend payable	**1,602,868**	**-**	**-**	**-**	**-**	**1,602,868**
	102,738,573	**18,274,370**	**130,411,938**	**72,155,479**	**108,055,021**	**431,635,381**
June 30, 2019						
Interest bearing loans and borrowings	112,213,670	16,759,456	50,278,367	13,697,318	163,239,554	356,188,364
Trade and other payables	621,767	13,032,468	43,330,739	-	-	56,984,974
Dividend payable	1,602,868	-	-	-	-	1,602,868
	114,438,305	29,791,924	93,609,106	13,697,318	163,239,554	414,776,206

	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, 2020						
Interest bearing loans and borrowings	**100,513,938**	**3,328,636**	**117,512,997**	**72,155,479**	**108,055,021**	**401,566,071**
Trade and other payables	**621,767**	**14,945,734**	**12,784,659**	**-**	**-**	**28,352,160**
Dividend payable	**1,602,868**	**-**	**-**	**-**	**-**	**1,602,868**
	102,738,573	**18,274,370**	**130,297,656**	**72,155,479**	**108,055,021**	**431,521,099**
June 30, 2019						
Interest bearing loans and borrowings	112,213,670	16,759,456	50,278,367	13,697,318	163,239,554	356,188,364
Trade and other payables	621,767	13,032,468	43,208,898	-	-	56,863,133
Dividend payable	1,602,868	-	-	-	-	1,602,868
	114,438,305	29,791,924	93,487,265	13,697,318	163,239,554	414,654,365

Fair value of financial assets

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

21. SEGMENT INFORMATION

Primary segment business

The main business activity of the Group is real estate holdings and development and main source of revenue is from the rental income derived from the investment properties. The other segment (Investment) remains insignificant (i.e. less than 10%), both in terms of revenue and trading profits. Thus, the Directors consider that there is no relevance in disclosing segmental information at this level.

Secondary segment business

Since all business activities take place in Mauritius, the Directors do not consider that the disclosure in geographical segment is relevant.

	THE GROUP AND THE COMPANY	
	2020	2019
Disaggregation of revenue	**Rs.**	Rs.
Rental income from investment properties	**52,276,164**	40,003,099
Dividend income form investing activities	**1,670,854**	14,537,600
Others	**2,939,363**	1,338,837
	56,886,381	55,879,536

22. RELATED PARTY DISCLOSURES

Transactions and balances between the Group and the Company with its related parties are disclosed below:

	Nature of transaction	THE GROUP		THE COMPANY	
		2020	2019	**2020**	2019
		Rs.	Rs.	**Rs.**	Rs.
Trading transactions:					
United Docks Superannuation Fund	Pension contribution	**(150,875)**	(165,097)	**(150,875)**	(165,097)
UDL Investments Ltd	Expenses paid on behalf during the year	**-**	-	**55,040**	75,600
United Properties Ltd	Expenses paid on behalf during the year	**-**	-	**118,953**	111,100

- Key management personnel includes executive director and top level management personnel. The compensation includes short-term employee benefits.
- United Docks Superannuation Fund is the pension fund of the Group and the Company.

The following amounts were outstanding at reporting date:

United Properties Ltd	Dividend receivable and expenses paid on behalf	**-**	-	**(888,737,100)**	(880,675,973)
UDL Investments Ltd	Financing of acquisition of investment and expenses paid on behalf	**-**	-	**(141,193,790)**	(141,117,190)
		-	-	**(1,029,930,890)**	(1,021,793,163)

22. RELATED PARTY DISCLOSURES (CONTINUED)

For the financial year ended June 30, 2020, the Company assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2019: nil). This assessment is undertaken each financial year by taking into consideration the financial position of the related party and its underlying investment projects. The directors have assessed that the intercompany loans have low credit risk and that the impact of the expected credit losses is not material. The inter-company balances are interest free and the Company will not demand for repayment of the amounts receivable until the subsidiaries are is a position to make payment. The Company provided a letter of financial support to its subsidiaries.

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Key management personnel compensation				
Salaries and short-term employee benefits	**7,378,750**	7,178,125	**7,378,750**	7,178,125
Post-employment benefits	**150,875**	165,097	**150,875**	165,097

23. OPERATING LEASE ARRANGEMENTS

Operating leases, in which the Group and the Company are the lessor, relate to investment properties owned by the Group and the Company with lease terms of between 1 to 5 years, with extension option. Operating leases contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The total rental revenue recognised as income during the year is Rs. 35,234,576 (2019: Rs. 37,998,831).

Future minimum rental receivable under operating leases are as follows:

	THE GROUP AND THE COMPANY	
	2020	2019
	Rs.	Rs.
Year 1	**30,981,230**	34,777,949
Year 2	**22,385,014**	30,981,230
Year 3	**14,206,338**	22,385,014
Year 4	**-**	14,206,338
Total	**67,572,582**	102,350,531

24. EVENTS AFTER REPORTING DATE

Following a special meeting held on 11 August 2020, the Directors have approved a note programme of a maximum aggregate of Rs 750,000,000 by way of private placement ('Note Programme') as part of its funding strategy.

There is no other significant events after the reporting date which needs to be disclosed or requires any amendments to the 30 June 2020 financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30 2020

25. NOTES TO THE CASH FLOW STATEMENTS

Changes in liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the cash flow statements as cash flows from financing activities.

	July 1, 2019 Rs.	Financing cash flows Rs.	Non-cash changes Rs.	June 30, 2020 Rs.
Interest bearing loans and borrowings	**243,974,694**	**57,077,440**	**-**	**301,052,134**
	July 1, 2018 Rs.	Financing cash flows Rs.	Non-cash changes Rs.	June 30, 2019 Rs.
Interest bearing loans and borrowings	165,033,851	78,940,843	-	243,974,694

The cash flows from interest bearing loans and borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.

26. COVID 19

The recent global outbreak of Coronavirus ("COVID-19") has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. This has directly or indirectly impacted the Group's and the Company's activities by interrupting and disrupting business and transactional activities. COVID-19 has not had a material impact on the results and affairs of the Group and the Company for the current year.

UNITED DOCKS

Proxy Form / Postal Vote Form

I/We, ... of .... being a member/members of the above-named Company, do hereby:

1. Proxy Form (Option 1)

Appoint .... or failing him/her .... of .... as my/our proxy to vote for me/us and on at the Annual Meeting of the Company to be held on **Wednesday the 16th December 2020** at **10:00 a.m.** at any adjournment thereof.

I/We direct my/our proxy to be vote in the following manner (*see Note 1*):

2. Postal Vote (Option 2)

Cast my/our vote by way of postal vote in the following manner (*see Notes 1 and 3*):

	FOR	AGAINST	ABSTAIN
1.To adopt the audited financial statements of the Company and of the Group for the year ended 30 June 2020			
2.To re-elect the following persons under separate resolutions as directors of the Company to hold office until the next Annual Meeting:			
2.1 Mr. Nicolas Eynaud			
2.2 Mr. Antoine Galea			
2.3 Mr. M. H. Dominique Galea			
2.4 Mr. J. Alexis Harel			
2.5 Mr. Nadeen Lallmamode			
2.6 Mrs. L. M. C. Michèle Lionnet			
2.7 Mr. Nicolas M. E. Maigrot			
2.8 Mr. Mushtaq Oosman			
2.9 Mr. Bhoonesh Pandea			
2.10 Mr. K. H. Bernard Wong Ping Lun			
3.In accordance with Section 138(6) of the Companies Act 2001, to re-appoint Mr. I. Ibrahim Bahemia as director of the Company to hold office from the date of this Annual Meeting of Shareholders until the next Annual Meeting of the Company.			
4.Pursuant to section 41A of the Financial Reporting Act 2004, as amended, and in compliance with section 195 of the Companies Act 2001, to appoint Deloitte as auditors and to authorise the Board of Directors to fix their remuneration.			

Signed this 2020

....
Signature(s)

Notes:

1) Please mark in the appropriate box how you with to vote. If no specific direction as to voting is given, (i) the proxy will exercise his/her discretion as to how he/she votes or whether or not he/she abstains from voting or (ii) in case of postal votes, the notice of postal vote shall not be treated as valid.

2) The instrument appointing a proxy, any general power of attorney or written resolution appointing a representative should reach the Registrar and Transfer Office, SBM Fund Services Ltd, Level 10 Hennessy Tower, Pope Hennessy Street, Port-Louis, not less than twenty-four hours prior to the time scheduled for the meeting, i.e by 10:00 a.m. on Tuesday the 15th December 2020 (being the last business day before the meeting). In default, the instrument of proxy should not be treated as valid.

3) As authorised by the Constitution of the Company, postal votes are permitted. The notice for casting a postal vote must be made in writing on the attached form and sent to the attention of the Registrar and Transfer Office (person authorised by the Board to receive and count postal votes), SBM Fund Services Ltd, Level 10 Hennessy Tower, Pope Hennessy Street, Port-Louis at latest on Monday the 14th December 2020 at 10:00 a.m., and in default, the notice of postal vote shall not be treated as valid. A form for postal vote is herewith attached and is also available from the Registered Office of the Company.

4) For the purpose of this Annual Meeting, the Directors have resolved, in compliance with section 120 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 Tuesday the 17th November 2020.

UNITED DOCKS

CONTACT

+230 212 3261

contact@uniteddocks.com

United Docks Business Park,
Caudan, Port Louis
Republic of Mauritius