



UNITED DOCKS

ANNUAL REPORT 2022

FOR THE YEAR ENDED JUNE 30, 2022



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Dear shareholders,

The Board of Directors is pleased to present the Annual Report of United Docks Ltd (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended June 30, 2022.

This report was approved by the Board of Directors on 27 September 2022



M. H. Dominique Galea
Chairperson

BOARD OF DIRECTORS

Date of appointment

| | |
|-------------------------------------|-------------------|
| M. H. Dominique Galea (Chairperson) | 17 October 2006 |
| Ismael Ibrahim Bahemia | 09 May 2012 |
| Nicolas Eynaud | 21 April 2017 |
| Antoine Galea | 22 June 2017 |
| J. Alexis Harel | 17 October 2006 |
| Nadeem Lallmamode | 23 September 2015 |
| L.M.C. Michele Lionnet | 29 December 2006 |
| Nicolas Marie Edouard Maigrot | 01 January 2016 |
| Mushtaq Oosman | 22 June 2017 |
| K.H. Bernard Wong Ping Lun | 17 October 2006 |
| Bhoonesh Pandea | 01 February 2015 |

CHIEF EXECUTIVE OFFICER

Bhoonesh Pandea

CORPORATE SECRETARY

ECS Secretaries Ltd.
2nd floor, Les Jamalacs Buildings
Vieux Conseil 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
SBM Tower, Port Louis

REGISTERED OFFICE ADDRESS

United Docks Business Park
Caudan, Port Louis



Notice is hereby given that the Annual Meeting of the Shareholders of United Docks Ltd (*the Company*) will be held on **Tuesday 20th December 2022** at **11:00 a.m.** at United Docks Business Park, Caudan, Port Louis

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 2022.
- 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 J. Alexis Harel
 - 2.4 Mr. Nadeem Lallmamode
 - 2.5 Mrs L. M. C. Michèle Lionnet
 - 2.6 Mr. Nicolas M. E. Maigrot
 - 2.7 Mr. Mushtaq Oosman
 - 2.8 Mr. Bhoonesh Pandea
 - 2.9 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) In accordance with Section 138(6) of the Companies Act 2001, to re-appoint Mr. M. H. Dominique Galéa 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.
- 5) To take note of the automatic reappointment of Deloitte as external auditors of the Company in compliance with Section 200 of the Companies Act 2001, and to authorize the Board of Directors to fix their remuneration.
- 6) Shareholders' question time.

By order of the Board
ECS Secretaries Ltd
Secretary

Mrs Marie-Anne Adam
Dated this 09 November 2022



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 available from the Registered Office of the Company and should be delivered to SBM Fund Services Ltd, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis by **Monday the 19th December 2022** at 11:00 a.m at latest.*
- 2) *As authorised by the Constitution of the Company, postal votes are permitted and must be sent to SBM Fund Services Ltd at latest on Friday the **16th December 2022 at 11:00 a.m**, and in default, the notice of postal vote shall not be treated as valid.*
- 3) *For the purpose of this Meeting, the Directors have resolved, in compliance with section 120 of the Companies Act 2001, that the shareholders who are entitled to receive notice and attend the Meeting, shall be those shareholders whose names are registered in the share register of the Company as at **21 November 2022**.*
- 4) *Profiles of the Directors are set out on pages 19 to 24 of the annual report.*
- 5) *The minutes of proceedings of the Annual Meeting of United Docks Ltd held on **17 December 2021** are available to its shareholders for inspection at the Registered Office during normal trading office hours.*

PROGRESS AND VALUE CREATION IN A DIFFICULT CONTEXT

We are pleased to present the Annual Report of United Docks Ltd (UDL) and its subsidiaries for the year ended 30 June 2022.

The financial year ending 30 June 2022 was a year of metamorphosis for United Docks. Indeed, a major transformation was witnessed with The Docks redefining the contours of the skyline of Port Louis.

We must emphasize that despite the difficult context characterised by Covid-19, supply chain disruptions, Russia-Ukraine conflict, high inflation and increasing interest rates, United Docks continued on its path of sustained development and value-creation.

SUCCESSFUL CAPITAL RAISING

In the context of rapidly increasing inflation, it was clear that the cost of capital would be impacted through increasing interest rates.

United Docks acted with foresightedness to initiate a capital raising, through a Notes Issue of MUR 750 Million targeting sophisticated investors, with a fixed interest rate to finance the construction of two additional towers of The Docks project. The capital raising exercise was completed in August 2022. We are pleased to inform that United Docks received subscriptions that were largely in excess of the aggregate nominal amount.

This Notes Issue is the third successful capital raising of United Docks over the last two years, which has enabled the company to cumulatively raise close to MUR 2 Billion (Notes Issue in Sept 2020, Rights Issue in January 2021 and Notes Issue in August 2022)

This bears testimony to the strong level of confidence in United Docks and we take this opportunity to thank the investor community.



THE DOCKS PROJECT

United Docks reached some important milestones during the year under review in terms of construction progress and signature of lease agreements with new tenants for the docks project.

We have successfully completed construction of Tower 1 of The Docks project in August 2022 with a total Gross Building Area of 7,500 sqm. Construction of Tower 2, which is identical to Tower 1, is expected to be completed in November 2022.

As at 30 June 2022, prior to the completion of construction, lease agreements for the rental of 60% of Tower 1 and 40% of Tower 2 were signed. As at date, we are very close to full occupancy. It must be emphasized that, so far, The Docks has attracted quality tenants and we have signed contracts with only reputed multinational companies.

Construction of Towers 3 & 4 with a total Gross Building Area of 15,000 sqm which started in August 2022 is scheduled to be completed by February 2024.

All the four towers are of premium quality under the category Grade A offices.



PLUG AND PLAY OFFICE INFRASTRUCTURE

The Docks provides fully-fitted, fully furnished and fully-serviced plug and play office infrastructure and we are pleased to be the pioneer in this area.

WORLD CLASS AMENITIES

Our team of professionals and designers have spared no efforts in providing bespoke interiors and finishes with a view to giving the best conducive environment to businesses. It is with immense pleasure that we will be sharing in this report some exclusive pictures of our state-of-the-art office collection.



A LIFESTYLE DESTINATION FOR BUSINESS

One fundamental consideration in all our developments is the lifestyle of professionals. In this perspective, we have meticulously crafted corners which promotes wellness, networking, exchange and relaxation.

Our fit-outs integrate cosy lounges, relaxation areas with bean bags and stylish coffee corners and bars.



DEVELOPING A CONDUCIVE ENVIRONMENT FOR START-UPS

United Docks has always fostered entrepreneurship and has come up with practical solutions to address the needs of budding entrepreneurs. In this spirit, Le Workspace was created within The Docks to provide tailor-made workspaces and solutions for start-ups and SMEs. We have a dedicated area of 642 sqm for start-ups and SMEs.

During the year under review, we have extensively supported start-ups through the Mauritius Africa Fintech Hub (MAFH) which houses some 50 start-ups. United Docks has provided free space and support to MAFH. We are also happy to inform that a few start-ups have grown from incubation phase to become full-fledged tenants of United Docks.

THE NEW BUSINESS DISTRICT OF PORT LOUIS

The Docks is now rapidly transforming itself into the new business district of Port Louis. With the completion of the four towers of The Docks in 2024, some 2,500 professionals will be working in this area.

The proximity of The Docks to Victoria Urban Terminal and the Metro Station makes it the preferred location for professionals, entrepreneurs and businesses.

United Docks has a plan to scale up the development to reach a population of 10,000 professionals working in this area within the next 7 years. This will transform The Docks into the new Central Business District (CBD) of the Capital city.





Docks garden by night

SUSTAINABILITY

Significant focus has been placed on a sustainable development model which reduces CO2 emissions and energy consumption.

For instance, we have invested massively in high performance glazing which reduces heating and air-conditioning. Our buildings have been designed to be fully glazed so as to optimise on natural lighting. Equipment, sanitary wares and fittings have been carefully selected with a view reducing consumption of energy and water.

We have also provided access to our free Park and Ride shuttles to connect professionals to the city centre. Our park and Ride facility helps to reduce CO2 emissions in the capital city of Port Louis by at least 200 tons annually. This definitely contributes to have a cleaner and greener capital city.

WHERE NATURE IS NURTURED

Environment protection and community engagement has always been very high on the agenda of United Docks.

We have invested in pathways and drains to improve infrastructure. We have also invested in the embellishment and tree planting on the banks of Ruisseau de Creole with a special focus on the protection of the flora and fauna.



Wildlife at the Docks on the edge of Ruisseau de Creole

RESULTS

For the financial year ended 30 June 2022, despite the difficult context, total revenue increased from MUR 60.9 Million to MUR 65.5 Million. We have improved our efficiency which translated into a reduction in operating expenses from MUR 38.1 Million to MUR 37.6 Million. Operating profit increased from MUR 22.8 Million in FY2021 to MUR 27.9 Million for the financial year.

A fair value gain of MUR 450.3 Million on investment properties was realised, resulting in a profit of MUR 462.6 Million after finance costs, compared to a profit of MUR 1.91 Million for the year ended June 2021.

A total comprehensive profit of MUR 476.12 M was realised, compared to a comprehensive profit of MUR 23.32 M last year.

United Docks maintained a strong Balance Sheet with Total Assets increasing by 14.8% from MUR 3.17 Billion to MUR 3.64 Billion and Net Assets increasing by 19.2% from MUR 2.39 Billion to MUR 2.86 Billion.

DIVIDEND

We are very pleased to inform that the Board has recommended the payment of a dividend of MUR 0.40 cents per share for the financial year under review and a total amount of Rs 6.74 Million was paid in June 2022.

WAY FORWARD

United Docks has shown resilience despite the difficult context. The company 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.

United Docks will continue to come up with innovative projects that are adapted to the current market requirements. In the same perspective, the company will be actively contributing to the regeneration of the capital city through sustainable projects.

We would like to conclude by thanking the shareholders, the Board of Directors, the investors, the stakeholders and the staff of United Docks for their unfailing support and commitment.

Yours sincerely,

M.H. Dominique Galea
Chairman

Bhoonesh Pandea
Chief Executive Officer



2018



Renovation & Rehabilitation of Fanfaron Quays with 14,505 sqm of mixed-use space



2022

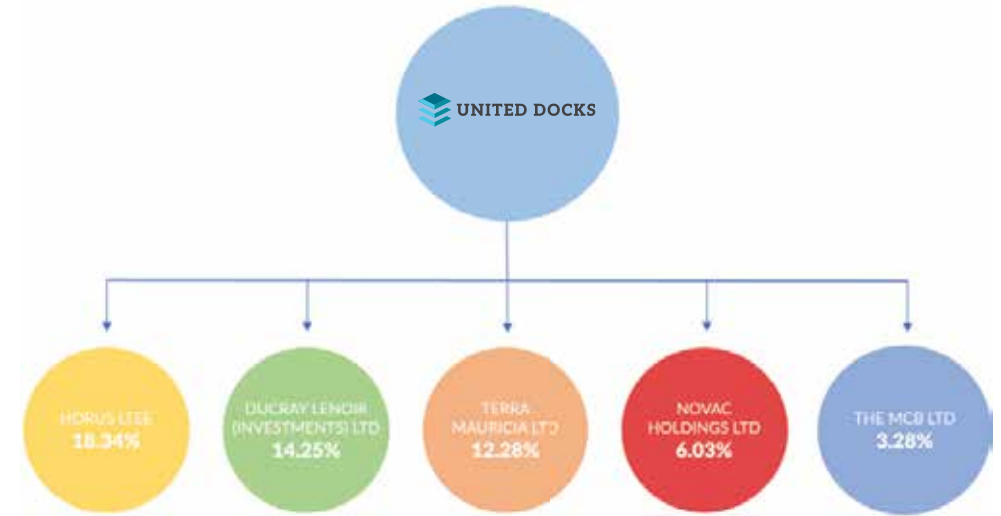
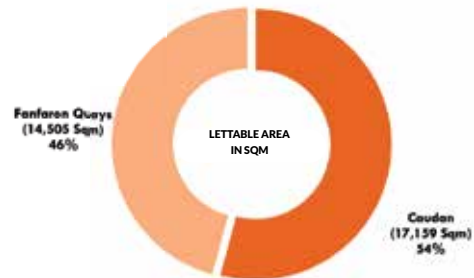
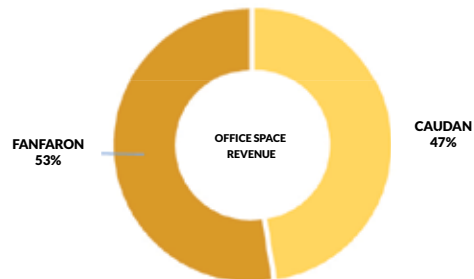
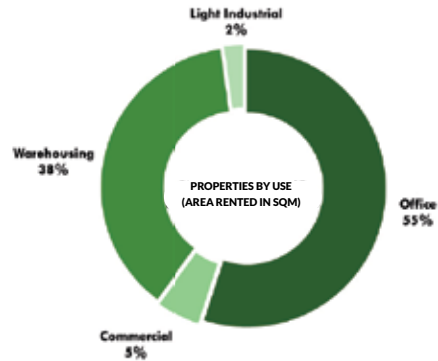
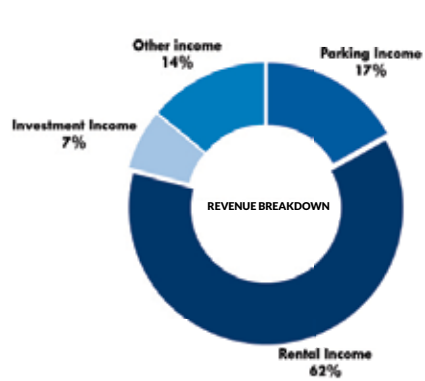
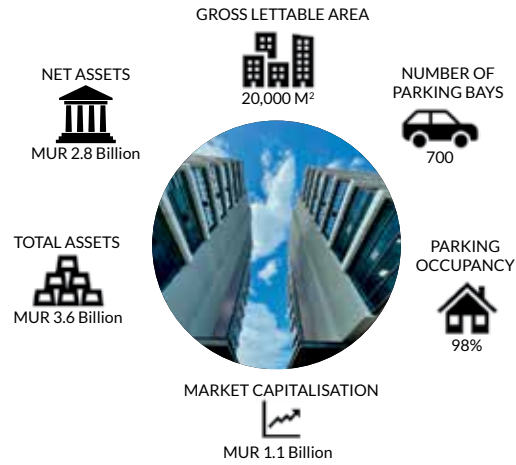
The Docks Project with 30,000 sqm of space

September 2022
Completion of Tower 1

December 2022
Completion of Tower 2

September 2022
Start of Tower 3 and 4





INVESTMENT HOLDINGS



20%



13.41%

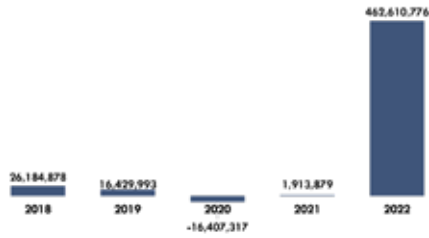


0.5%
(As at November 2022)

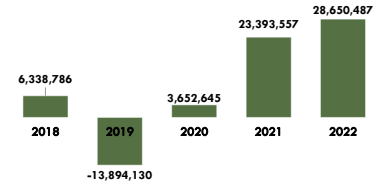


1.67%

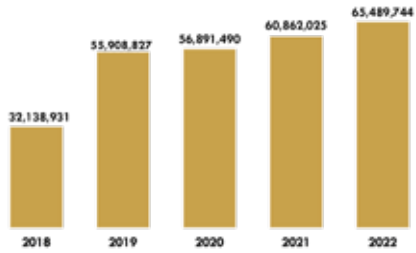
PROFIT AFTER TAX



EBITDA



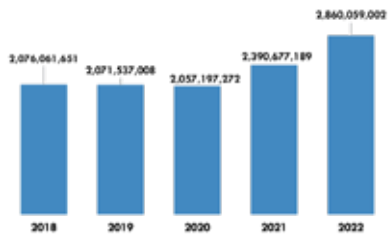
TOTAL REVENUE



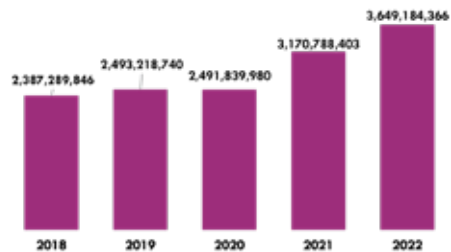
OPERATING PROFIT



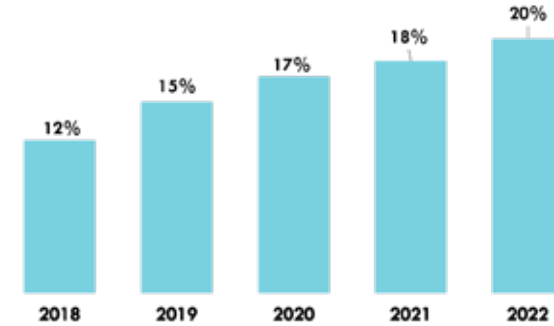
NET ASSETS



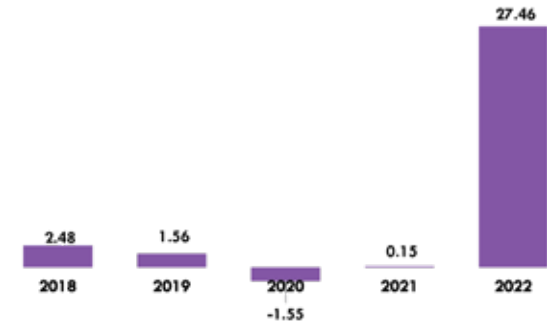
TOTAL ASSETS



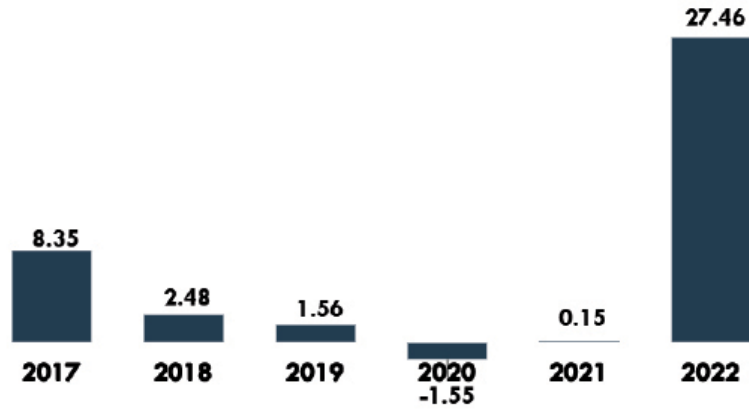
GEARING RATIO



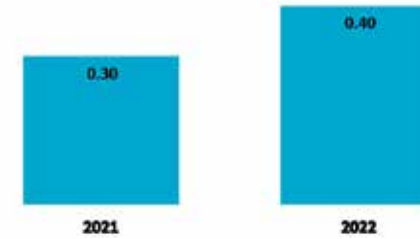
EARNINGS PER SHARE



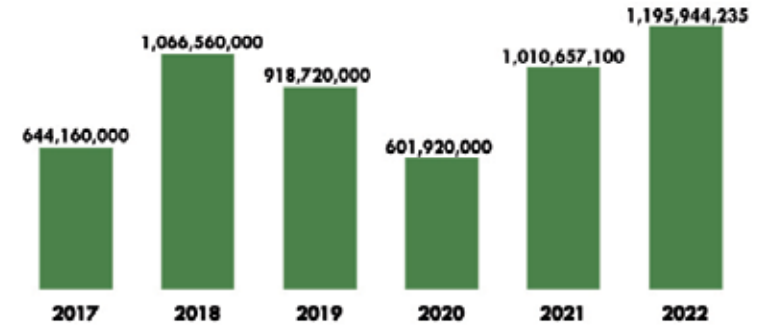
EARNINGS PER SHARE



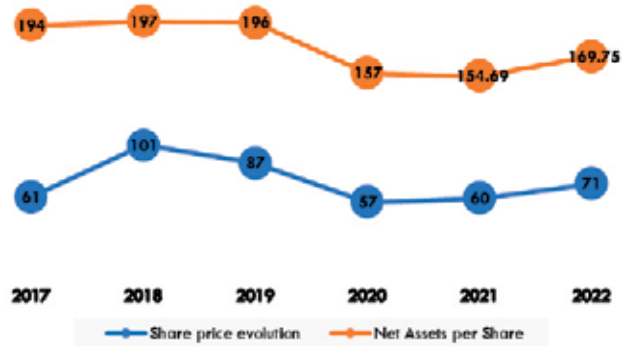
DIVIDEND PER SHARE



MARKET CAPITALISATION



1,639
SHAREHOLDERS
(AS AT 30 JUNE 2022)



SPREAD

% HOLDINGS

No. OF SHAREHOLDERS

No. OF SHARES HELD

| | | | | |
|-------------------|--|-------|-------|-----------|
| < 50,000 | | 26% | 1,609 | 4,365,140 |
| < 50,001-100,000 | | 6.3% | 16 | 1,068,046 |
| < 100,001-250,000 | | 6% | 6 | 996,015 |
| < 250,001-500,000 | | 4.3% | 2 | 736,869 |
| > 500,001 | | 57.4% | 6 | 9,678,215 |

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

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: Nitin Pandea is a seasoned professional with more than 20 years global experience across sectors.

He started his career in banking prior to joining Board of Investment (BOI), now known as the Economic Development Board of Mauritius, where he was a Senior Director and also headed regional offices in Europe, Asia and Africa.

Nitin holds a BA (Hons) Economics, an MSc E-Business and has followed an Advanced Management Programme at ESSEC Business School. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Mauritius Institute of Professional Accountants.

Board Committee membership: None

Directorships in other listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS (CONTINUED)



Nicolas Marie Edouard MAIGROT

Date of Birth: 15th March 1968

Date of Appointment: 1st January 2016

Qualification: Degree in Management Sciences (LSE)

Current Status: Non-Executive Director

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 (knit & knitwear) and Ireland Blyth Limited.

Board Committee membership: None

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

Resident of Mauritius

J. Alexis HAREL

Date of Birth: 26th April 1962

Date of Appointment: 17th October 2006

Qualification: Bachelor Degree in Business Administration
(Accounting)

Current Status: Non - Executive Director

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 and Risk Committee member

Directorships in other listed companies: Terra Mauricia Ltd

Resident of Mauritius

BOARD OF DIRECTORS (CONTINUED)



Nadeem LALLMAMODE

Date of Birth: 30th March 1980

Date of Appointment: 23rd September 2015

Qualification: 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: Mr. Lallmamode 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



L.M.C. Michele LIONNET (Mrs)

Date of Birth: 5th March 1953

Date of Appointment: 29th December 2006

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

Current Status: 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 organizations located both in Mauritius and Madagascar.

Board Committee membership: Corporate Governance Committee member

Directorships in other listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS (CONTINUED)



Nicolas EYNAUD

Date of Birth: 15th March 1967

Date of 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

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 is the Managing Director at Watertech Ltd. Before joining Rey & Lenferna, he occupied from 2012 to 2016 various positions at Labelling Industries Ltd, Berque Ltee 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 (CONTINUED)



Ismael Ibrahim BAHEMIA

Date of Birth: 22nd September 1947

Date of Appointment: 9th May 2012

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

Current Status: 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 Chairman 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

Directorships in other listed companies: None

Resident of Mauritius



K.H. Bernard WONG PING LUN

Date of Birth: 9th March 1955

Date of Appointment: 17th October 2006

Qualification: B.Sc (Econ), FCCA

Current Status: Non - Executive Director

Skills and Experience: Mr. Wong retired from a private group of companies in June 2020 after 28 years of service as CFO and is currently a consultant with the group on a part-time basis.

Board Committee membership: Audit & Risk Committee Member

Directorships in other listed companies: Forges Tardieu Limited

Resident of Mauritius

BOARD OF DIRECTORS (CONTINUED)



Mushtaq OOSMAN

Date of Birth: 8th October 1954

Date of Appointment: 22nd June 2017

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

Current Status: Non - Executive Director

Skills and 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

Directorships in other listed companies: ENL Land Ltd, MUA Ltd, Automatic Systems Ltd, Les Moulins de la Concorde Ltée, Forges Tardieu Limited, PIM Ltd, MUA Ltd and Sun Resorts Ltd.

Resident of Mauritius



Aerial view of Port Louis Harbour

CORE TEAM PROFILE



Nitin Pandea
Chief Executive Officer

Nitin Pandea is a seasoned professional with more than 20 years global experience across sectors.

He started his career in banking prior to joining Board of Investment (BOI), now known as the Economic Development Board of Mauritius, where he was a Senior Director and also headed regional offices in Europe, Asia and Africa.

Nitin holds a BA (Hons) Economics, an MSc E-Business and has followed an Advanced Management Programme at ESSEC Business School. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Mauritius Institute of Professional Accountants.



Anju Goburdhun
Head of Finance

Anju has more than 10 years of experience in Accounting and Finance.

She 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.



Divij Baznath
Head of Project Management

Divij Baznath is a multidisciplinary professional with significant experience in construction and real estate sectors. He is a member of the Royal Institution of Chartered Surveyors (RICS), an Associate member of the Chartered Institute of Arbitrators (CI Arb) as well as a Member of the Mauritius Association of Quantity Surveyor.

He holds a Bachelor degree in Quantity Surveying from Leeds Beckett University and a Postgraduate Diploma in Construction Project Management from the University of Salford.

He has more than 12 years of experience working as Project Manager, Contracts Manager and Quantity Surveyor in the construction sector in Mauritius and West Africa.

CORE TEAM PROFILE



Maurice Vigier De Latour
Head of Assets Management

Maurice Vigier de Latour has more than 12 years' experience working in the USA and Mauritius. Prior to joining United Docks, Maurice has worked for 6 years as Property Manager in a leading real estate company.

He holds a Bachelor Degree in Business Administration as well as an MBA from Lynn University, Florida, USA.



Miha Amdanee
Client Relations Executive

Miha Amdanee has joined United Docks Ltd in November 2021. She holds an LLB from University of London in Malaysia.

Miha has more than 5 years of experience in residential and commercial real estate development.

She pursued her career in Compliance before moving on to the real estate sector. Prior to joining United Docks, Miha was responsible for PR and Communications in a real estate company involved in residential development.



Raj Ramnial
Business Development Executive

Raj Ramnial joined United Docks in 2022. He is currently heading the Park and Ride facility and business development at United Docks.

Raj has started his career in the hospitality industry and holds a Bachelors Degree in Tourism management, a Master of Business Administration from the University of Mauritius and is also a certified member of DMI UK. He has over 10 years of experience in the hospitality and marketing sector.



Jason Wong
Cost Surveyor

Jason Wong holds a BSc Hons in Quantity Surveying and also a BSc Hons in Construction Studies from University of Cape Town.

He has more than 7 years' experience working in the field of quantity surveying in Mauritius. He has extensive experience across different segments of real estate, namely residential, commercial and office.



“

OUR PEOPLE

At United Docks, we are not only team members but, more importantly, partners. In fact, everyone is considered as a partner in the business.

We always give our best and we contribute passionately towards creating value and growing the business with a wonderful team spirit.

We are a small team managing a growing total asset base of around US\$100 Million (MUR 4.4 Billion).

”



Shwann Bhurtun
Accounts Officer

Shwann has over 5 years of experience in accounting. He holds a Bachelor of Commerce in Accounting & Finance from Curtin University and an MBA in Financial Services from Open University of Mauritius.



Amrita Raddhoa
Administrative Executive

Amrita started her career at United Docks in 2008 and is an experienced team member strongly supporting the Administration and Finance team.



William Ramsay
Interior designer

William holds a Diploma in Interior Design from Charles Telfair Campus and has received the "Best Student Award". He has extensive experience in the interior design field for residential, commercial and hospitality projects.



Ankush Rao Sonoo
Assistant interior designer

Ankush joined United Docks in February 2022. He holds a Diploma in Interior Design from Charles Telfair Campus. He is extensively involved in the fit-out works of The Docks.



Jaysen L Mootoosamy
Facilities Executive

Jaysen has the responsibility of managing the facilities of United Docks. He has over 10 years of professional experience in the real estate sector and has worked on major projects. He joined the facilities team in September 2022.



Steve Jocelyn
Site Supervisor

Steve has 26 years of experience working in site supervision. He is responsible to supervise the different site activities and coordinate to ensure a proper and timely implementation of projects.



Ravish Ramdhony
Health & Safety officer

Ravish holds a bachelors' degree in occupational safety and health management and has over 5 years of experience in the health and safety matters.

He plays an instrumental role to ensure that United Docks is compliant from a Health and Safety perspective.



Jerry Manikam
Facilities Executive

Jerry has started his career at United Docks in 2018. He holds a bachelor's degree in Civil Engineering from University of Mascareignes. Jerry is involved in day to day facilities management activities. He also brings his contribution to project development.



Rudy K Murday
MEP services Coordinator

Rudy holds a National Diploma in building services engineering and a Bachelors' degree in Electro-mechanical engineering from the Université des Mascareignes. He has over 10 years in projects.



Menon Lutchmanen
Project Executive

Menon is a seasoned professional with more than 25 years' experience at United Docks. He is responsible for licences, permits and clearances.



Oceanne La Gaité
Park & Ride Coordinator

Oceanne is a dynamic team member of the Park and Ride facility of united docks. She has over 3 years of experience in the hospitality industry.



Vish K Madré
Front office Executive

Vish has joined United Docks since March 2022 and is currently in the communication team. He holds a bachelor's degree in International Hospitality Management from the Vatel University.



Jessen Ramen
Accounts clerk

Jessen is strong team player in the finance and admin department. He is involved in back-office operations support and client invoicing.



Sameenah Hossen
Receptionist

As the receptionist, Sameenah ensures that every visitor coming to United Docks has a perfect experience. She started her career with United Docks in 2019 and has over 8 years of experience in the hospitality industry.



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 1,800 members. The Company has three wholly owned subsidiaries, namely United Properties Ltd, UDL Investments Ltd and Vivacity Ltd (the 'Group').

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

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.

We care about having a meaningful and positive environmental impact through our developments. We have invested in sustainable solutions to offset any negative impact, as much as possible. Our sustainability actions include:

- 🌿 Cleaning and Greening Programme by the river.
- 🌿 Industrial design and rough finishes to minimise wastage of resources.
- 🌿 Landscaping of gardens across the United Docks business area.
- 🌿 Energy saving initiatives and green solutions



OUR COMMITMENT TO SUSTAINABILITY



OUR PORTFOLIO OF EXCLUSIVE WORK SPACES



OUR PORTFOLIO OF EXCLUSIVE WORKSPACES



LIFESTYLE AT WORK



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)

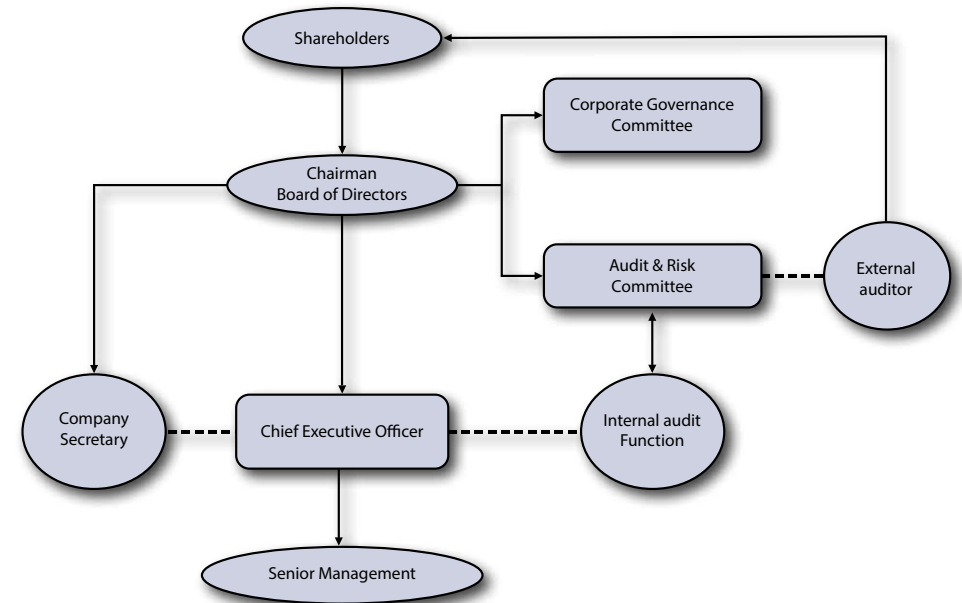
1.2. Charters and Code of Ethics

The Board is committed in doing business within high standards of conduct and ethical behaviour and has approved its charter, the organization'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 Organizational Chart as hereunder:



1. GOVERNANCE STRUCTURE (CONTINUED)

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, as illustrated by the Board attendance as found below.

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

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, and 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; and
- Ensures the Group has implemented the necessary frameworks and structure to identify, assess and mitigate risks.

1. GOVERNANCE STRUCTURE (CONTINUED)

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 functions also include 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;
- Participates actively in Board decision-making and constructively challenge, if necessary proposals presented by Management; and
- 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. ECS Secretaries Ltd 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 THE BOARD AND ITS 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 2022, the Board comprises of one executive Director, nine non-executive Directors of whom one is a woman, and one independent non-executive Director. 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 do not have a relationship with the majority shareholder.

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.

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 Board is aware of the need to have a minimum of two independent Directors, pursuant to the Code of Corporate Governance for Mauritius and its Charter, and has begun the recruitment process for a new officer. The Board further believes that the concept of independence should not be restricted to the relationship between a Director and the Company / its Shareholders and should encompass the Director's impartiality and independence of judgement in the decision-making process. The Board considers that the current Directors have the necessary skills and experience in providing leadership and exercising independent judgement in managing the affairs of the Company in its best interest and that of its shareholders and stakeholders.

The profiles of the Directors are disclosed on pages 19 to 24 of the Annual Report.

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

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

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

2.2. Directors' Attendance at Meetings for period 1st July 2021 to 30th June 2022

The table below shows the Directors of the Company and their attendance at meetings for the year ended June 30, 2022. It also shows their direct and indirect interests in the share capital of the Company for the period under review.

| Name | Date of Appointment | Attendance at meetings | | | Interest in shares | | | |
|-----------------------------|---------------------|------------------------|------------------------|--------------------------------|--------------------|-----------|--------------|-----------|
| | | Board | Audit & Risk Committee | Corporate Governance Committee | Direct | | Indirect | |
| | | | | | No of shares | % holding | No of shares | % holding |
| Directors in office | | 5 | 4 | 2 | | | | |
| M. H. Dominique Galea | 17.10.06 | 4/4 | | 2/2 | 12,885 | 0.08 | 1,466,391 | 8.71 |
| Ismael Ibrahim Bahemia | 09.05.12 | 3/4 | 3/4 | 1/2 | | | 817 | 0.00 |
| Nicolas Eynaud | 21.04.17 | 4/4 | | | | | | |
| Antoine Galea | 22.06.17 | 4/4 | | | | | 679,483 | 4.03 |
| J. Alexis Harel | 17.10.06 | 4/4 | 3/4 | | | | | |
| M. Nadeem Lallmamode | 23.09.15 | 4/4 | | | | | | |
| L. M. C. Michele Lionnet | 29.12.06 | 4/4 | | 2/2 | 86,876 | 0.52 | 770 | 0.00 |
| Nicolas M. E. Maigrot | 01.01.16 | 4/4 | | | | | 200,000 | 1.19 |
| K. H. Bernard Wong Ping Lun | 17.10.06 | 4/4 | 4/4 | | 20,000 | 0.12 | | |
| Mushtaq Oosman | 22.06.17 | 3/4 | 4/4 | | 7,385 | 0.04 | | |
| Bhoonesh Pandea | 01.02.15 | 4/4 | | | | | 1,016,190 | 6.03 |

During the period 1st July 2021 to 30th June 2022, there were no share dealing by the Directors and their associates.

Notes Programme 2022

Further to the successful raising of Rs 750m through a Notes Programme in 2020, the Board of Directors has approved, on 01 July 2022, the implementation of a new Notes Programme to raise another Rs 750m via private placements. The offer was oversubscribed to, and the Company has issued secured fixed rate notes over a tenor of 7 years to sophisticated investors. The Rs 750m raised will be used to finance the construction of two additional towers forming part of The Docks, namely Tower 3 and Tower 4. The Notes are listed on the Stock Exchange of Mauritius

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

2.3. 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.

2.3.1. Corporate Governance Committee

Membership of the Corporate Governance Committee as at 30 June 2022

| NAME OF DIRECTOR | NO. OF MEETINGS | TYPE OF DIRECTOR |
|--|-----------------|------------------------------------|
| M.H.Dominique Galea (Chairman) | 2 | 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;

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

- 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;
- Determining, agreeing and developing the Company's general policy on corporate governance in accordance with the Code of Corporate Governance of Mauritius;
- Reviewing the Corporate Governance report of the Company and recommending it to the Board of Directors for consideration;
- 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; and
- Having unrestricted access to any employee and information relevant to the performance of its duties.

The Committee met twice during the year.

2.3.2 Audit & Risk Committee

Membership of the Audit & Risk Committee as at 30 June 2022

| NAME OF DIRECTOR | NO. OF MEETINGS | TYPE OF DIRECTOR |
|--|-----------------|------------------------|
| Mushtaq Oosman (Chairman) | 4 | Non-Executive Director |
| Ismael Ibrahim Bahemia | | 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 | | |

Further to the amendment to the Companies Act 2001, Mr. Mushtaq Oosman now qualifies as a Non-Executive Director. Upon recommendation of the Corporate Governance Committee, the Board of Directors has decided to retain Mr. Oosman as Chairman of the Audit & Risk Committee given his independence of mind and judgement, as well as his knowledge and industry experience; notwithstanding his non-independence per the definition of the Companies Act 2001.

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

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;
- Recommending to the Board the payment of a dividend;
- 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;
- 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;
- Making recommendations to the Board as regards the appointment or reappointment of the external auditor;
- Making recommendations to the Board as regards the appointment or reappointment of the internal auditor;
- Ensuring that Anti Money Laundering/Combating the Financing of Terrorism requirements are met;
- Agreeing on the scope of work of the internal auditor and reviewing the audit work; and
- Reviewing the major risks faced by the Company and making recommendation to the Board accordingly.

The Audit & Risk Committee met four times during the year.

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

The Board has decided to review the 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.

3.2. 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. Although no formal succession plan is in place, the Board and management have begun addressing succession through recruitment. The Board reviews the aspect of succession planning for both the Board and senior management positions as and when required to ensure continued balance of knowledge, skills and experience.



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 2022, apart from the disclosures made under paragraph 2.2, two entries were 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 48 of the report.

Related party transactions are set out in Note 23 of the Annual Financial Statements.

4.2. Remuneration Philosophy

The Corporate Governance Committee is responsible for reviewing the remuneration of the employees of the Company and ensuring that they are rewarded for their contribution to the Company's financial results, with a blend of fixed and performance-related variable pay comparable with practice within the industry in which the Company operates in Mauritius. The level of remuneration is based on market trend and is reviewed on a regular basis.

4.3. Directors' Remuneration

Total Remuneration payable to the Independent and Non-Executive Directors from the Company for the year was MUR 1,405,000 (2021: MUR 1,560,000). Total Remuneration payable to the executive director was MUR 9,057,275 (2021: MUR 9,967,200).

Remuneration of Independent and Non-Independent Non-Executive Directors for the year ended 30 June 2022 has been disclosed in the table below.

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

| Name | Total remuneration payable to non-executive directors | | |
|-----------------------------|---|------------------------|--------------------------------|
| | Board | Audit & Risk Committee | Corporate Governance Committee |
| | 4 | 4 | 2 |
| Directors in office | | | |
| M. H. Dominique Galea | 170,000 | | 30,000 |
| Ismael Ibrahim Bahemia | 105,000 | 30,000 | 10,000 |
| Nicolas Eynaud | 115,000 | | |
| Antoine Galea | 115,000 | | |
| J. Alexis Harel | 115,000 | 30,000 | |
| M. Nadeem Lallmamode | 115,000 | | |
| L. M. C. Michele Lionnet | 115,000 | | 20,000 |
| Nicolas M. E. Maigrot | 115,000 | | |
| K. H. Bernard Wong Ping Lun | 115,000 | 40,000 | |
| Mushtaq Oosman | 105,000 | 60,000 | |

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, its 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. The Board is of view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly. Board will conduct an evaluation during financial year ending 30 June 2023.

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

4.5. Information Technology

The Company has a defined policy with regards to 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. The Company developed formal information, information technology and information security policies for its employees for the proper operation of activities.

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.

In view of further reinforcing controls and in light of forthcoming projects to be undertaken, the internal audit function has been outsourced to PwC.

The key features identified by the Audit & Risk Committee to provide an objective overview of the operational effectiveness of them 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;
- 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; and
- Meeting the Chief Executive Officer and heads of departments to review all operational aspects of the business and risk management systems.

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

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

5.1. Risk Management Function (CONTINUED)

- 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.
- 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 there 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. |

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

5.2. External Auditor

Deloitte are the appointed external auditors of the Company.

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

During the year, the Tax Services were rendered by Ernst & Young Ltd.

United Docks Ltd has appointed PWC for its Internal Audit function in January 2022 and will carry out 2 assignments per year. It will cover different aspects in the business like the Facilities Management, Park & Ride Management, Technology, projects etc.

6. INTEGRATED AND SUSTAINABILITY REPORTING

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 2022 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 appointed 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.

6.2. 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. INTEGRATED AND SUSTAINABILITY REPORTING (CONTINUED)

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 (2021: nil) for any activities associated with CSR actions.

6.4 Whistleblowing Policy

The Company encourages whistle blowing and all employees are invited to raise malpractices to the Chairman of the Board and will formalize the whistleblowing policy during the financial year to 30 June 2023.

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.

6.7 Donations

The Company and its subsidiaries made no donation during the year (2021: nil).

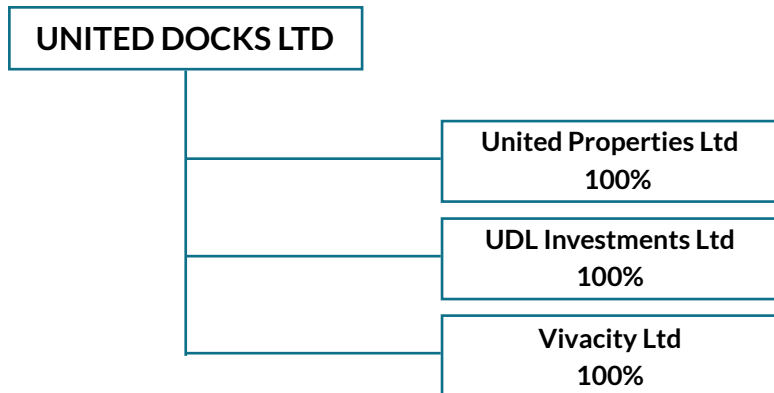
7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS

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.

7.1. 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 2022:

| Shareholders | % Holding |
|---|-----------|
| Horus Ltée | 18.34% |
| Kasa Investments Ltd (previously Ducray Lenoir (Investments) Ltd) | 14.25% |
| Terra Mauricia Ltd | 12.28% |
| Novac Holdings Ltd | 6.03% |

7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONTINUED)

7.2. 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.

7.3. Shareholders' Agreement

The Directors are not aware of any agreement in existence among the shareholders of the Company as at June 30, 2022.

7.4. Management Agreement

There is no management agreement with any third parties.

7.5. Share Option Plan

The Group and the Company have no share option plan.

7.6. Dividend Policy

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

The Company has declared a final dividend of MUR 0.40 per share on the 16,844,285 ordinary shares in respect of its financial year ending 30 June 2022 (2021: MUR 0.30 per share).

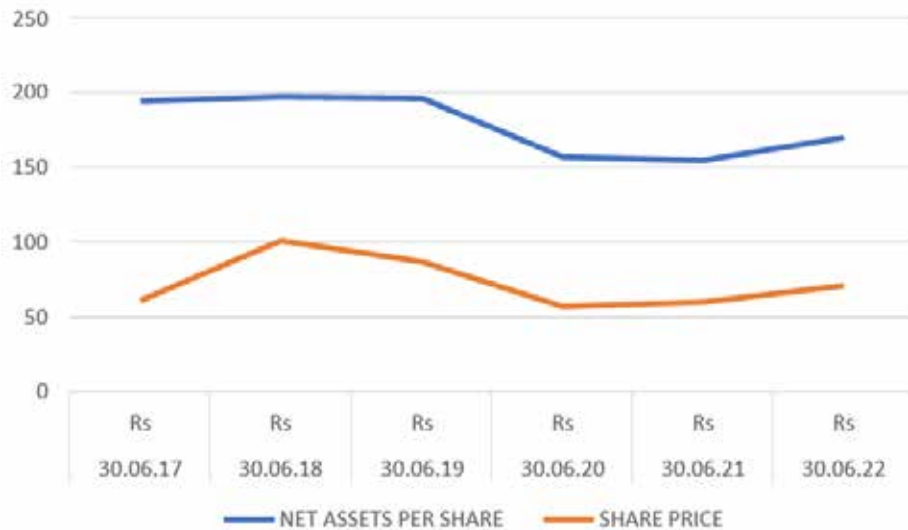
7.7. Share Price Information

| PERIOD | 30.06.17 | 30.06.18 | 30.06.19 | 30.06.20 | 30.06.21 | 30.06.22 |
|----------------------|----------|----------|----------|----------|----------|----------|
| AMOUNT | Rs | Rs | Rs | Rs | Rs | Rs |
| NET ASSETS PER SHARE | 194 | 197 | 196 | 157 | 154.69 | 169.75 |
| SHARE PRICE | 61 | 101 | 87 | 57 | 60 | 71 |



7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONTINUED)

7.7. Share Price Information (CONTINUED)



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 |

7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONTINUED)

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001)

Activities

United Docks Ltd is involved in activities of real estate and property development in Mauritius. It also operates two business parks in Port-Louis.

Board of Directors

The Directors of the Company and its subsidiaries as at 30 June 2022 were:

| | United Docks Ltd | United Properties Ltd | UDL Investments Ltd | Vivacity Ltd |
|----------------------------|------------------|-----------------------|---------------------|--------------|
| M. H. Dominique Galea | ✓ | ✓ | ✓ | ✓ |
| K.H. Bernard Wong Ping Lun | ✓ | ✓ | - | ✓ |
| Nicolas Maigrot | ✓ | ✓ | ✓ | ✓ |
| J. Alexis Harel | ✓ | ✓ | - | - |
| Bhoonesh Pandea | ✓ | ✓ | - | ✓ |
| Mushtaq Oosman | ✓ | - | - | ✓ |
| Nicolas Eynaud | ✓ | - | - | - |
| Ismael Ibrahim Bahemia | ✓ | - | - | - |
| Antoine Galea | ✓ | - | - | - |
| J. Alexis Harel | ✓ | - | - | - |
| M Nadeem Lallmamode | ✓ | - | - | - |
| L. M. C. Michele Lionnet | ✓ | - | - | - |

Executive Director's service contract

The Executive Director and Chief Executive Officer, Mr. Bhoonesh Pandea, has/has no fixed term contract.

7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONTINUED)

Auditors' remuneration

During the year ended 30 June 2022, fees payable to the auditors for audit and tax services were as follows:

| | 2022 | 2021 |
|------------------------------|------------|------------|
| | Rs 000 | Rs 000 |
| Company: | | |
| Audit Fees (Deloitte) | 650 | 535 |
| Tax Services (Ernst & Young) | 35 | 31 |
| Total | 685 | 566 |
| Group: | | |
| Audit Fees (Deloitte) | 800 | 625 |
| Tax Services (Ernst & Young) | 55 | 47 |
| Total | 855 | 672 |

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.



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

Name of PIE: United Docks Ltd

Reporting Period: 1st July 2021 to 30th June 2022

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 National Code of Corporate Governance for Mauritius (2016) in all material aspects, except for the following sections:

| Principles | Reasons for non-compliance |
|--|--|
| <p>Executive Directors</p> <p>Principle 2: All Boards should consider having a strong executive management presence with at least two executives as members.</p> | <p>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 non-complexity of the activities of the Company, the Board is of the opinion that one executive, working in close collaboration with the Chairman is adequate</p> |
| <p>Independent Directors</p> <p>Principle 2: Independent Directors – Boards should normally have at least two independent directors.</p> | <p>3 out of 4 Independent Directors no longer qualify as such. The Board is aware of the requirement of the Code of having a minimum of two Independent Directors and has begun the recruitment process for a new officer. Also, the shareholders are adequately represented on the Board by experienced Directors who show independence of mind when participating in Board decisions. Board composition and recruitment of new independent Directors is being addressed.</p> |
| <p>Independence of the Chairman of the Audit & Risk Committee</p> <p>Principle 2: The Chairperson of the Audit Committee should be an independent director.</p> | <p>The Board is satisfied that the Chairman's independence of judgement, experience, skills and knowledge are satisfactory in chairing the Audit & Risk Committee and are beneficial to the Company, despite his status of Non-Executive Director.</p> |
| <p>Composition of the Audit & Risk Committee</p> <p>Principle 2: The majority of the members should be independent.</p> | <p>The majority of members of the Audit & Risk Committee are Non-Executive Directors. Composition will be reviewed once new Independent Directors are appointed on the Board.</p> |

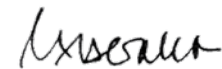
(Section 75(3) of the Financial Reporting Act)


Name of PIE: **United Docks Ltd**

Reporting Period: 1st July 2021 to 30th June 2022

| Principles | Reasons for non-compliance |
|---|---|
| <p>Succession planning</p> <p>Principle 3: The Board should satisfy itself that suitable plans are in place for the orderly succession of appointments to the Board and to senior management positions</p> | <p>The Board does not have a formal succession plan in place. However, the Board reviews the aspect of succession planning for both the Board and senior management positions as and when required to ensure continued balance of knowledge, skills and experience.</p> |
| <p>Board evaluation</p> <p>Principle 4: Directors' duties, remuneration and performance</p> | <p>The last Board evaluation was carried out by an external consultant in May 2018. The Board is reviewing its composition to address the balance between Non-Executive Directors and Independent Directors, and to widen the array of skills, expertise and experience of its members. The Board will conduct an evaluation during financial year ending 30 June 2023.</p> |
| <p>Whistleblowing policy</p> <p>Principle 6: All Boards are encouraged to put whistleblowing procedures in place and to describe these in their Code of ethics.</p> | <p>The Company encourages whistleblowing and all employees are invited to raise malpractices to the Chairman of the Board. The Board will implement a formal whistleblowing policy during financial year ending 30 June 2023.</p> |

Approved by the Board of Directors on 27th September 2022 and signed on its behalf by


.....
Chairperson


.....
Director

Date: 27th September 2022

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


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

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

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

Approved by the Board of Directors on 27th September 2022 and signed on its behalf by:


.....
Chairperson


.....
Director



UNITED DOCKS LTD AND ITS SUBSIDIARIES
CERTIFICATE FROM THE COMPANY SECRETARY UNDER SECTION 166(D)
OF THE MAURITIUS COMPANIES ACT

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, 2022, all such returns as are required of the Company under the S(66(d)) of the Mauritius Companies Act 2001.



ECS Secretaries Ltd
Company Secretary

Date: 27th September 2022



UNITED DOCKS LTD AND ITS SUBSIDIARIES
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF UNITED DOCKS LTD

Deloitte.

7th-8th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebene 72201
Mauritius

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" or the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 30 to 65, which comprise the consolidated and separate statements of financial position as at 30 June 2022, 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 notes to the consolidated and separate 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 2022, and of their consolidated and separate financial performance and 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 Axyx Group Ltd, 49.9% shareholding in Societe Libra, 20% shareholding in Cathedral Development Limited and 1.96% shareholding in Prokid. 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 Axyx Group Ltd is Rs 78,374,691, Societe Libra is Rs 134,997,906, Cathedral Development Limited is Rs 23,932,462 and Prokid is Rs 1,143,847 as at 30 June 2022.

As stated in Note 7, the Directors have not been able to assess the fair value of the investments in Axyx Group Ltd, Societe Libra, Cathedral Development Limited and Prokid 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 2022 and whether any adjustments might be necessary to the amounts recorded in the financial statements at reporting date.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "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.

Deloitte.

7th-8th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebene 72201
Mauritius

Key audit matters

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. We have determined that there are no key audit matters to communicate in our report.

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, Corporate Governance Report, Certificate of Compliance and Certificate from the Company's Secretary, but, does not include 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, 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.

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, 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 and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or 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.

Deloitte.

7th-8th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebene 72201
Mauritius

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 to draw attention in our auditor's report to the related disclosures in the 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 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.

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

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.

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 obtained all information and explanations that we have required in so far as explained in the basis for qualified opinion; and
- 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.

**Financial Reporting Act 2004
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 given 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.

Use of this report

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
Chartered Accountants



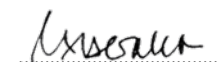
Rajeev Tatiah, FCCA

Licensed by FRC


30 September 2022

| Notes | THE GROUP | | THE COMPANY | | | |
|--------------------------------|---|-------------|----------------------|----------------------|----------------------|----------------------|
| | 2022 Rs. | 2021 Rs. | 2022 Rs. | 2021 Rs. | | |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| | Property and equipment | 4 | 2,740,816 | 1,696,046 | 2,407,660 | 1,696,046 |
| | Investment properties | 5 | 3,076,784,687 | 2,335,865,132 | 973,750,121 | 935,883,937 |
| | Investments in subsidiaries | 6 | - | - | 50,000 | 50,000 |
| | Financial assets at fair value through other comprehensive income | 7(i) | 448,373,970 | 363,233,149 | 313,376,064 | 228,235,243 |
| | | | 3,527,899,473 | 2,700,794,327 | 1,289,583,845 | 1,165,865,226 |
| Current assets | | | | | | |
| | Financial assets at amortised cost | 7(ii) | - | 186,670,000 | - | 186,670,000 |
| | Trade and other receivables | 8 | 53,804,711 | 46,413,738 | 1,435,467,925 | 1,141,170,532 |
| | Cash at bank and in hand | 9 | 67,480,182 | 236,910,338 | 64,578,076 | 235,618,046 |
| | | | 121,284,893 | 469,994,076 | 1,500,046,001 | 1,563,458,578 |
| | TOTAL ASSETS | | 3,649,184,366 | 3,170,788,403 | 2,789,629,846 | 2,729,323,804 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| | Stated capital | 10 | 168,442,850 | 168,442,850 | 168,442,850 | 168,442,850 |
| | Share premium | 10 | 275,397,399 | 275,397,399 | 275,397,399 | 275,397,399 |
| | Other reserve | 10 | 120,288,458 | 90,285,354 | 120,288,458 | 90,285,354 |
| | Retained earnings | | 2,295,930,295 | 1,856,551,586 | 1,437,653,460 | 1,419,244,796 |
| | Total equity | | 2,860,059,002 | 2,390,677,189 | 2,001,782,167 | 1,953,370,399 |
| LIABILITIES | | | | | | |
| Non-current liabilities | | | | | | |
| | Retirement benefit obligations | 12 | 2,501,141 | 4,214,495 | 2,501,141 | 4,214,495 |
| | Interest-bearing notes | 11 | 750,000,000 | 750,000,000 | 750,000,000 | 750,000,000 |
| | | | 752,501,141 | 754,214,495 | 752,501,141 | 754,214,495 |
| Current liabilities | | | | | | |
| | Trade and other payables | 13 | 36,624,223 | 20,843,434 | 35,346,538 | 16,685,625 |
| | Dividend payable | 15 | - | 5,053,285 | - | 5,053,285 |
| | | | 36,624,223 | 25,896,719 | 35,346,538 | 21,738,910 |
| | Total liabilities | | 789,125,364 | 780,111,214 | 787,847,679 | 775,953,405 |
| | TOTAL EQUITY AND LIABILITIES | | 3,649,184,366 | 3,170,788,403 | 2,789,629,846 | 2,729,323,804 |

These financial statements have been approved for issue by the Board of directors on 27th September 2022



Chairperson



Director

The notes on pages 34 to 65 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, 2022

| Notes | THE GROUP | | THE COMPANY | | |
|--|-----------|--------------------|--------------|-------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | |
| | Rs. | Rs. | Rs. | Rs. | |
| Revenue | 16 | 57,207,186 | 54,067,739 | 42,841,708 | 54,067,739 |
| Other income | 17 | 8,282,558 | 6,794,286 | 14,321,130 | 6,794,286 |
| Operating expenses | | (37,605,427) | (38,103,073) | (35,104,095) | (37,844,653) |
| Operating profit | 18 | 27,884,317 | 22,758,952 | 22,058,743 | 23,017,372 |
| Gain on investment properties revaluation | 5 | 450,320,430 | - | 35,175,959 | - |
| Finance costs | 19 | (15,593,971) | (20,845,073) | (15,593,971) | (20,845,073) |
| Profit before tax | | 462,610,776 | 1,913,879 | 41,640,731 | 2,172,299 |
| Income tax expense | 14 | - | - | - | - |
| Profit for the year before reversal of dividend receivable from subsidiaries | | 462,610,776 | 1,913,879 | 41,640,731 | 2,172,299 |
| Reversal of dividend receivable from subsidiaries | 23 | - | - | - | (44,995,200) |
| Profit/(loss) for the year after reversal of dividend receivable from subsidiaries | | 462,610,776 | 1,913,879 | 41,640,731 | (42,822,901) |
| Other comprehensive income for the year | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | | |
| Fair value gain on equity instruments measured at FVTOCI | 7(i) | 14,454,151 | 23,080,875 | 14,454,151 | 23,080,875 |
| Remeasurement of defined benefit plans | 12 | (945,400) | (1,672,755) | (945,400) | (1,672,755) |
| Other comprehensive income for the year, net of tax | | 13,508,751 | 21,408,120 | 13,508,751 | 21,408,120 |
| Total comprehensive income/(loss) for the year | | 476,119,527 | 23,321,999 | 55,149,482 | (21,414,781) |
| Profit for the year attributable to: | | | | | |
| Owners of the Company | | 462,610,776 | 1,913,879 | | |
| Non-controlling interests | | - | - | | |
| | | 462,610,776 | 1,913,879 | | |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 476,119,527 | 23,321,999 | | |
| Non-controlling interests | | - | - | | |
| | | 476,119,527 | 23,321,999 | | |
| Earnings per share (basic and diluted) | 20 | 27.46 | 0.15 | | |

The notes on pages 76 to 111 form an integral part of these financial statements.

UNITED DOCKS LTD AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2022

| Notes | Attributable to equity holders of the company | | | | |
|--|---|--------------------|--------------------|----------------------|----------------------|
| | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| THE GROUP | | | | | |
| At July 1, 2020 | 105,600,000 | 24,631,914 | 84,700,630 | 1,842,264,728 | 2,057,197,272 |
| Issue of shares | 10 | 62,842,850 | 250,765,485 | - | 313,608,335 |
| Reversal of dividend payable | 15 | - | - | 1,602,868 | 1,602,868 |
| Dividend declared | 15 | - | - | (5,053,285) | (5,053,285) |
| Profit for the year | | - | - | 1,913,879 | 1,913,879 |
| Other comprehensive income for the year | | - | 23,080,875 | (1,672,755) | 21,408,120 |
| Total comprehensive income for the year, net of tax | | - | - | 23,080,875 | 241,124 |
| | | 168,442,850 | 275,397,399 | 1,839,055,435 | 2,390,677,189 |
| At June 30, 2021 | | 168,442,850 | 275,397,399 | 1,839,055,435 | 2,390,677,189 |
| Dividend declared | 15 | - | - | (6,737,714) | (6,737,714) |
| Transfer of investment revaluation reserve upon disposal of financial assets designated as at FVTOCI | | - | - | (1,947,198) | 1,947,198 |
| Profit for the year | | - | - | 462,610,776 | 462,610,776 |
| Other comprehensive income for the year | | - | 14,454,151 | (945,400) | 13,508,751 |
| Total comprehensive income for the year, net of tax | | - | - | 14,454,151 | 461,665,376 |
| | | 168,442,850 | 275,397,399 | 120,288,458 | 2,295,930,295 |
| At June 30, 2022 | | 168,442,850 | 275,397,399 | 120,288,458 | 2,295,930,295 |
| THE COMPANY | | | | | |
| At July 1, 2020 | 105,600,000 | 24,631,914 | 84,700,630 | 1,449,694,718 | 1,664,627,262 |
| Issue of shares | 10 | 62,842,850 | 250,765,485 | - | 313,608,335 |
| Reversal of dividend payable | 15 | - | - | 1,602,868 | 1,602,868 |
| Dividend declared | 15 | - | - | (5,053,285) | (5,053,285) |
| Loss for the year | | - | - | (42,822,901) | (42,822,901) |
| Other comprehensive income for the year | | - | 23,080,875 | (1,672,755) | 21,408,120 |
| Total comprehensive loss for the year, net of tax | | - | - | 23,080,875 | (44,495,656) |
| | | 168,442,850 | 275,397,399 | 107,781,505 | 1,401,748,645 |
| At June 30, 2021 | | 168,442,850 | 275,397,399 | 107,781,505 | 1,401,748,645 |
| Dividend declared | 15 | - | - | (6,737,714) | (6,737,714) |
| Transfer of investment revaluation reserve upon disposal of financial assets designated as at FVTOCI | | - | - | (1,947,198) | 1,947,198 |
| Profit for the year | | - | - | 41,640,731 | 41,640,731 |
| Other comprehensive income for the year | | - | 14,454,151 | (945,400) | 13,508,751 |
| Total comprehensive income for the year, net of tax | | - | - | 14,454,151 | 40,695,331 |
| | | 168,442,850 | 275,397,399 | 120,288,458 | 1,437,653,460 |
| At June 30, 2022 | | 168,442,850 | 275,397,399 | 120,288,458 | 2,001,782,167 |

The notes on pages 76 to 111 form an integral part of these financial statements.

| | Notes | THE GROUP | | THE COMPANY | |
|--|-------|----------------------|----------------------|----------------------|----------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | Rs. | Rs. | Rs. | Rs. |
| Operating activities | | | | | |
| Profit before tax | | 462,610,776 | 1,913,879 | 41,640,731 | 2,172,299 |
| <i>Adjustments for:</i> | | | | | |
| Depreciation of property and equipment | 4 | 766,170 | 634,605 | 743,907 | 634,605 |
| Straight line rental adjustment | | (2,806,492) | (330,358) | (1,673,927) | (330,358) |
| Dividend income | 16 | (4,572,180) | (3,691,806) | (4,572,180) | (3,691,806) |
| Interest income | 17 | (1,809,426) | (1,260,777) | (1,809,426) | (1,260,777) |
| Unrealised foreign exchange gain | 17 | (752,477) | (5,492,500) | (752,477) | (5,492,500) |
| Finance cost | 19 | 15,593,971 | 20,845,073 | 15,593,971 | 20,845,073 |
| Remeasurement of expected credit loss allowance | 8 | 451,887 | 402,466 | 451,887 | 402,466 |
| Gain on investment properties revaluation | 5 | (450,320,430) | - | (35,175,959) | - |
| Defined benefit obligations | | (2,658,754) | (355,810) | (2,658,754) | (355,810) |
| | | 16,503,045 | 12,664,772 | 11,787,773 | 12,923,192 |
| Working capital adjustments | | | | | |
| Increase in trade and other receivables | | (4,284,191) | (15,353,102) | (292,323,176) | (125,273,015) |
| Increase/(decrease) in trade and other payables | | 15,780,789 | (11,975,216) | 18,660,913 | (16,018,743) |
| Net cash generated from/(used in) operating activities | | 27,999,643 | (14,663,546) | (261,874,490) | (128,368,566) |
| Investing activities | | | | | |
| Additions to investment properties | 5 | (290,599,125) | (116,832,686) | (2,690,225) | (4,410,030) |
| Acquisition of property and equipment | 4 | (1,810,940) | (564,965) | (1,455,521) | (564,965) |
| Interest income on financial assets at amortised cost | | 1,809,726 | 1,260,777 | 1,809,726 | 1,260,777 |
| Purchase of financial assets at amortised cost | 7(ii) | - | (181,177,500) | - | (181,177,500) |
| Redemption of financial assets at amortised cost | 7(ii) | 186,670,000 | - | 186,670,000 | - |
| Purchase of quoted equity instruments designated at FVTOCI | 7(i) | (75,953,868) | (100,280,743) | (75,953,868) | (100,280,743) |
| Proceeds from disposal of quoted equity instruments designated at FVTOCI | | 5,267,198 | - | 5,267,198 | - |
| Dividend received | | 4,572,180 | 3,691,806 | 4,572,180 | 3,691,806 |
| Net cash (used in)/generated from investing activities | | (170,044,829) | (393,903,311) | 118,219,490 | (281,480,655) |
| Financing activities | | | | | |
| Issue of shares | 10 | - | 313,608,335 | - | 313,608,335 |
| Proceeds interest bearing notes | 25 | - | 750,000,000 | - | 750,000,000 |
| Repayment of loans and borrowings | 25 | - | (301,052,134) | - | (301,052,134) |
| Dividend paid | 15 | (11,790,999) | - | (11,790,999) | - |
| Interest paid | | (15,593,971) | (16,602,641) | (15,593,971) | (16,602,641) |
| Net cash (used in)/generated from financing activities | | (27,384,970) | 745,953,560 | (27,384,970) | 745,953,560 |
| Net (decrease)/increase in cash and cash equivalents | | | | | |
| Cash and cash equivalents at beginning of year | | 236,910,338 | (100,476,365) | 235,618,046 | (100,486,293) |
| Cash and cash equivalents at end of year | 9 | 67,480,182 | 236,910,338 | 64,578,076 | 235,618,046 |

The notes on pages 76 to 111 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, 2022 have been authorised for issue by the Board of directors on the date stamped on page 30.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 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 International Financial Reporting Standards ("IFRS") and comply with Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis of consolidation

The financial statements comprise the financial statements of United Docks Ltd and its subsidiaries as at June 30, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of Preparation (Continued)

Basis of consolidation (continued)

- The contractual arrangement with the other vote holders of the investee;
- 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

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

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

2.2 Application of New and Revised International Financial Reporting Standards ("IFRSs")

In the current year, the Group and the Company have adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on July 1, 2021. Their adoption did not have a material impact on the disclosures or on the amounts reported in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Application of New and Revised International Financial Reporting Standards ("IFRSs") (Continued)

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

The following relevant Standards and Interpretations have been applied in these financial statements. However, they did not have any impact on the Company's financial statements but may impact the accounts for future transactions or arrangements.

| | |
|---------|--|
| IFRS 7 | Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform |
| IFRS 9 | Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform |
| IFRS 16 | Leases - Amendments regarding replacement issues in the context of the IBOR reform |
| IFRS 16 | Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification |

New and revised Standards in issue but not yet effective

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

| | |
|--------|---|
| IAS 1 | Presentation of Financial Statements - Amendments regarding classification of liabilities (effective January 1, 2023) |
| IAS 1 | Presentation of Financial Statements - Amendment regarding the disclosure of accounting policies (effective January 1, 2023) |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates (effective January 1, 2023) |
| IAS 12 | Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective January 1, 2023) |
| IAS 16 | Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective January 1, 2022) |
| IFRS 3 | Business Combinations - Amendments updating a reference to the Conceptual Framework (effective January 1, 2022) |
| 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 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) |

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Judgements, Estimates and Assumptions

In the application of the Group's and 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. 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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Judgements, Estimates and Assumptions (Continued)

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

Retirement benefit obligations (continued)

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 expert using recognised valuation techniques. The fair values are determined based on recent real estate transactions with similar characteristics and location to those investment properties. The marketability discount in the valuation reports has been considered for all investment properties except for Caudan whereby the marketability discount of 15% has not been applied based on the recommendations of the valuer on the basis that the area is prime and the Group already have more than 80% occupancy on the newly developed properties.

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

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 and other forms of credit insurance).

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 forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. 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.

3. SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment is recorded at cost net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the property 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 asset is derecognised.

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful lives. The useful life, residual value and method of depreciation of an item of property 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets

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), and 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
- 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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

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)

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument-by-instrument) basis to designate investments in equity instruments as at fair value through OCI. Designation at fair value through OCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at fair value through OCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of investment. Dividends are included in the 'Revenue' line item (note 16) in profit or loss.

The Group and the Company designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see note 7).

A financial asset is held for trading if either:

- It has been acquired principally for the purpose of selling it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

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

The debt instruments held by the Group are classified as at FVTOCI. Fair value is determined in the manner described in note 7(i). These are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these debt instruments as a result of impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of other reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets designated at fair value through OCI (debt instruments) (Continued)

When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

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 primarily 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 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).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments(Continued)

Impairment of financial assets (Continued)

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.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group 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 measured subsequently at amortised cost.

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 and interest-bearing loans and borrowings.

Derecognition of financial liabilities

The Group and the Company derecognises 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 instruments (Continued)

Cash and cash equivalents

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

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and short-term deposits with 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, 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 expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefit liabilities

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

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 'employee benefit expense' in consolidated statement of profit or loss (by function):

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefit liabilities (continued)

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 (and their dependents).

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

Retirement Gratuity

For employees who are not covered by the above pension plans, the net present value of Retirement Gratuity payable under the Employment Rights Act 2008 is determined and valued by the actuary and provided for. The obligations arising under this item are not funded. Actuarial gains or losses are recognised using the same policy as for a defined benefit scheme. A liability is recognised in Note 12.

Taxes

Current income tax

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

Deferred income tax

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes (continued)

Deferred income tax (continued)

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.

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

Value added tax

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes (continued)

Corporate Social Responsibility

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

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

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is recognised at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group and the Company has concluded that it is acting as a principal in all of its revenue arrangements.

The following specific criteria must also be met:

- Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

- Investment income

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

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

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

The 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.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government Wage Assistance Scheme (GWAS) was introduced in March 2020 and was given during the months of lockdown. GWAS meets the definition of government grants under IAS 20.

Government Wage Assistance Scheme (GWAS) are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate and are deducted in reporting the related expenses.

COVID-19 levy

The Government introduced the COVID-19 levy after the GWAS. The COVID-19 levy is an obligating event arising upon the making of the taxable profit. If the Company is profitable in the next year of assessment, the GWAS will be considered as a refund to the Mauritius Revenue Authority. The COVID-19 levy is recognised in profit or loss on a systematic basis over the periods in which the Company has recognised the GWAS and is included in the administrative expenses line item.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparatives

Where applicable, comparative figures have been reclassified or regrouped to conform with the current year's presentation. There is neither any effect on the result for the year in the comparative statement of profit or loss and other comprehensive income nor on the assets and liabilities in the comparative statement of financial position.

4. PROPERTY AND EQUIPMENT

| | Improvement to freehold buildings | Furniture and office equipment | Motor Vehicles | Total |
|---------------------------------|---|--------------------------------------|-------------------|-------------------|
| | Rs. | Rs. | Rs. | Rs. |
| THE GROUP | | | | |
| COST | | | | |
| At July 1, 2020 | 2,146,988 | 6,079,622 | 901,283 | 9,127,893 |
| Additions during the year | - | 564,965 | - | 564,965 |
| At June 30, 2021 | 2,146,988 | 6,644,587 | 901,283 | 9,692,858 |
| Additions during the year | - | 1,810,940 | - | 1,810,940 |
| At June 30, 2022 | 2,146,988 | 8,455,527 | 901,283 | 11,503,798 |
| ACCUMULATED DEPRECIATION | | | | |
| At July 1, 2020 | 1,362,495 | 5,107,813 | 891,899 | 7,362,207 |
| Charge for the year | 214,700 | 410,521 | 9,384 | 634,605 |
| At June 30, 2021 | 1,577,195 | 5,518,334 | 901,283 | 7,996,812 |
| Charge for the year | 214,699 | 551,471 | - | 766,170 |
| At June 30, 2022 | 1,791,894 | 6,069,805 | 901,283 | 8,762,982 |
| CARRYING AMOUNT | | | | |
| At June 30, 2022 | 355,094 | 2,385,722 | - | 2,740,816 |
| At June 30, 2021 | 569,793 | 1,126,253 | - | 1,696,046 |
| THE COMPANY | | | | |
| COST | | | | |
| At July 1, 2020 | 2,146,988 | 6,079,622 | 901,283 | 9,127,893 |
| Additions during the year | - | 564,965 | - | 564,965 |
| At June 30, 2021 | 2,146,988 | 6,644,587 | 901,283 | 9,692,858 |
| Additions during the year | - | 1,455,521 | - | 1,455,521 |
| At June 30, 2022 | 2,146,988 | 8,100,108 | 901,283 | 11,148,379 |
| ACCUMULATED DEPRECIATION | | | | |
| At July 1, 2020 | 1,362,495 | 5,107,813 | 891,899 | 7,362,207 |
| Charge for the year | 214,700 | 410,521 | 9,384 | 634,605 |
| At June 30, 2021 | 1,577,195 | 5,518,334 | 901,283 | 7,996,812 |
| Charge for the year | 214,699 | 529,208 | - | 743,907 |
| At June 30, 2022 | 1,791,894 | 6,047,542 | 901,283 | 8,740,719 |
| CARRYING AMOUNT | | | | |
| At June 30, 2022 | 355,094 | 2,052,566 | - | 2,407,660 |
| At June 30, 2021 | 569,793 | 1,126,253 | - | 1,696,046 |

At the reporting date, the directors reviewed the carrying value of property and equipment. In their opinion, no indication of impairment was noted.

5. INVESTMENT PROPERTIES

| | THE GROUP | | THE COMPANY | |
|---------------------------|----------------------|----------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| At July 1, | 2,335,865,132 | 2,219,032,446 | 935,883,937 | 931,473,907 |
| Additions during the year | 290,599,125 | 116,832,686 | 2,690,225 | 4,410,030 |
| Revaluation gain | 450,320,430 | - | 35,175,959 | - |
| At June 30, | 3,076,784,687 | 2,335,865,132 | 973,750,121 | 935,883,937 |

Investment properties which consist of freehold land and buildings were revalued on **June 30, 2022** by Noor Dilmohamed & Associates, Chartered Practising Valuer, independent valuers not connected to the Group and the Company. He is a Certified Practising Valuer of the Fellow Australian Property Institute and a registered valuer under the laws of Mauritius.

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. The marketability discount in the valuation reports has been considered for all investment properties except for Caudan whereby the marketability discount of 15% has not been applied based on the recommendations of the valuer on the basis that the area is prime and the Group already have more than 80% occupancy on the newly developed properties.

Rental income from investment properties amounted to Rs. **52,635,006** (2021: Rs. 47,734,056) and Rs. **38,269,528** (2021: Rs. 47,734,056) for the Group and the Company respectively. Direct operating expenses arising on the investment properties during the year amounted to Rs. **6,376,423** (2021: Rs. 5,734,335) and Rs. **4,427,940** (2021: Rs. 5,734,335) for the Group and the Company.

Interest-bearing notes are secured by a first rank charge on Lot 1A and Lot 2A of United Docks Business Park located at Caudan, Port Louis belonging to the Group. The rate of interest on the notes is fixed at 4.70% on tranche 1 (Rs 301,052,134) and aggregate repo rate and 2.25% on tranche 2 (Rs 448,947,866) (note 11).

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

| | Fair value measurement using | | |
|---------------------------------------|------------------------------|---------------|---------------|
| | Date of valuation | Total | Level 2 |
| | | Rs. | Rs. |
| THE GROUP | | | |
| Assets measured at fair value: | | | |
| Investment properties | 30-Jun-22 | 3,076,784,687 | 3,076,784,687 |
| Investment properties | 30-Jun-21 | 2,335,865,132 | 2,335,865,132 |
| THE COMPANY | | | |
| Assets measured at fair value: | | | |
| Investment properties | 30-Jun-22 | 973,750,121 | 973,750,121 |
| Investment properties | 30-Jun-21 | 935,883,937 | 935,883,937 |

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.15,885 - Rs.39,973 per square | A slight 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.14,780 - Rs.29,248 per square | A slight increase in price per square metre would result in a significant increase in fair value, and vice versa |

6. INVESTMENTS IN SUBSIDIARIES

THE COMPANY

| | 2022 | 2021 |
|-----------------------|---------------|--------|
| | Rs. | Rs. |
| Unquoted (at cost) | | |
| At July 1 and June 30 | 50,000 | 50,000 |

THE COMPANY

Details of the Company's subsidiaries are as follows:

| Name of subsidiaries | Main business | Type | Issued capital | Nominal value of investment | | % Holding 2022 & 2021 |
|-----------------------|----------------------|--------|----------------|-----------------------------|--------|-----------------------|
| | | | | 2022 | 2021 | |
| | | | 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% |
| Vivacity Ltd | Investment holding | Direct | 100,000 | * | * | 100% |
| | | | 150,000 | 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. On 09 June 2022, the Company incorporated a new subsidiary named as Vivacity Ltd which is 100% owned by United Docks Ltd. The subsidiary was incorporated with a stated capital of 100,000 ordinary shares at no par value.

At reporting date, the directors have reviewed the carrying amount of the investments and in their opinion, there is no indication of impairment.

7. INVESTMENTS IN FINANCIAL ASSETS

| | THE GROUP | | THE COMPANY | |
|---|--------------------|-------------|--------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Financial assets at FVTOCI (i) | 448,373,970 | 363,233,149 | 313,376,064 | 228,235,243 |
| Financial assets at amortised cost (ii) | - | 186,670,000 | - | 186,670,000 |
| | 448,373,970 | 549,903,149 | 313,376,064 | 414,905,243 |

(i) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | THE GROUP | | THE COMPANY | |
|---|--------------------|-------------|--------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| <i>Investments in unquoted equity instruments</i> | | | | |
| At July 1 | 245,456,255 | 239,871,531 | 110,458,349 | 104,873,625 |
| Fair value (loss)/gain | (742,721) | 5,584,724 | (742,721) | 5,584,724 |
| At June 30 | 244,713,534 | 245,456,255 | 109,715,628 | 110,458,349 |
| <i>Investments in quoted equity instruments</i> | | | | |
| At July 1 | 117,776,894 | - | 117,776,894 | - |
| Additions during the year | 75,953,868 | 100,280,743 | 75,953,868 | 100,280,743 |
| Disposal during the year | (5,267,198) | - | (5,267,198) | - |
| Fair value gain | 15,196,872 | 17,496,151 | 15,196,872 | 17,496,151 |
| At June 30 | 203,660,436 | 117,776,894 | 203,660,436 | 117,776,894 |

7. INVESTMENTS IN FINANCIAL ASSETS (CONTINUED)

(i) FINANCIAL ASSETS CLASSIFIED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

| | THE GROUP | | THE COMPANY | |
|---|--------------------|-------------|--------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| <i>Analysed as:</i> | | | | |
| At fair value | | | | |
| Unquoted investment in Axys Group (note (i)) | 78,374,691 | 78,374,691 | 78,374,691 | 78,374,691 |
| Unquoted investment in Societe Libra (note (ii)) | 134,997,906 | 134,997,906 | - | - |
| Unquoted investment in Cathedral Development Ltd (note (iii)) | 23,472,302 | 23,471,469 | 23,472,302 | 23,471,469 |
| Unquoted investment in Prokid (note (iv)) | 1,143,847 | 1,082,518 | 1,143,847 | 1,082,518 |
| Other unquoted investments (note (v)) | 6,724,788 | 7,529,671 | 6,724,788 | 7,529,671 |
| Quoted equity instruments | 203,660,436 | 117,776,894 | 203,660,436 | 117,776,894 |
| | 448,373,970 | 363,233,149 | 313,376,064 | 228,235,243 |

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 an original cost of Rs. 23,932,462. 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 July 27, 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 latest available Financial Statements of Axys Group Ltd is only June 30, 2019. As a result, the Directors have not been able to determine the fair value of the investment in Axys.

- (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 Societe 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 Societe Libra, the Directors consider 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 Societe Libra, the Group holds an effective interest of 13.41% in Harel Mallac Ltd, a listed company.

Since the beginning of the dispute, the Group has been prevented from having access to any financial information of Societe Libra. As a result, the Directors have not been able to determine the fair value and have measured the investment at cost.

- (iii) The Company owns 20% of the issued share capital of Cathedral Development Limited. The investment is classified as financial assets at FVTOCI 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 latest available Financial Statements of Cathedral Development Limited is only June 30, 2021 and as a result, the Directors have not been able to determine the fair value of the investment in investee at reporting date.

7. INVESTMENTS IN FINANCIAL ASSETS (CONTINUED)

(i) FINANCIAL ASSETS CLASSIFIED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(iv) The Company owns 1.96% of the issued share capital of Prokid. The investment is classified as financial assets at FVTOCI 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 Prokid.

The latest available Financial Statements of Prokid is December 31, 2020 and as a result, the Directors have not been able to determine the fair value of the investment in investee at reporting date.

(v) The Company owns other unquoted equity instruments classified as financial assets at FVTOCI. Latest audited Financial Statements are available for those unquoted equity instruments and as a result the Directors have been able to determine the fair value of the investments in these investees at reporting date based on the Company's shareholding on the net asset value of these investees.

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

| | THE GROUP | | THE COMPANY | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Assets measured at fair value | | | | |
| Level 1 | 203,660,436 | 117,776,894 | 203,660,436 | 117,776,894 |
| Level 3 | 244,713,534 | 245,456,255 | 109,715,628 | 110,458,349 |
| | 448,373,970 | 363,233,149 | 313,376,064 | 228,235,243 |

Sensitivity analysis of Unquoted equity investments

| | 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 Rs 5,485,781 (2021: Rs 12,272,813) for the Group and Rs 5,485,781 (2021: 5,522,917) for the Company |

(ii) FINANCIAL ASSETS MEASURED AT AMORTISED COST

| | THE GROUP | | THE COMPANY | |
|----------------------------|---------------|-------------|---------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| At July 1, | 186,670,000 | - | 186,670,000 | - |
| Additions during the year | - | 186,670,000 | - | 186,670,000 |
| Redemption during the year | (186,670,000) | - | (186,670,000) | - |
| At June 30. | - | 186,670,000 | - | 186,670,000 |

Financial assets at amortised cost comprised of fixed deposits with 1 year maturity. The effective interest rate on the fixed deposits varies between 1.20% to 2.25% p.a. The fixed deposits were held within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence all of those financial assets were classified as at amortised cost.

The financial assets at amortised cost were considered to have low credit risk and as such impairment to be immaterial. During the financial year the fixed deposits were redeemed.

8. TRADE AND OTHER RECEIVABLES

| | THE GROUP | | THE COMPANY | |
|-------------------------------------|-------------------|-------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Trade receivables | 18,942,110 | 16,147,719 | 18,169,339 | 16,147,719 |
| Loss allowance | (5,114,071) | (4,662,184) | (5,114,071) | (4,662,184) |
| | 13,828,039 | 11,485,535 | 13,055,268 | 11,485,535 |
| Amount receivable from subsidiaries | - | - | 1,384,017,236 | 1,094,855,601 |
| Straight line rental accrual | 6,330,464 | 3,523,972 | 5,197,899 | 3,523,972 |
| Other debtors and prepayments | 33,646,208 | 31,404,231 | 33,197,522 | 31,305,424 |
| | 53,804,711 | 46,413,738 | 1,435,467,925 | 1,141,170,532 |

The carrying amount of trade and other receivables approximate their fair value due to their 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 23.

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 certain that the amount will not be recoverable or after the Group or 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 | |
|---|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| At July 1, | 4,662,184 | 7,488,291 | 4,662,184 | 7,488,291 |
| Remeasurement of expected credit loss allowance | 863,963 | 402,466 | 863,963 | 402,466 |
| Amounts written off | (412,076) | (3,228,573) | (412,076) | (3,228,573) |
| At June 30. | 5,114,071 | 4,662,184 | 5,114,071 | 4,662,184 |

The following table details the risk profile of 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.

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

| | THE GROUP | | | |
|--|------------------------------|-----------|------------|------------|
| | Trade receivables - past due | | | |
| 30 June 2022 | Not past due | 31 - 90 | > 90 | Total |
| Expected credit loss rate | 14.28% | 14.63% | 31.82% | 27.00% |
| Estimated total gross carrying amount at default | 2,840,836 | 2,414,221 | 13,687,053 | 18,942,110 |
| Lifetime ECL | 405,807 | 353,284 | 4,354,980 | 5,114,071 |

| | THE COMPANY | | | |
|--|------------------------------|-----------|------------|------------|
| | Trade receivables - past due | | | |
| 30 June 2022 | Not past due | 31 - 90 | > 90 | Total |
| Expected credit loss rate | 15.13% | 17.36% | 18.03% | 33.00% |
| Estimated total gross carrying amount at default | 2,681,498 | 2,117,674 | 13,370,167 | 18,169,339 |
| Lifetime ECL | 405,807 | 353,284 | 4,354,980 | 5,114,071 |

| | THE GROUP AND THE COMPANY | | | |
|--|------------------------------|-----------|------------|------------|
| | Trade receivables - past due | | | |
| 30 June 2021 | Not past due | 31 - 90 | > 90 | Total |
| Expected credit loss rate | 15.24% | 17.49% | 33.19% | 28.87% |
| Estimated total gross carrying amount at default | 1,910,851 | 2,256,449 | 11,980,419 | 16,147,719 |
| Lifetime ECL | 291,193 | 394,647 | 3,976,344 | 4,662,184 |

9. CASH AT BANK AND IN HAND

| | THE GROUP | | THE COMPANY | |
|--------------------------------------|-------------------|--------------------|-------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Cash at bank and in hand | | | | |
| Petty cash | 90,005 | 39,913 | 76,633 | 39,913 |
| Cash at bank and short term deposits | 67,390,177 | 236,870,425 | 64,501,443 | 235,578,133 |
| | 67,480,182 | 236,910,338 | 64,578,076 | 235,618,046 |

- (a) Cash and cash equivalents comprise of cash and short-term deposits with maturity of 3-months or less. The carrying amount of the assets is approximately equal to their fair value.

10. STATED CAPITAL AND RESERVES

Stated capital

| | THE GROUP AND THE COMPANY | |
|-------------------------------------|---------------------------|--------------------|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Issued and fully paid | | |
| At July 1, | 168,442,850 | 105,600,000 |
| Issued during the year | - | 62,842,850 |
| At June 30, | 168,442,850 | 168,442,850 |
| Reconciliation of number of shares: | | |
| At July 1, | 16,844,285 | 10,560,000 |
| Issued during the year | - | 6,284,285 |
| At June 30, | 16,844,285 | 16,844,285 |

10. STATED CAPITAL AND RESERVES (CONTINUED)

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

Reserves

Share premium

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

Other reserve

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 NOTES

| | THE GROUP AND THE COMPANY | |
|---------------------------------------|---------------------------|--------------------|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Non-current | | |
| Notes (note (a)) | 750,000,000 | 750,000,000 |
| | 750,000,000 | 750,000,000 |
| Current | | |
| Notes (note (a)) | - | - |
| | 750,000,000 | 750,000,000 |
| TOTAL | 750,000,000 | 750,000,000 |
| Notes can be analysed as follows:- | | |
| Within one year | - | - |
| After one year and before two years | - | - |
| After two years and before five years | - | - |
| More than five years | 750,000,000 | 750,000,000 |
| | 750,000,000 | 750,000,000 |

- (a) The notes are secured by a first rank fixed charge on Lot 1A and Lot 2A of United Docks Business Park located at Caudan, Port Louis belonging to the Company. The rate of interest on the notes is fixed at 4.70% on tranche 1 (Rs 301,052,134) and aggregate of repo rate and 2.25% on tranche 2 (Rs 448,947,866). The interest-bearing notes will mature on 30 September 2030.

The notes also contain covenants that have been complied to during the year.

12. RETIREMENT BENEFIT OBLIGATIONS

| | THE GROUP AND THE COMPANY | |
|--|---------------------------|------------------|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Amounts recognised in statement of financial position | | |
| Defined benefit scheme (a) | (302,862) | (1,043,166) |
| Unfunded retirement gratuity (b) | 2,804,003 | 5,257,661 |
| | 2,501,141 | 4,214,495 |

The retirement benefit plan figures have been based on the latest actuarial report dated September 12, 2022 issued by AON Hewitt. The Group and the Company operate a final salary defined benefit pension or retirement plan for its employees.

12. RETIREMENT BENEFIT PLAN (CONTINUED)

(a) Defined benefit scheme (Continued)

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

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 rate 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 | |
|---|---------------------------|------------------|
| | 2022 Rs. | 2021 Rs. |
| Movement in the asset recognised in the statement of financial position: | | |
| At July 1, | (1,043,166) | (1,422,765) |
| Amount recognised in profit or loss | (147,890) | 129,793 |
| Amount recognised in other comprehensive income | 977,182 | 337,033 |
| Employer contributions | (88,988) | (87,227) |
| At June 30, | (302,862) | (1,043,166) |
| Movement in the fair value of plan assets are as follows: | | |
| At July 1, | 25,485,754 | 24,363,419 |
| Interest income | 1,209,155 | 636,613 |
| Employer contributions | 88,988 | 87,227 |
| Employee contributions | 23,418 | 22,955 |
| Benefits paid | (1,750,253) | (1,691,047) |
| Return on plan assets excluding interest income | 4,640,614 | 2,066,587 |
| At June 30, | 29,697,676 | 25,485,754 |
| Reconciliation of Present Value of Defined Benefit Obligation: | | |
| At July 1, | 15,418,615 | 19,416,760 |
| Current service cost | 252,976 | 169,686 |
| Employee contributions | 23,418 | 22,955 |
| Interest cost | 713,144 | 501,575 |
| Benefits paid | (1,750,253) | (1,691,047) |
| Liability experience losses/(gain) | 620,004 | 791,693 |
| Liability (gain)/loss due to change in financial assumptions | (407,142) | (3,793,007) |
| At June 30, | 14,870,762 | 15,418,615 |
| Reconciliation of the Effect of the Asset Ceiling: | | |
| Opening balance | 9,023,973 | 3,523,894 |
| Amount recognised in profit or loss | 95,145 | 95,145 |
| Amount recognised in other comprehensive income | 5,404,934 | 5,404,934 |
| Closing balance | 14,524,052 | 9,023,973 |

12. RETIREMENT BENEFIT PLAN (CONTINUED)

(a) Defined benefit scheme (Continued)

| | THE GROUP AND THE COMPANY | |
|---|---------------------------------------|-------------|
| | 2022 Rs. | 2021 Rs. |
| Amounts recognised in statement of profit or loss: | | |
| Current service cost | 252,976 | 169,686 |
| Net interest cost | (400,866) | (39,893) |
| | (147,890) | 129,793 |
| Amounts recognised in statement of other comprehensive income: | | |
| Return on plan assets | (4,640,614) | (2,066,587) |
| Liability experience (gain)/losses | 620,004 | 791,693 |
| Liability (gain)/loss due to change in financial assumptions | (407,142) | (3,793,007) |
| Change in effect of asset ceiling | 5,404,934 | 5,404,934 |
| | 977,182 | 337,033 |
| THE GROUP AND THE COMPANY | 2022 | 2021 |
| | % | % |
| The assets in the plan are made up as follows: | | |
| Local quoted equities | 90 | 105 |
| Local unquoted debt | 4 | 4 |
| Cash and others | 6 | (9) |
| | 100 | 100 |
| THE GROUP AND THE COMPANY | 2022 | 2021 |
| Principal assumptions used: | | |
| Discount rate | 5.2% | 4.9% |
| Future salary increases | 3.9% | 3.6% |
| 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 | 2022 | 2021 |
| | Rs. | Rs. |
| Increase in defined benefit obligations due to 1% decrease in discount rate | 1,717,008 | 1,834,371 |
| Decrease in defined benefit obligations due to 1% increase in discount rate | 1,418,401 | 1,505,967 |
| Increase in defined benefit obligations due to 1% increase in salary rate | 241,603 | 256,252 |
| Decrease in defined benefit obligations due to 1% decrease in salary rate | 224,157 | 235,465 |
| Increase in defined benefit obligations due to 1 year increase in longevity | 566,361 | 593,757 |
| Decrease in defined benefit obligations due to 1 year decrease in longevity | 570,336 | 598,982 |

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.

12. RETIREMENT BENEFIT PLAN (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 contribution for next year is Rs 1,129,296.

The weighted average duration of the defined benefit obligation is 11 years (2021: 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 | |
|---|---------------------------------------|--------------------|
| | 2022 Rs. | 2021 Rs. |
| Movement in the liability recognised in the statement of financial position: | | |
| At July 1, | 5,257,661 | 4,320,315 |
| Amount recognised in profit or loss | (1,861,419) | 657,466 |
| Amount recognised in other comprehensive income | (31,782) | 1,335,722 |
| Less Employer Contributions | (560,457) | (1,055,842) |
| At June 30, | <u>2,804,003</u> | <u>5,257,661</u> |
| Movement in the present value of defined benefit obligation: | | |
| At July 1, | 5,257,661 | 4,320,315 |
| Interest income | 509,005 | 547,873 |
| Interest expense | 257,625 | 109,593 |
| Past service cost | (2,628,049) | - |
| Other Benefits paid | (560,457) | (1,055,842) |
| Liability experience losses/(gain) | (31,029) | 1,272,799 |
| Liability loss due to change in financial assumption | (753) | 62,923 |
| At June 30, | <u>2,804,003</u> | <u>5,257,661</u> |
| Amounts recognised in statement of profit or loss | | |
| Current service cost | 509,005 | 547,873 |
| Past service cost | (2,628,049) | - |
| Net interest cost | 257,625 | 109,593 |
| | <u>(1,861,419)</u> | <u>657,466</u> |
| Amounts recognised in statement of other comprehensive income | | |
| Liability experience (losses)/gain | (31,029) | (1,272,799) |
| Liability loss due to change in financial assumptions | (753) | (62,923) |
| | <u>(31,782)</u> | <u>(1,335,722)</u> |
| | THE GROUP AND THE COMPANY | |
| | 2022 | 2021 |
| Principal assumptions used: | | |
| Discount rate | 5.2% | 4.9% |
| Future salary increases | 3.9% | 3.6% |
| 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 |

12. RETIREMENT BENEFIT PLAN (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 | |
|---|---------------------------|----------------|
| | 2022 Rs. | 2021 Rs. |
| Increase in defined benefit obligations due to 1% decrease in discount rate | 523,318 | 781,180 |
| Decrease in defined benefit obligations due to 1% increase in discount rate | 423,732 | 646,548 |
| Increase in defined benefit obligations due to 1% increase in salary rate | 527,986 | 772,396 |
| Decrease in defined benefit obligations due to 1% decrease in salary rate | <u>434,818</u> | <u>651,803</u> |

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 weighted average duration of the defined benefit plan obligation at the end of the reporting period is 20 years (2021: 14 years).

The following payments are expected contributions to the defined benefit plan in future years:

| | THE GROUP AND THE COMPANY | |
|--------------------------------|---------------------------|----------------|
| | 2022 Rs. | 2021 Rs. |
| Within the next 12 months | 1,129,296 | 87,230 |
| Between 2 and 5 years | 4,743,043 | 348,920 |
| Between 5 and 10 years | <u>24,900,977</u> | <u>436,150</u> |
| Total expected payments | <u>30,773,316</u> | <u>872,300</u> |

13. TRADE AND OTHER PAYABLES

| | THE GROUP | | THE COMPANY | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2022 Rs. | 2021 Rs. | 2022 Rs. | 2021 Rs. |
| Trade payables | 17,409,231 | 1,745,271 | 17,406,651 | 1,745,271 |
| Accruals and other payables | <u>19,214,992</u> | <u>19,098,163</u> | <u>17,939,887</u> | <u>14,940,354</u> |
| | <u>36,624,223</u> | <u>20,843,434</u> | <u>35,346,538</u> | <u>16,685,625</u> |

Term and conditions of the above financial liabilities:

- Accruals and other payables consist of deposits from tenants 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 their fair value.

14. TAXATION

Income tax is calculated at the rate of 15% (2021: 15%) on its profit/(loss) for the year as adjusted for income tax purpose. At 30 June 2022, the Company has accumulated tax losses of Rs 39,033,031 (2021: Rs 36,196,085) 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-18 | 7,098,181 | | 9,297,676 | 30-Jun-23 | - |
| 30-Jun-19 | 14,014,323 | | 7,098,181 | 30-Jun-24 | - |
| 30-Jun-20 | 5,785,905 | | 14,014,323 | 30-Jun-25 | - |
| 30-Jun-21 | 2,836,946 | | 5,785,905 | 30-Jun-26 | - |
| 30-Jun-22 | 587,604 | | 2,836,946 | 30-Jun-27 | - |
| | <u>32,813,905</u> | | <u>39,033,031</u> | | <u>2,490,946</u> |
| THE GROUP AND THE COMPANY | | | | | |
| | 2022 | | 2021 | | |
| | Rs. | | Rs. | | |
| | <u>1,557,898</u> | | <u>1,348,136</u> | | |

Tax deducted at source is included under trade and other receivables.

Tax reconciliation

The charge for the year can be reconciled to profit before tax as follows:

| | THE GROUP | | THE COMPANY | |
|---|---------------------|-------------|--------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Profit before tax | <u>462,610,776</u> | 1,913,879 | <u>41,640,731</u> | 2,172,299 |
| Tax calculated at a rate of 15% (2021: 15%) | <u>69,391,616</u> | 287,082 | <u>6,246,110</u> | 325,845 |
| Income not subject to tax | <u>(68,702,112)</u> | (1,524,258) | <u>(6,430,441)</u> | (1,485,495) |
| Expenses not deductible for tax purposes | <u>315,635</u> | 3,100,246 | <u>315,635</u> | 3,100,246 |
| Utilisation of previously unrecognised tax losses | <u>(1,005,139)</u> | (1,239,148) | <u>-</u> | (1,239,148) |
| Deferred tax asset not recognised | <u>-</u> | (623,922) | <u>(131,304)</u> | (701,448) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2021: 15%). 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 | |
|---|---------------------------|------------------|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Temporary differences for which deferred tax has not been recognised: | | |
| Loss allowance on trade receivables | 767,111 | 699,328 |
| Retirement benefit plan | 375,171 | 632,174 |
| Accumulated tax losses | <u>5,854,955</u> | <u>3,479,670</u> |

15. DIVIDEND PAYABLE

| | THE GROUP AND THE COMPANY | |
|-----------------------------------|---------------------------|------------------|
| | 2022 | 2021 |
| | Rs. | Rs. |
| At July 1, | 5,053,285 | 1,602,868 |
| Reversed during the year* | - | (1,602,868) |
| Dividend declared during the year | 6,737,714 | 5,053,285 |
| Dividend paid during the year | <u>(11,790,999)</u> | <u>-</u> |
| At June 30. | <u>-</u> | <u>5,053,285</u> |

Following a board resolution dated May 13, 2022, United Docks Ltd declared a final dividend of Rs.0.40 per share (2021: Rs 0.30) on the 16,844,285 ordinary shares in issue and payable to shareholders for the financial year ended 30 June 2022. The dividend has been paid during the financial year.

* Relates to dividend declared by United Docks Ltd in prior years but not claimed which has been reversed.

16. REVENUE

| | THE GROUP | | THE COMPANY | |
|-----------------|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Rental income | 52,635,006 | 50,375,933 | 38,769,528 | 50,375,933 |
| Dividend income | <u>4,572,180</u> | 3,691,806 | <u>4,572,180</u> | 3,691,806 |
| | <u>57,207,186</u> | <u>54,067,739</u> | <u>42,841,708</u> | <u>54,067,739</u> |

17. OTHER INCOME

| | THE GROUP | | THE COMPANY | |
|----------------------------------|------------------|------------------|-------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Interest income | 1,809,426 | 1,260,777 | 1,809,426 | 1,260,777 |
| Unrealised foreign exchange gain | 752,477 | 5,492,500 | 752,477 | 5,492,500 |
| Realised foreign exchange gain | 5,720,255 | - | 5,720,255 | - |
| Sundry income | 400 | 41,009 | 400 | 41,009 |
| Other income | - | - | 6,038,572 | - |
| | <u>8,282,558</u> | <u>6,794,286</u> | <u>14,321,130</u> | <u>6,794,286</u> |

18. OPERATING PROFIT

| | THE GROUP | | THE COMPANY | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Operating profit is arrived at: | | | | |
| <i>After charging:</i> | | | | |
| Depreciation on property and | 766,169 | 634,605 | 743,907 | 634,605 |
| Loss allowance on trade receivables | 451,887 | 402,466 | 451,887 | 402,466 |
| Professional and legal fees | 2,455,516 | 1,398,206 | 2,424,636 | 1,398,206 |
| Employee benefit expense | <u>17,485,936</u> | <u>21,188,860</u> | <u>17,485,936</u> | <u>21,188,860</u> |
| | <u>17,485,936</u> | <u>21,188,860</u> | <u>17,485,936</u> | <u>21,188,860</u> |
| | <u>17,485,936</u> | <u>21,188,860</u> | <u>17,485,936</u> | <u>21,188,860</u> |

Employee benefit expense:

| | THE GROUP | | THE COMPANY | |
|--------------------------------|--------------------|-------------------|--------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Wages and salaries | 17,514,842 | 17,481,232 | 17,514,842 | 17,481,232 |
| Defined contribution costs | 1,088,978 | 1,183,478 | 1,088,978 | 1,183,478 |
| Social security costs | 891,425 | 677,924 | 891,425 | 677,924 |
| Government Assistance Scheme | - | 762,981 | - | 762,981 |
| Retirement benefits /Severance | <u>(2,009,309)</u> | <u>1,083,245</u> | <u>(2,009,309)</u> | <u>1,083,245</u> |
| | <u>17,485,936</u> | <u>21,188,860</u> | <u>17,485,936</u> | <u>21,188,860</u> |

19. FINANCE COSTS

| | THE GROUP | | THE COMPANY | |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| | 2022 Rs. | 2021 Rs. | 2022 Rs. | 2021 Rs. |
| Interest expense on: | | | | |
| - Notes | 15,593,971 | 12,727,296 | 15,593,971 | 12,727,296 |
| - Bank overdraft | - | 1,110,003 | - | 1,110,003 |
| - Bank loans | - | 7,007,774 | - | 7,007,774 |
| | 15,593,971 | 20,845,073 | 15,593,971 | 20,845,073 |

20. EARNINGS PER SHARE

| | THE GROUP | |
|---|-------------|-------------|
| | 2022 Rs. | 2021 Rs. |
| Profit for the year attributable to owners of the Company | 462,610,776 | 1,913,879 |
| Number of ordinary shares in issue | 16,844,285 | 16,844,285 |
| Weighted average number of ordinary shares | - | 12,654,762 |
| Profit per share (basic and diluted) | 27.46 | 0.15 |

There are no diluted investments during the financial year ended June 30, 2022 (2021: Nil).

21. 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, 2022 and June 30, 2021.

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 2021, 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.

| | THE GROUP | | THE COMPANY | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022 Rs. | 2021 Rs. | 2022 Rs. | 2021 Rs. |
| Interest-bearing notes | 750,000,000 | 750,000,000 | 750,000,000 | 750,000,000 |
| Cash at bank and on hand | (67,480,182) | (236,910,338) | (64,578,076) | (235,618,046) |
| Net debt | 682,519,818 | 513,089,662 | 685,421,924 | 514,381,954 |
| Equity | 2,860,059,002 | 2,390,677,189 | 2,001,782,167 | 1,953,370,399 |
| Net unrealised gains reserve | (120,288,458) | (90,285,354) | (120,288,458) | (90,285,354) |
| Total capital | 2,739,770,544 | 2,300,391,835 | 1,881,493,709 | 1,863,085,045 |
| Capital and net debt | 3,422,290,362 | 2,813,481,497 | 2,566,915,633 | 2,377,506,912 |
| Gearing ratio | 20% | 18% | 27% | 22% |

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

| June 30, 2022 | THE GROUP | | THE COMPANY | |
|---------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| | Financial assets Rs. | Financial liabilities Rs. | Financial assets Rs. | Financial liabilities Rs. |
| <i>At amortised cost:</i> | | | | |
| Trade and other receivables | 38,394,066 | - | 1,420,506,609 | - |
| Cash at bank and in hand | 67,480,182 | - | 64,578,076 | - |
| Trade and other payables | - | 35,077,513 | - | 34,425,139 |
| Interest-bearing notes | - | 750,000,000 | - | 750,000,000 |
| <i>Designated as at FVTOCI:</i> | | | | |
| - Unquoted equity investments | 244,713,534 | - | 109,715,628 | - |
| - Quoted equity instruments | 203,660,436 | - | 203,660,436 | - |
| | 554,248,218 | 785,077,513 | 1,798,460,749 | 784,425,139 |

| | THE GROUP | | THE COMPANY | |
|---|-------------------------|------------------------------|-------------------------|------------------------------|
| | Financial assets Rs. | Financial liabilities Rs. | Financial assets Rs. | Financial liabilities Rs. |
| Financial assets and financial liabilities exclude the following: | | | | |
| Prepayments | 160,654 | - | 124,677 | - |
| Value Added Tax | 12,012,695 | 625,311 | 12,012,695 | - |
| Tax deducted at source | 3,237,296 | 921,399 | 2,823,944 | 921,399 |

June 30, 2021

| | THE GROUP | | THE COMPANY | |
|---------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| | Financial assets Rs. | Financial liabilities Rs. | Financial assets Rs. | Financial liabilities Rs. |
| <i>At amortised cost:</i> | | | | |
| Trade and other receivables | 31,917,540 | - | 1,126,710,311 | - |
| Fixed deposits | 186,670,000 | - | 186,670,000 | - |
| Cash at bank and in hand | 236,910,338 | - | 235,618,046 | - |
| Trade and other payables | - | 20,676,646 | - | 16,518,837 |
| Interest-bearing notes | - | 750,000,000 | - | 750,000,000 |
| Dividend payable | - | 5,053,285 | - | 5,053,285 |
| <i>Designated as at FVTOCI:</i> | | | | |
| - Unquoted equity investments | 245,456,255 | - | 110,458,349 | - |
| - Quoted equity instruments | 117,776,894 | - | 117,776,894 | - |
| | 818,731,027 | 775,729,931 | 1,777,233,600 | 771,572,122 |

| | THE GROUP | | THE COMPANY | |
|---|-------------------------|------------------------------|-------------------------|------------------------------|
| | Financial assets Rs. | Financial liabilities Rs. | Financial assets Rs. | Financial liabilities Rs. |
| Financial assets and financial liabilities exclude the following: | | | | |
| Prepayments | 288,958 | - | 252,981 | - |
| Value Added Tax | 11,307,260 | - | 11,307,260 | - |
| Tax deducted at source | 2,899,980 | 166,788 | 2,899,980 | 166,788 |

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

The main risks arising from the Group and the Company's financial instruments are market risk (including interest rate risk and currency risk), equity price risk, credit 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 and currency 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 | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2022 Rs. | 2021 Rs. | 2022 Rs. | 2021 Rs. |
| Financial liabilities | | | | |
| Non-interest bearing | 38,394,066 | 20,676,646 | 34,425,139 | 16,518,837 |
| Variable interest bearing | 750,000,000 | 750,000,000 | 750,000,000 | 750,000,000 |
| | 788,394,066 | 770,676,646 | 784,425,139 | 766,518,837 |

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 | |
|---------------------------|---------------------------|-------------|
| | 2022 Rs. | 2021 Rs. |
| Effect on loss before tax | (7,500,000) | (7,500,000) |

Foreign currency risk

The Group and the Company hold financial assets amounting to Rs 44,446,329 (2021: Rs 111,670,000) which is denominated in USD. Consequently, exposures to exchange rate fluctuations arise.

Foreign currency sensitivity analysis

If the USD increases by 5% against the Mauritian Rupee, profit and equity would improve by Rs 2,222,316 (2021: Rs 5,583,500). For a 5% weakening of USD against the Mauritian Rupee, there would be an equal and opposite impact on the profit and equity.

Equity price risk

The Group's and the Company's listed and unlisted 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 review and approve all equity investment decisions.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk (continued)

Equity investments in unlisted entities (note 7) are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

The Sensitivity analysis has been determined based on the exposure to equity price risks at June 30, 2022. If equity prices had been 5% higher, other comprehensive income would increase by Rs 175,755,037 (2021: Rs 106,208,538) as a result of the changes in fair value of the investments in equity instruments. For a 5% decrease, there would be an equal and opposite impact on other comprehensive income. Sensitivity analysis on the Group's and the Company's exposure to equity price risk of unquoted investments 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 to credit risk.

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. Sales limits are established for each customer and reviewed quarterly. Any sales exceeding those limits

Intercompany receivables

Management assesses credit risk each financial year by taking into consideration the financial position of the related party and its underlying investment projects. The intercompany loans have low credit risk as the Company will not demand for repayment of the amounts receivable until the subsidiaries are in a position to make payment. The investment projects are fully financed by the Company.

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.

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 Rs. | 1 to 3 months Rs. | 3 months to 1 year Rs. | More than 5 years Rs. | Total Rs. |
| June 30, 2022 | | | | | |
| Interest bearing notes | - | - | - | 750,000,000 | 750,000,000 |
| Trade and other payables | 621,767 | 29,464,975 | 6,537,481 | - | 36,624,223 |
| | 621,767 | 29,464,975 | 6,537,481 | 750,000,000 | 786,624,223 |

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

| | THE GROUP | | | | |
|--------------------------|------------------|-------------------|--------------------|--------------------|--------------------|
| | On demand | 1 to 3 months | 3 months to 1 year | More than 5 years | Total |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| June 30, 2021 | | | | | |
| Interest bearing notes | - | - | - | 750,000,000 | 750,000,000 |
| Trade and other payables | 621,767 | 3,348,139 | 16,706,740 | - | 20,676,646 |
| Dividend payable | 5,053,285 | - | - | - | 5,053,285 |
| | <u>5,675,052</u> | <u>3,348,139</u> | <u>16,706,740</u> | <u>750,000,000</u> | <u>775,729,931</u> |
| | THE COMPANY | | | | |
| | On demand | 1 to 3 months | 3 months to 1 year | More than 5 years | Total |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| June 30, 2022 | | | | | |
| Interest bearing notes | - | - | - | 750,000,000 | 750,000,000 |
| Trade and other payables | 621,767 | 28,519,484 | 6,205,287 | - | 35,346,538 |
| | <u>621,767</u> | <u>28,519,484</u> | <u>6,205,287</u> | <u>750,000,000</u> | <u>785,346,538</u> |
| June 30, 2021 | | | | | |
| Interest bearing notes | - | - | - | 750,000,000 | 750,000,000 |
| Trade and other payables | 621,767 | 3,348,139 | 12,548,931 | - | 16,518,837 |
| Dividend payable | 5,053,285 | - | - | - | 5,053,285 |
| | <u>5,675,052</u> | <u>3,348,139</u> | <u>12,548,931</u> | <u>750,000,000</u> | <u>771,572,122</u> |

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 due to their short-term and/or commercial terms.

22. 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.

23. 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 | |
|--|--|-------------|---------------|-----------------|---------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | Rs. | Rs. | Rs. | Rs. |
| (a) <i>Trading transactions:</i> | | | | | |
| La Prudence Leasing Finance Co. Ltd | Rental income | (1,986,711) | (1,892,106) | - | (1,892,106) |
| La Prudence Leasing Finance Co. Ltd | Interest income | (1,950,848) | (1,125,000) | (1,950,848) | (1,125,000) |
| United Docks Superannuation Fund | Pension contribution | (88,988) | (87,227) | (88,988) | (87,227) |
| UDL Investments Ltd | Expenses paid on behalf during the year | | - | 70,885 | 62,620 |
| United Properties Ltd | Expenses paid on behalf during the year | | - | 6,177,292 | 195,803 |
| Vivacity Ltd | Expenses paid on behalf during the year | | - | 20,000 | - |
| | | | | | |
| | - La Prudence Leasing Finance Co. Ltd is a related party under common directorship. | | | | |
| | - United Docks Superannuation Fund is the pension fund of the Group and the Company. | | | | |
| (b) <i>The following amounts were outstanding at reporting date:</i> | | | | | |
| La Prudence Leasing Finance Co. Ltd | Rental receivable | (203,202) | (1,008,684) | - | (1,008,684) |
| La Prudence Leasing Finance Co. Ltd | Security deposit | 236,880 | 236,880 | 236,880 | 236,880 |
| La Prudence Leasing Finance Co. Ltd | Fixed deposits | - | (111,670,000) | - | (111,670,000) |
| La Prudence Leasing Finance Co. Ltd | Interest receivable | - | (1,125,000) | - | (1,125,000) |
| United Properties Ltd | Expenses paid on behalf | - | - | (1,254,666,819) | (965,595,772) |
| UDL Investments Ltd | acquisition of investment and expenses paid on behalf | - | - | (129,330,714) | (129,259,829) |
| Vivacity Ltd | Expenses paid on behalf | - | - | (20,000) | - |

For the financial year ended June 30, 2022, the Company assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2021: 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 in a position to make payment. The Company provided a letter of financial support to its subsidiaries.

Key management personnel compensation

| | THE GROUP | | THE COMPANY | |
|---|-----------|------------|-------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Salaries and short-term employee benefits | 9,057,275 | 12,852,808 | 9,057,275 | 12,852,808 |
| Post-employment benefits | 88,988 | 87,227 | 88,988 | 87,227 |

23. RELATED PARTY DISCLOSURES (CONTINUED)

Key management personnel compensation (continued)

Key management personnel includes executive director and top level management personnel. The compensation includes short-term employee benefits.

24. 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. 47,827,639 (2021: Rs. 37,828,212) for the Group.

| | THE GROUP | |
|--------------|-------------------|-------------------|
| | 2022 Rs. | 2021 Rs. |
| Year 1 | 25,706,647 | 28,085,615 |
| Year 2 | 5,947,580 | 20,729,158 |
| Year 3 | 1,836,720 | 6,793,481 |
| Year 4 | 1,836,720 | 1,501,862 |
| Year 5 | 152,507 | - |
| Total | 35,480,174 | 57,110,116 |

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, 2021 Rs. | Financing cash flows Rs. | Non-cash changes Rs. | June 30, 2022 Rs. |
|------------------------|------------------------|--------------------------------|----------------------------|-------------------------|
| Interest bearing notes | 750,000,000 | - | - | 750,000,000 |
| | July 1, 2020 Rs. | Financing cash flows Rs. | Non-cash changes Rs. | June 30, 2021 Rs. |
| Interest bearing notes | - | 750,000,000 | - | 750,000,000 |
| Loans and borrowings | 301,052,133 | (308,059,907) | 7,007,774 | - |

The cash flows from interest bearing notes consist of the net amount of proceeds from notes and repayments of notes in the cash flow statements.

26. CAPITAL COMMITMENTS

At 30 June 2022, the Group has capital commitments of approximately Rs 510M (2021: Rs 552M) relating to capital expenditure for its investment properties as disclosed in Note 5.

27. EVENTS AFTER REPORTING DATE

On July 1, 2022, the Board of United Docks Ltd approved the implementation of a Note Programme of Rs.750 Million by way of private placement as part of its funding strategy. The Notes Programme was approved by the shareholders on July 1, 2022. The offer were closed on July 19, 2022 and the Notes issued on July 25, 2022. The notes mature on July 25, 2029 bearing fixed interests rates 5.1% p.a.

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 **Tuesday the 20th December 2022 at 11:00 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 2022 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 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 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.2 Mr. Antoine Galea | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.3 Mr. J. Alexis Harel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.4 Mr. Nadeen Lallmamode | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.5 Mrs. L. M. C. Michèle Lionnet | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.6 Mr. Nicolas M. E. Maigrot | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.7 Mr. Mushtaq Oosman | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.8 Mr. Bhoonesh Pandea | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.9 Mr. K. H. Bernard Wong Ping Lun | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 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. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. In accordance with Section 138(6) of the Companies Act 2001, to re-appoint Mr. M. H. Dominique Galéa 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. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To take note of the automatic reappointment of Deloitte as external auditors of the Company in compliance with Section 200 of the Companies Act 2001, and to authorize the Board of Directors to fix their remuneration. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this 2022

.....
Signature(s)

Notes:

- 1) Please mark in the appropriate box how you wish 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) 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 available from the Registered Office of the Company and should be delivered to SBM Fund Services Ltd, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis by Monday the **19th December 2022** at 11:00 a.m at latest.
- 3) As authorised by the Constitution of the Company, postal votes are permitted and must be sent to SBM Fund Services Ltd at latest on Friday the **16 December 2022 at 11:00 a.m.**, and in default, the notice of postal vote shall not be treated as valid.
- 4) For the purpose of this Meeting, the Directors have resolved, in compliance with section 120 of the Companies Act 2001, that the shareholders who are entitled to receive notice and attend the Meeting, shall be those shareholders whose names are registered in the share register of the Company as at [21 November 2022].



UNITED DOCKS

CONTACT

+230 212 3261

contact@uniteddocks.com

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

www.uniteddocks.com