UNITED DOCKS

ANNUAL REPORT

2021

For the financial year ended June 30, 2021

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INTRODUCTION TO SHAREHOLDERS BY CHAIRPERSON

Dear shareholders,

The Board of Directors is pleased to present the Annual Report of United Docks Ltd (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended June 30, 2021.

This report was approved by the Board of Directors on 30 Sept 2021

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M. H. Dominique Galea
Chairperson

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Bhoonesh Pandea

CORPORATE SECRETARY

ECS Secretaries Ltd
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
State Bank Tower
Port Louis

REGISTERED OFFICE ADDRESS

Kwan Tee Street
Caudan
Port Louis

UNITED DOCKS

Notice is hereby given that the Annual Meeting of the Shareholders of United Docks Ltd ('*the Company*') will be held on **Friday the 17 December 2021 at 11:00 a.m.** at United Docks Business Park, Caudan, Port Louis, to transact the following as ordinary business

AGENDA

1) To consider the annual report and the report of the auditors, and to adopt the audited financial statements of the Company and of the Group for the year ended 30 June 2021.

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

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

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

4) To approve the remuneration of directors.

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 2021

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 by **Thursday the 16 December 2021 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 **Wednesday the 15 December 2021 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 **17 November 2021**.*

4) *Profiles of the Directors are set out on pages 20 to 25 of the annual report.*

5) *The minutes of proceedings of the Annual Meeting of United Docks Ltd held on 16 December 2020 are available to its shareholders for inspection at the Registered Office during normal trading office hours.*

RECENT MILESTONES

2016

Renovation & Rehabilitation of United Docks Business Park with 3,167 sqm of office space

United Docks Business Park

2017

Setting up of Park and Ride with 700 Parking Bays with full-day shuttle

P+ Park and Ride By UNITED DOCKS

2018

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

FANFARON QUAYS By United Docks

2020

Start of The Docks project with 30,000 sqm of space

THE DOCKS

SNAPSHOT

18,000 m^2
Gross
Lettable Area

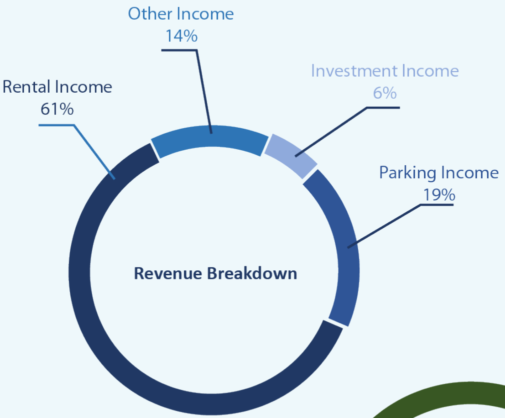
700
Number of
parking slots

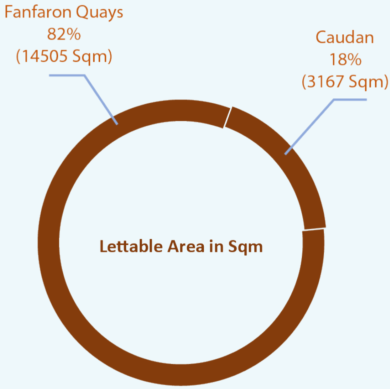
98%
Occupancy
Rate

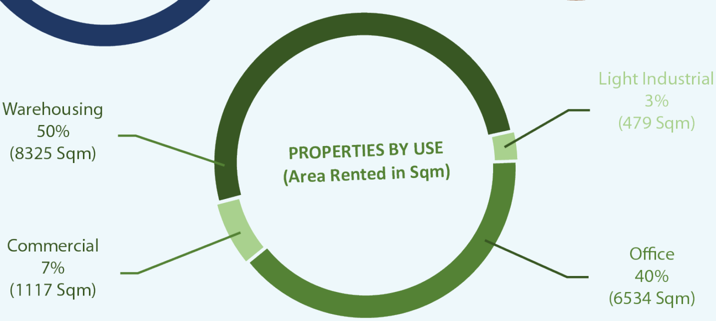
MUR 1.0 Billion
Market
Capitalization

MUR 3.2 Billion
Total
Assets

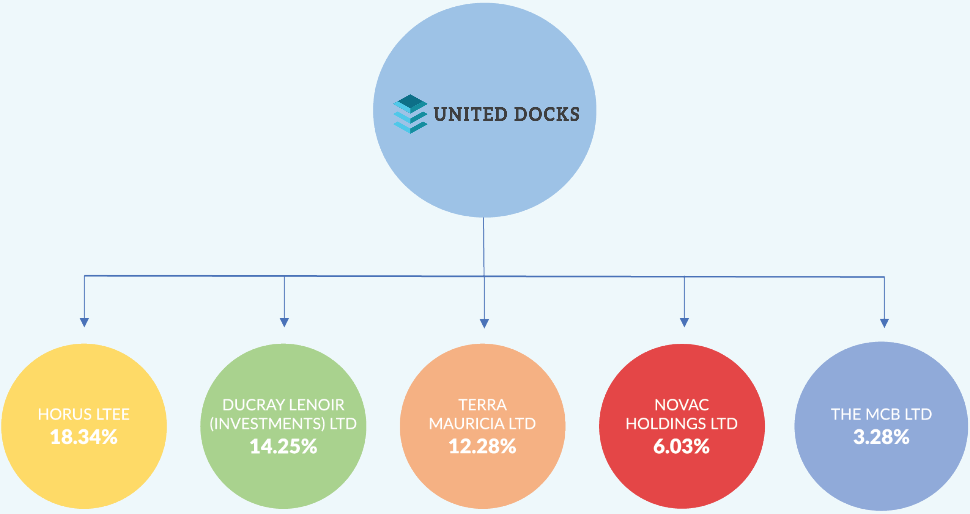
MUR 2.4 Billion
Net
Assets







MAIN SHAREHOLDERS



INVESTMENT HOLDINGS OF UNITED DOCKS

harel mallac
for the better

13.41 %

AXYS

20%

HIGHLIGHTS

FINANCIAL

Rs **22.8M**
Operating profit
(2020: Rs 3.1M)

Rs **1.9M**
Profit before tax
(2020: Loss before tax Rs 16.4M)

Rs **(0.15)**
(Loss)/Earnings per share
(2020: Rs (1.55))

Rs **2.4Bn**
Net assets
(2020: Rs 2.1Bn)

18%
Gearing ratio
(2020: 17%)

Rs **60.9M**
Total Revenue
(2020: Rs 56.9M)

Rs **23.4M**
EBITDA
(2020: Rs 5.1M)

NON-FINANCIAL

1,639
Shareholders
(as at 30th June 2021)

8,343 m^2
Lettable Area - Office space
(7,651 m^2 Area Rented)

9,329 m^2
Lettable Area - Warehousing
(8,804 m^2 Area Rented)

PROJECT CURRENTLY UNDER DEVELOPMENT

THE DOCKS

FANFARON QUAYS
By United Docks

THE DOCKS

United Docks started construction of a new financial and business centre in Caudan known as "The Docks", which will comprise of four 10-storey towers with 30,000 sqm of Gross Building Area. This project has been issued with a National Regeneration Programme (NRP) Certificate under then provisions of Economic Development Board (Smart City Scheme) Regulations 2015. The Docks is strategically located within walking distance from Metro Express station and the Victoria Urban terminal. Construction of the first Tower, which started in October 2020, is progressing at a sustained pace and is scheduled to be completed in March 2022. Construction of the second Tower which started in April 2021, is expected to be completed in June 2022.

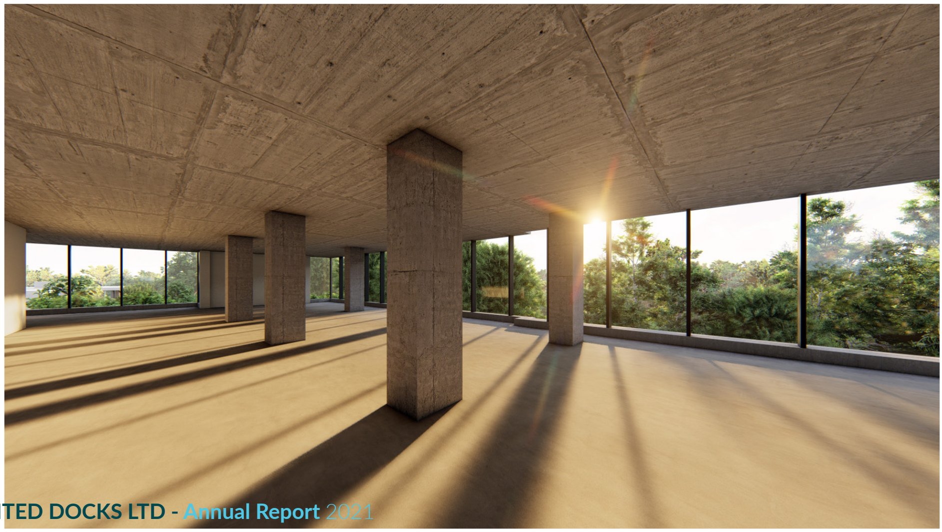
- 4 Towers strategically located
- Flexible office spaces
- Direct Connection to the Metro Express Station
- 256 Parking Spaces
- Gross Building Area of 30,000 sqm
- Personalized office fit outs

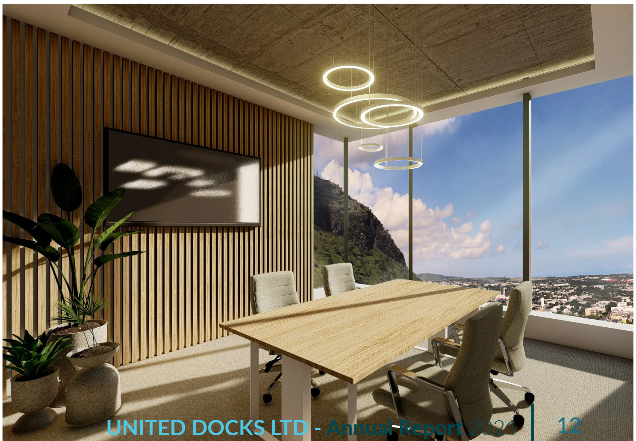
PHASING OF CONSTRUCTION OF THE DOCKS

	START	END
TOWER 1	OCTOBER 2020	MARCH 2022
TOWER 2	APRIL 2021	JUNE 2022
TOWER 3	JULY 2022	NOVEMBER 2023
TOWER 4	JULY 2022	NOVEMBER 2023


THE DOCKS

THE DOCKS





FANFARON QUAYS

- Fanfaron Quays is a project that involves development of 20,000 sqm space for trade and technology activities.
- This Project will be developed on an extent of land of 7.5 freehold land over different phases. It will also comprise parking facilities for over 560 vehicules.
- The Project will necessitate investment of around MUR 2 Billion over 4 years.
- The 1st phase which will comprise construction of a Park and Ride Facility with 560 parking bays, will start in January 2022.

FANFARON QUAYS
By United Docks


Fanfaron Quays
Future developments

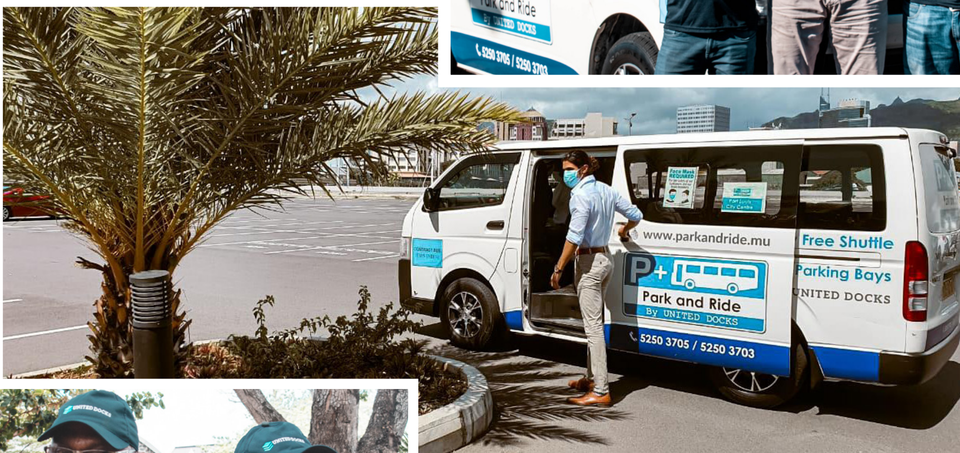
PARK AND RIDE

THE ECO-FRIENDLY MOVE

United Docks is the pioneer of Park and Ride services in Mauritius. Park and Ride is an ecologically-friendly initiative which helps to reduce CO2 emissions in the capital city by around 300 tons annually. Everyday hundreds of professionals use the Park and Ride facility and this spares Port-Louis the pollution of thousands of cars.

The features of the Park and Ride are as follows:

- 700 Parking Bays
- Free air conditioned shuttles every 10 mins (7 am - 7 pm)
- Parking Management System
- Shelter and Toilet Block
- 24 Hour access control
- Premises under CCTV surveillance
- Car Wash facilities
- Pay On Foot Parking System
- Docks World Privilege Card



P+
Park and Ride
By UNITED DOCKS

STATEMENT FROM CHAIRPERSON AND CEO

We are pleased to present the Annual Report of United Docks Ltd (UDL) and its subsidiaries for the year ended 30 June 2021.

The financial year 2021 was very eventful with important milestones which include successful capital raising exercises, improved bottom-line of the company, payment of a dividend and more importantly, the start of construction of "The Docks" project.

CAPITAL RAISING

The year under review was marked by the capital raising of more than MUR 1 Billion for debt restructuring and project financing.

We must emphasize that United Docks successfully completed a Rights Issue of 6,284,285 new ordinary shares for an amount of MUR 314.21 Million.

In the same perspective, we raised MUR 750 Million through a Notes Issue, targeting sophisticated investors, by way of private placement. We are pleased that the investor community expressed a keen interest for the Notes and United Docks received subscriptions that were largely in excess of the aggregate nominal amount.

We take this opportunity to thank the shareholders and investors for having subscribed to the Rights Issue and Notes Issue.

This successful capital raising during this Covid-19 context bears testimony to the confidence of shareholders and investors in United Docks.

RESULTS

For the financial year ended 30 June 2021, despite the difficult context, total revenue increased from MUR 56.89 Million to MUR 60.86 Million. The operating expenses declined from MUR 53.8 Million to MUR 38.10 M. An operating profit of Rs 22.75 Million was made, compared to MUR 3.09 Million of operating profit last year.

United Docks made a profit of MUR 1.91 Million after finance costs, compared to a loss of MUR 16.4 Million for the year ended June 2020.

Other Comprehensive income, which comprise mainly of fair value gain in investments, increased from MUR 2.07 M to MUR 21.41 M.

A total comprehensive profit of MUR 23.32 M was realised, compared to a comprehensive loss of MUR 14.3 M last year. In the same vein, EBITDA increased significantly from MUR 5.03 M to MUR 23.39 M.

Total Assets increased by 27% from MUR 2.49 Billion to MUR 3.17 Billion and Net Assets increased by 16% from MUR 2.06 Billion to MUR 2.39 Billion.

It is to be noted that there were no fair value gains on properties made during the year under review.

DIVIDEND

We are very pleased to inform that the Board has recommended the payment of a dividend of MUR 0.30 cents per share for the financial year under review and a total amount of Rs 5.05 Million was paid in July 2021.

THE DOCKS PROJECT

Significant progress was made on new projects during the financial year ending June 2021. United Docks started construction of a new financial and business district in Caudan known as "The Docks", which will comprise four 10 storey towers with 30,000 sqm of Gross Building Area. This project was issued a National Regeneration Programme (NRP) Certificate under the provisions of Economic Development Board (Smart City Scheme) Regulations 2015.

Construction of the 1st Tower, which started in October 2020, is scheduled to be completed in March 2022. Construction of the 2nd Tower which started in April 2021, is expected to be completed in June 2022.

Given that The Docks is strategically located within walking distance from Metro Express station and the Victoria Urban Terminal, United Docks is getting a positive response from the market.

FANFARON QUAYS PROJECT

United Docks is currently working on the planning and clearances of a forthcoming project in Fanfaron Quays which will comprise of setting up of a Park and Ride facility with 560 bays as well as Trade and Technology hub with Gross Building Area of 21,000 sqm that will be implemented in phases. This development will be undertaken on an extent of 2.27 hectares strategically located on the edge of the motorway and will provide tailor-made office spaces to companies involved in trade and technology activities.

The project has been issued a Letter of Registration as an NRP developer by the Economic Development Board. The first phase of the project is expected to start in the first quarter of 2022 with the construction of the Park and Ride facility.

With the new Park and Ride facility, United Docks will increase its parking capacity from 700 to 1260 bays. The new Park and Ride facility is expected to reduce the number of vehicles traveling to city centre and lower CO_2 emissions by at least 200 tons annually.

WAY FORWARD

United Docks has shown resilience despite the difficult context of Covid-19. 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

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: Mr Pandea started his career in banking prior to joining Board of Investment (BOI), now known as Economic Development Board, where he worked for more than 12 years and occupied the position of Senior Director. He joined UDL as CEO in 2015

Board Committee membership: None

Directorships in other listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS

Nicolas EYNAUD

Date of Birth: 15th March 1967

Appointment: 21st April 2017

Qualification: National Diploma in Land Surveying (South Africa)

Current status: Non-Executive Director

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

Board Committee membership: None

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

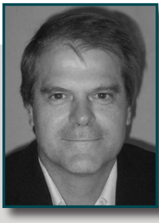
Skills and Experience: Mr Galea is the Managing Director at Watertech Ltd. Before joining Rey & Lenferna, he occupied from 2012 to 2016 various positions at Labelling Industries Ltd, Berque Ltée and Narrow Fabrics Ltd, such as Operations Manager, Sales Manager and Supply Chain Manager. Mr Galea also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

Board Committee membership: None

Other Directorships in listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS



J. Alexis HAREL

Date of Birth: 26th April 1962

Date of first Appointment: 17th October 2010

Current Status: Non-Executive Director

Qualifications: Bachelor Degree in Business Administration (Accounting)

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

Board Committee Membership: Audit & Risk Committee member

Directorships in other listed companies: Terra Mauricia Ltd

Resident of Mauritius

Nadeem LALLMAMODE

Date of Birth: 30th March 1980

Date of first appointment: 23rd September 2015

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

Current Status: Independent Non-Executive Director

Skills and experience: He was admitted to the Bar in Mauritius in 2006 and is a member of Clarel Benoit Chambers, a leading company law, financial services, and commercial litigation set in Mauritius. Nadeem focuses on fund work, financial services and securities law, intellectual property and competition law. He has also lectured in company law, insolvency and bankruptcy for the Law Practitioners Vocational Course.

Board Committee membership: None

Directorships in other listed companies: None

Resident of Mauritius

BOARD OF DIRECTORS

L.M.C. Michele LIONNET (Mrs)

Date of Birth: 5th March 1953

Date of first appointment: 29th December 2006

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

Current Status: Independent Non-Executive Director

Skills and Experience: Mrs Lionnet currently acts as Executive Director of Junior Achievement in Mauritius. She started her career in a private commercial firm in which she occupied the position of Administrative Manager during 15 years. She then occupied executive managerial and marketing positions in organisations located both in Mauritius and Madagascar.

Board Committee membership: Corporate Governance Committee member

Directorships in other listed companies: None

Resident of Mauritius

Nicolas Marie Edouard MAIGROT

Date of Birth: 15th March 1968

Date of first appointment: 1st January 2016

Current Status: Non-Executive Director

Qualifications: Degree in Management Sciences (LSE)

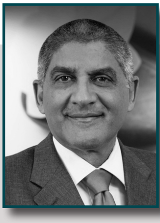
Skills and Experience: Mr Maigrot holds a degree in Management Sciences from the London School of Economics and Political Sciences. He is presently the Managing Director of Terra Mauricia Ltd. He has acquired, during his career, a rich experience at executive levels. He operated in various manufacturing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

Board Committee membership: None

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

Resident of Mauritius

BOARD OF DIRECTORS



Mushtaq OOSMAN

Date of Birth: 8th October 1954

Appointed: 22nd June 2017

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

Current Status: Independent Non-Executive Director

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

Board Committee Membership: Audit & Risk Committee Chairman

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

Resident of Mauritius

K.H. Bernard WONG PING LUN

Date of Birth: 9th March 1955

Appointed: 17th October 2006

Qualifications: B.Sc (Econ), FCCA

Current Status: Non-Executive Director

Skills and Experience: Mr. Wong 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

Other Directorships in other listed companies: Forges Tardieu Limited

Resident of Mauritius

BOARD OF DIRECTORS

Ismael Ibrahim BAHEMIA

Date of Birth: 22nd September 1947

Appointment: 9th May 2012

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

Current Status: Independent Non-Executive Director

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

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

Other Directorships in other listed companies: None

Resident of Mauritius

MANAGEMENT TEAM PROFILE

Chief Executive Officer

Skills and Experience: Nitin Pandea 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 and also the Mauritius Institute of Directors.

Head of finance

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

Project Executive

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

THE FORCE BEHIND UNITED DOCKS

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 two wholly owned subsidiaries, namely United Properties Ltd and UDL Investments Ltd (the 'Group').

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

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

COMPANY'S PHILOSOPHY

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

1. GOVERNANCE STRUCTURE

1.1. Role and Function of the Board

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

The Board is responsible for the stewardship of the Company, overseeing its conduct and affairs to create sustainable value for the benefit of its stakeholders. It acknowledges its responsibility for leading and controlling the Company, ensuring that strategic direction and management structure are in place and assumes responsibility for meeting legal and regulatory requirements.

The Board has approved a statement of accountabilities for the Directors and all of them are aware of their legal responsibilities.

Its principal functions also include the following:

- Protecting and enhancing shareholders' value by identifying and monitoring key risks areas and key performance indicators;
- Approving such acquisition and disposal of assets as appropriate;
- Exercising leadership, enterprise, intellectual honesty, integrity and judgement in directing the Company so as to achieve sustainable prosperity for the Company;
- Reviewing and evaluating present and future opportunities, threats and risks in the external environment, and current and future strengths, weaknesses and risks relating to the Company;
- Determining strategic options, selecting those to be pursued, and resolving the means to implement and support them;

1. GOVERNANCE STRUCTURE (*CONTINUED*)

1.1. Role and Function of the Board (continued)

- 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.

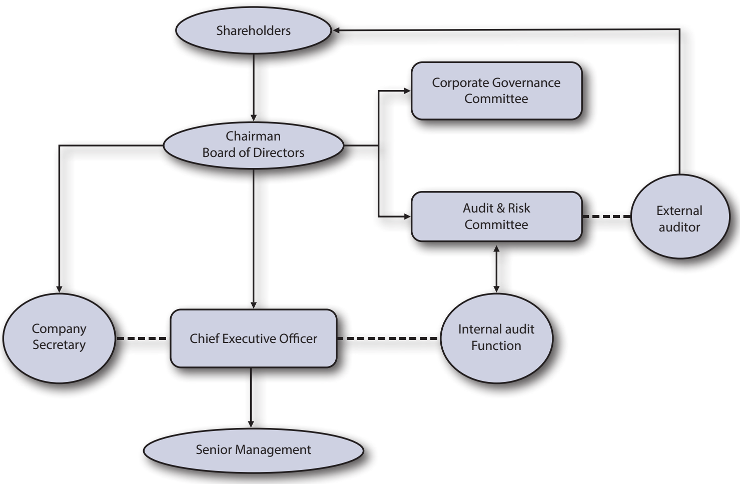
1.2. Charters and Code of Ethics

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

1.3. Organisational Chart and Statement of Accountabilities

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

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



1. 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.

The Chairperson's primary function is to:

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

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

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 function also includes the following duties:

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

2.1. Board

The Company's constitution stipulates that the Board shall consist of a minimum of six and a maximum of fifteen directors.

As at 30 June 2021, the Board comprises of one executive Director, six non-executive Directors and four independent non-executive Directors of whom one is a woman. The Directors come from diverse business backgrounds and the Board considers that it possesses the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company.

The majority of Directors 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 profiles of the Directors are disclosed on pages 20 to 25 of the Annual Report.

2. STRUCTURE OF BOARD AND COMMITTEES (*CONTINUED*)

2.1. Board (continued)

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

2.2. Directors' Attendance at Meetings for period 1st July 2020 to 30th June 2021

The table below shows the Directors of the Company and their attendance at meetings for the year ended June 30, 2021. It also shows their direct and indirect interests in the share capital of the Company as at June 30, 2021.

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
		6	5	2				
Directors in office								
M. H. Dominique Galea	17.10.06	6/6		2/2	12,885	0.08	4,163,635	24.72
Ismael Ibrahim Bahemia	09.05.12	6/6	5/5	2/2			817	0.00
Nicolas Eynaud	21.04.17	6/6						
Antoine Galea	22.06.17	5/6						
J. Alexis Harel	17.10.06	6/6	5/5					
M. Nadeem Lallmamode	23.09.15	4/6						
L. M. C. Michele Lionnet	29.12.06	5/6		2/2	86,876	0.52	770	0.00
Nicolas M. E. Maigrot	01.01.16	5/6					200,000	1.19%
K. H. Bernard Wong Ping Lun	17.10.06	6/6	5/5		20,000	0.12		
Mushtaq Oosman	22.06.17	6/6	5/5		7,385	0.04		
Bhoonesh Pandea	01.02.15	6/6					1,016,190	6.03%

During the period 1st July 2020 to 30th June 2021, share dealing by the directors and their associates were as follows:*

BOARD OF DIRECTORS	Acquired	Disposed of	Acquired Associates	Disposed of Associates
Bhoonesh Pandea	19,947	20,847	28,147	

*Mr Pandea has transferred the totality of his shares to a company of which he is the beneficial owner (including the 20,847 shares mentioned above).

CORPORATE GOVERNANCE REPORT

2. STRUCTURE OF BOARD AND COMMITTEES (*CONTINUED*)

The Company has successfully conducted a Notes Issue exercise in 2020 whereby Notes were subscribed to, pursuant to UDL's note programme for an aggregate nominal amount of MUR 750,000,000, by way of private placements targeting sophisticated investors. The proceeds of the Notes Issue were and are being utilized in the refinancing of existing debt and the funding of projects.

The Company has also successfully completed in the financial year under review a Rights Issue exercise whereby 6,034,285 new ordinary shares of par value MUR 10 each were issued to shareholders at a price of MUR 50 per share, and 250,000 new ordinary shares of par value MUR 10 each were issued to the Management of UDL at a price of MUR 50 per share, thereby raising MUR 314,214,250.

Further to the foregoing Rights Issue, the share capital of the Company is MUR 168,442,850 and the share premium is MUR 273,759,764, made up of 16,844,285 ordinary shares of Par Value MUR 10 each.

The new ordinary shares are listed on the Stock Exchange of Mauritius Ltd.

Shares subscribed by the Directors and their Associates during the Rights Issue are as follows:

Name of Director	No. of shares subscribed by Director	No. of shares subscribed by Associates
M. H. Dominique Galea	4,685	2,318,702
Ismael Ibrahim Bahemia		297
Nicolas Marie Edouard Maigrot		200,000
K.H. Bernard Wong Ping Lun	20,000	
Bhoonesh Pandea		988,043

2.3 Directors of the subsidiaries as at 30 June 2021

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

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

2.4. Board Committees

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

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

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

CORPORATE GOVERNANCE REPORT

2.4.1. Corporate Governance Committee

Membership of the Corporate Governance Committee as at 30 June 2021

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;
- 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;
- 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 two times during the year.

2. STRUCTURE OF BOARD AND COMMITTEES (CONTINUED)

2.4.2. Audit & Risk Committee

Membership of the Audit and Risk Committee as at 30 June 2021

NAME OF DIRECTOR	NO. OF MEETINGS	TYPE OF DIRECTOR
Mushtaq Oosman (Chairman) Ismael Ibrahim Bahemia J Alexis Harel K.H. Bernard Wong Ping Lun	5	Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director
Regular attendees by invitation		
Chief Executive Officer Head of Finance		

Main Duties of the Audit & Risk Committee

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

- Reviewing and recommending to the Board, for approval, the audited consolidated and financial statements and the abridged audited consolidated results as at June 30 (the end of the financial year), as well as the unaudited quarterly abridged consolidated financial statements for publication in accordance with the Securities Act 2005;

- 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;

2. STRUCTURE OF BOARD AND COMMITTEES (CONTINUED)

Main Duties of the Audit & Risk Committee (continued)

- Making recommendations to the Board as regards the appointment or reappointment of the internal auditor;
- 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 Committee met five 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.

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 2021, 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 pages 32 to 33 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 has the responsibility for reviewing the remuneration of key executives. The level of remuneration is based on market trend and is reviewed on a regular basis.

4.3. Directors' Remuneration

Total Remuneration payable to the non-executive directors from the Company for the year was MUR 1,560,000 (2020: MUR 890,625). Total Remuneration payable to the executive director was MUR 9,967,200 (2020: MUR 6,999,173).

CORPORATE GOVERNANCE REPORT

Remuneration of Non-Executive Directors for the year ended 30 June 2021 has been disclosed in the table below.

Name	Total remuneration payable to non-executive directors		
	Board	Audit & Risk Committee	Corporate Governance Committee
	6	5	2
Directors in office			
M. H. Dominique Galea	185,000		30,000
Ismael Ibrahim Bahemia	125,000	40,000	20,000
Nicolas Eynaud	125,000		
Antoine Galea	125,000		
J. Alexis Harel	125,000	40,000	
M Nadeem Lallmamode	125,000		
L. M. C. Michele Lionnet	125,000		20,000
Nicolas Marie Edouard Maigrot	125,000		
K.H. Bernard Wong Ping Lun	125,000	40,000	
Mushtaq Oosman	125,000	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 Board, Directors and committee performance. Directors grade areas such as the performance of the Board, the Directors, its Committees, the effectiveness of the Chairman, Executive and Non-executive Directors.

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

4.5. Information Technology

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.

5. RISK MANAGEMENT, INTERNAL CONTROL & INTERNAL AUDIT

5.1. Risk Management Function

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

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

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

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

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

5.1. Risk Management Function (continued)

- Currency risk – the risk that the value of a financial instrument will fluctuate due to an exposure to changes in foreign exchange:
  - United Docks does not deal in foreign currency. All rental agreements as well as debts are in Mauritian Rupees. The Company is therefore not exposed to currency risk.

- Price risk – the risk that the value of a financial instrument will fluctuate as a result of changes in market prices:
  - UDL continuously readjusts its strategy to ensure a competitive pricing in line with market offering.

- Credit risk – the risk that customers default on payment:
  - The Audit and Risk Committee ensures that there are tight credit control procedures in place to ensure that there are not long ageing debtors. Furthermore, the Audit and Risk Committee ensures that all covenants of the bank are strictly adhered to.

- Treasury risk – the risk that the group is faced with cash flow pressure:
  - Management submits cash flow projections which are scrutinized and assessed by the Audit and Risk Committee to ensure that the is no foreseeable cash flow pressure.

RISK	RISK DESCRIPTION	RISK MITIGATION
Business risk	Tenants may not settle rental payments in time or due to legal disputes. Company highly dependent on few tenants	Close monitoring of rental dues. Review of rental agreements to ensure that terms and conditions are adequate. Monitoring of court cases. Diversify portfolio of clients.
Interest Rate risk	Interest rate changes could affect the financial performance of an entity	Renegotiate loan interest with banks.
Liquidity risk	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

The external auditors, Deloitte, are responsible for the proper presentation of audited Financial Statements.

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.

The fees payable to auditors for audit were:

		2021	2020
		Rs 000	Rs 000
Company:	Audit Fees	535	535
	Tax Services	31	31
	Total	566	566
Group:	Audit Fees	625	625
	Tax Services	47	47
	Total	672	672

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 2021 will be published on the Company's website.

6.1. Social, Safety, Health and Environmental policies

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

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

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

6. INTEGRATED AND SUSTAINABILITY REPORTING *(CONTINUED)*

6.2. Code of Ethics

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

6.3. Corporate Social Responsibility (CSR)

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

- Support NGOs in their activities for the needy of the community.

- Support sustainable programs towards food self- sufficiency.

During the year, no amount has been earmarked (2020: nil) for various activities associated with CSR actions.

6.4 Whistleblowing Policy

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

6.5 Training

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

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

6.6 Environment

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

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

The park and ride facilities help 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 (2020: nil).

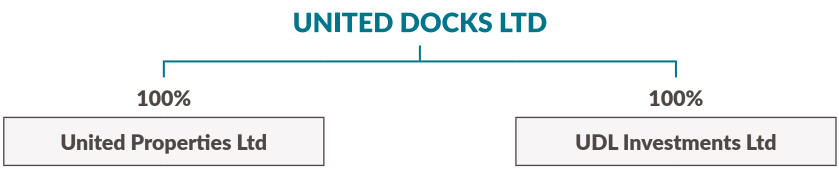
7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS

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 2021:

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

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, 2021.

7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONTINUED)

7.4. Management Agreement

There is no management agreement with any third parties.

7.5. Contracts of Significance

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

7.6. Share Option Plan

The Group and the Company have no share option plan.

7.7. Dividend Policy

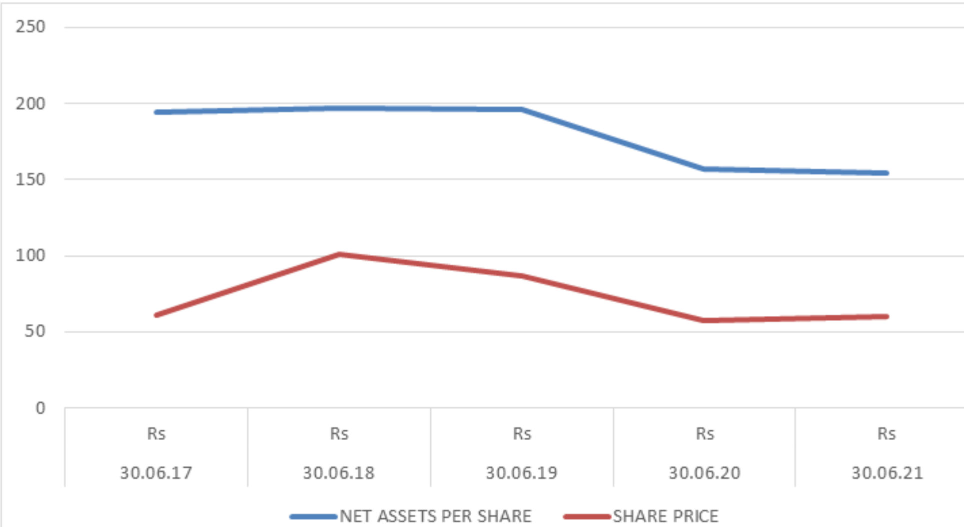
The payment of dividends is subject to the performance of the Company, its cash flow and investments requirements.

The Company has declared a final dividend of MUR 0.30 per share on the 16,844,285 ordinary shares in respect of its financial year ending 30 June 2021 (2020: nil).

7. RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS (CONTINUED)

7.8. Share Price Information

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



Shareholders' Calendar of events

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

Approved by the Board of Directors on 30 Sept 2021 and signed on its behalf by:

____________________	____________________
Chairperson	Director

CERTIFICATE OF COMPLIANCE

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

Name of Company: United Docks Ltd

Reporting Period: 1st July 2020 to 30th June 2021

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

Principles	Reasons for non-compliance
Executive Directors Principle 2: All Boards should consider having a strong executive management presence with at least two executives as members.	The Code recognises that all boards should have a strong executive management presence with at least two executives as members. In view of the business scope and activities of the Company, the Board is of the opinion that one executive, working in close collaboration with the Chairman is sufficient.
Internal Audit Principle 7: Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors.	An internal auditor has been appointed with commencement date 1st of October 2021.

Approved by the Board of Directors on 30 Sept 2021 and signed on its behalf by

....

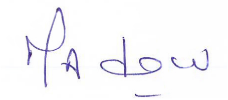
Chairperson Director

Date: 30 Sept 2021

CERTIFICATE FROM THE COMPANY SECRETARY

UNDER SECTION 166(D) OF THE MAURITIUS COMPANIES ACT 2001

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year June 30, 2021, all such returns as are required of the Company under the S166(d) of the Mauritius Companies Act 2001.



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ECS Secretaries Ltd
Company Secretary

TO THE SHAREHOLDERS OF UNITED DOCKS LTD

Report on the audit of the consolidated and separate financial statements

Qualified opinion

We have audited the consolidated and separate financial statements of United Docks Ltd (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 53 to 91, which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and consolidated and separate notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2021, and of their consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for qualified opinion

The Group holds 20% shareholding in Axys Group Ltd and 49.9% shareholding in Societe Libra. However, due to inability to exercise significant influence over those companies, the investments were designated as at fair value through other comprehensive income. The Group's carrying amount of investment in Axys Group Ltd and Societe Libra is Rs 78,374,691 and Rs 134,997,906 respectively as at 30 June 2021.

As stated in Note 7, the Directors have not been able to assess the fair value or the impairment of the investments in Axys Group Ltd and in Societé Libra due to inability to obtain up to date financial information regarding the investments. We were therefore unable to obtain sufficient appropriate audit evidence regarding the fair value of those financial assets designated at fair value through other comprehensive income as at 30 June 2021 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' 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 opinion.

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 Chairperson's Statement, Statement of Directors' Responsibilities, Certificate of Compliance and Certificate from the Company Secretary but does not include the Corporate Governance Report, the consolidated and separate financial statements and our auditor's report thereon.

TO THE SHAREHOLDERS OF UNITED DOCKS LTD

Report on the audit of the consolidated and separate financial statements (continued)

Other information (continued)

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

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

Corporate Governance Report

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

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, 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/or using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Report on the audit of the consolidated and separate financial statements (continued)

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

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

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

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

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

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

From the matters communicated with the directors, 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.

TO THE SHAREHOLDERS OF UNITED DOCKS LTD

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;

- we have not obtained all information and explanations that we have required in so far as explained in the basis for qualified opinion;

- in our opinion, except for the matters explained in the basis for qualified opinion section, proper accounting records have been kept by the Company as far as appears from our examination of those records; and

- except for the matters explained in the basis of qualified opinion section, the financial statements of the Company comply with the Mauritius Companies Act 2001.

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

Deloitte

Chartered Accountants

L. Yeung Sik Yuen, ACA

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STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2021

		THE GROUP		THE COMPANY	
	Notes	**2021**	2020	**2021**	2020
		Rs.	Rs.	**Rs.**	Rs.
ASSETS					
Non-current assets					
Property and equipment	4	**1,696,046**	1,765,686	**1,696,046**	1,765,686
Investment properties	5	**2,335,865,132**	2,219,032,446	**935,883,937**	931,473,907
Investments in subsidiaries	6	**-**	-	**50,000**	50,000
Investments in financial assets	7(i)	**363,233,149**	239,871,531	**228,235,243**	104,873,625
		2,700,794,327	2,460,669,663	**1,165,865,226**	1,038,163,218
Current assets					
Investments in financial assets	7(ii)	**186,670,000**	-	**186,670,000**	-
Trade and other receivables	8	**46,413,738**	31,132,744	**1,141,170,532**	1,060,964,825
Cash at bank and in hand	9	**236,910,338**	37,573	**235,618,046**	27,645
		469,994,076	31,170,317	**1,563,458,578**	1,060,992,470
TOTAL ASSETS		**3,170,788,403**	2,491,839,980	**2,729,323,804**	2,099,155,688
EQUITY AND LIABILITIES					
Equity					
Stated capital	10	**168,442,850**	105,600,000	**168,442,850**	105,600,000
Share premium	10	**275,397,399**	24,631,914	**275,397,399**	24,631,914
Other reserves	10	**90,285,354**	84,700,630	**90,285,354**	84,700,630
Retained earnings		**1,856,551,586**	1,842,264,728	**1,419,244,796**	1,449,694,718
Total equity		**2,390,677,189**	2,057,197,272	**1,953,370,399**	1,664,627,262
LIABILITIES					
Non-current liabilities					
Retirement benefit plans	12	**4,214,495**	2,897,550	**4,214,495**	2,897,550
Interest-bearing loans and borrowings	11	**750,000,000**	180,210,500	**750,000,000**	180,210,500
		754,214,495	183,108,050	**754,214,495**	183,108,050
Current liabilities					
Trade and other payables	13	**20,843,434**	28,576,219	**16,685,625**	28,461,937
Interest-bearing loans and borrowings	11	**-**	221,355,571	**-**	221,355,571
Dividend payable	15	**5,053,285**	1,602,868	**5,053,285**	1,602,868
		25,896,719	251,534,658	**21,738,910**	251,420,376
Total liabilities		**780,111,214**	434,642,708	**775,953,405**	434,528,426
TOTAL EQUITY AND LIABILITIES		**3,170,788,403**	2,491,839,980	**2,729,323,804**	2,099,155,688

These financial statements have been approved for issue by the Board of directors on 30 Sept 2021

....
Chairperson

....
Director

The notes on pages 57 to 91 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
		Rs.	Rs.	**Rs.**	Rs.
Revenue	16	**54,067,739**	56,886,381	**54,067,739**	56,886,381
Other income	17	**6,794,286**	5,109	**6,794,286**	5,109
Operating expenses		**(38,103,073)**	(53,798,750)	**(37,844,653)**	(53,624,757)
Operating profit	18	**22,758,952**	3,092,740	**23,017,372**	3,266,733
Finance costs	19	**(20,845,073)**	(19,500,057)	**(20,845,073)**	(19,500,057)
Profit/(loss) before tax		**1,913,879**	(16,407,317)	**2,172,299**	(16,233,324)
Income tax expense	14	**-**	-	**-**	-
Profit/(loss) for the year before reversal of dividend receivable from subsidiaries		**1,913,879**	(16,407,317)	**2,172,299**	(16,233,324)
Reversal of dividend receivable from subsidiaries	23(b)	**-**	-	**(44,995,200)**	-
Profit/(loss) for the year after reversal of dividend receivable from subsidiaries		**1,913,879**	(16,407,317)	**(42,822,901)**	(16,233,324)
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain/(loss) in investment on equity instruments designated at FVTOCI	7	**5,584,724**	(89,466)	**5,584,724**	(89,466)
Remeasurement of defined benefit plans	12	**(1,672,755)**	2,157,047	**(1,672,755)**	2,157,047
Items that may be reclassified subsequently to profit or loss:					
Fair value gain in debt instruments measured at FVTOCI	7	**17,496,151**	-	**17,496,151**	-
Other comprehensive income for the year, net of tax		**21,408,120**	2,067,581	**21,408,120**	2,067,581
Total comprehensive income/(loss) for the year		**23,321,999**	(14,339,736)	**(21,414,781)**	(14,165,743)
Profit/(loss) for the year attributable to:					
Owners of the Company		**1,913,879**	(16,407,317)		
Non-controlling interests		**-**	-		
		1,913,879	(16,407,317)		
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**23,321,999**	(14,339,736)		
Non-controlling interests		**-**	-		
		23,321,999	(14,339,736)		
Profit/(loss) per share (basic and diluted)	20	**0.15**	(1.55)		

The notes on pages 57 to 91 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2021

THE GROUP

	Notes	Attributable to equity holders of the company				
		Stated capital	**Share premium**	**Other reserves**	**Retained earnings**	**Total equity**
		Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At July 1, 2019		105,600,000	24,631,914	84,790,096	1,856,514,998	2,071,537,008
Loss for the year		-	-	-	(16,407,317)	(16,407,317)
Other comprehensive income for the year		-	-	(89,466)	2,157,047	2,067,581
Total comprehensive loss for the year, net of tax		-	-	(89,466)	(14,250,270)	(14,339,736)
At June 30, 2020		105,600,000	24,631,914	84,700,630	1,842,264,728	2,057,197,272
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		**-**	**-**	**-**	**1,913,879**	**1,913,879**
Other comprehensive income for the year		**-**	**-**	**5,584,724**	**15,823,396**	**21,408,120**
Total comprehensive income for the year, net of tax		**-**	**-**	**5,584,724**	**17,737,275**	**23,321,999**
At June 30, 2021		**168,442,850**	**275,397,399**	**90,285,354**	**1,856,551,586**	**2,390,677,189**

THE COMPANY

	Notes	**Stated capital**	**Share premium**	**Other reserve**	**Retained earnings**	**Total**
		Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At July 1, 2019		105,600,000	24,631,914	84,790,096	1,463,770,995	1,678,793,005
Loss for the year		-	-	-	(16,233,324)	(16,233,324)
Other comprehensive income for the year		-	-	(89,466)	2,157,047	2,067,581
Total comprehensive loss for the year, net of tax		-	-	(89,466)	(14,076,277)	(14,165,743)
At June 30, 2020		105,600,000	24,631,914	84,700,630	1,449,694,718	1,664,627,262
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		**-**	**-**	**5,584,724**	**15,823,396**	**21,408,120**
Total comprehensive loss for the year, net of tax		**-**	**-**	**5,584,724**	**(26,999,505)**	**(21,414,781)**
At June 30, 2021		**168,442,850**	**275,397,399**	**90,285,354**	**1,419,244,796**	**1,953,370,399**

The notes on pages 57 to 91 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
		Rs.	Rs.	**Rs.**	Rs.
Operating activities					
Loss before tax		**1,913,879**	(16,407,317)	**2,172,299**	(16,233,324)
Adjustments for:					
Depreciation of property and equipment	4	**634,605**	559,905	**634,605**	559,905
Defined benefit plan		**787,259**	632,413	**787,259**	632,413
Finance cost	18	**20,845,073**	19,500,057	**20,845,073**	19,500,057
Dividend income	16	**(3,691,806)**	-	**(3,691,806)**	-
Foreign exchange gain	17	**(5,492,500)**	-	**(5,492,500)**	-
Straight line rental adjustment	16	**(330,358)**	(3,193,614)	**(330,358)**	(3,193,614)
Expected credit losses	8	**402,466**	850,959	**402,466**	850,959
Interest income	17	**(1,260,777)**	-	**(1,260,777)**	-
		13,807,841	1,942,403	**14,066,261**	2,116,396
Working capital adjustments					
Increase in trade and other receivables		**(15,353,102)**	(4,250,934)	**(125,273,015)**	(12,363,659)
Increase in trade and other payables		**(11,975,216)**	(15,433,832)	**(16,018,743)**	(15,426,273)
Cash used in operating activities		**(13,520,477)**	(17,742,363)	**(127,225,497)**	(25,673,536)
Contribution paid		**(1,143,069)**	-	**(1,143,069)**	-
Net cash used in operating activities		**(14,663,546)**	(17,742,363)	**(128,368,566)**	(25,673,536)
Investing activities					
Additions to investment properties	5	**(116,832,686)**	(7,932,206)	**(4,410,030)**	-
Acquisition of property and equipment	4	**(564,965)**	(191,117)	**(564,965)**	(191,117)
Interest on fixed deposits		**1,260,777**	-	**1,260,777**	-
Purchase of financial assets at amortised cost	7	**(181,177,500)**	-	**(181,177,500)**	-
Purchase of debt instruments designated at FVTOCI	7	**(100,280,743)**	-	**(100,280,743)**	-
Dividend received		**3,691,806**	-	**3,691,806**	-
Net cash used in investing activities		**(393,903,311)**	(8,123,323)	**(281,480,655)**	(191,117)
Financing activities					
Issue of shares	10	**313,608,335**	-	**313,608,335**	-
Proceeds from loans and borrowings		**750,000,000**	65,031,004	**750,000,000**	65,031,004
Repayment of loans and borrowings		**(301,052,134)**	(7,953,564)	**(301,052,134)**	(7,953,564)
Interest paid	18	**(16,602,641)**	(19,500,057)	**(16,602,641)**	(19,500,057)
Net cash generated from financing activities		**745,953,560**	37,577,383	**745,953,560**	37,577,383
Net increase in cash and cash equivalents		**337,386,703**	11,711,697	**336,104,339**	11,712,730
Cash and cash equivalents at beginning of year		**(100,476,365)**	(112,188,062)	**(100,486,293)**	(112,199,023)
Cash and cash equivalents at end of year	9	**236,910,338**	(100,476,365)	**235,618,046**	(100,486,293)

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2021

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, 2021 have been authorised for issue by the Board of directors on the date stamped on page 53.

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 comply with the Mauritius Companies Act 2001 and Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of consolidation

The financial statements comprise the financial statements of United Docks Ltd and its subsidiaries as at June 30, 2021. 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 is sufficient to give power, including:

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

In the current year, the Group and the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 July 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IAS 1	Presentation of Financial Statements – Amendments regarding the definition of material
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform.
IFRS 7	Financial Instruments Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 9	Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

2.4 New and revised Standards in issue but not yet effective

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

IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2023)
IAS 1	Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective 1 January 2023)
IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 1 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective 1 January 2023)
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective 1 January 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 1 January 2022)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 New and revised Standards in issue but not yet effective (continued)

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)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 7	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)
IFRS 16	Leases - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 16	Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective 1 April 2021)

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.

2.5 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.

<u>The Group and the Company as a lessor</u>

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.

<u>Increase in credit risk</u>

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant Accounting Judgements, Estimates and Assumptions (continued)

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

Key sources of estimation uncertainty (continued)

Retirement benefit obligations

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

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, such estimate is subject to significant uncertainty. All assumptions are reviewed at each reporting date. The sensitivity to those significant estimates is disclosed in Note 12.

Valuation of investment properties

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

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

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

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 less impairment losses. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units).

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

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.

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)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

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. 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).

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition.

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group and the Company assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) the financial instrument has a low risk of default;
(b) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
(c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group and the Company consider a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group and the Company become a party to the irrecoverable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group and the Company consider the changes in the risk that the specified debtor will default on the contract.

The Group and the Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities (continued)

Definition of default (continued)

Irrespective of the above analysis, the Group and the Company consider that default has occurred when a financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Cash 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 a maturity of three months or less as defined above, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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.

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 Workers Rights Act 2019 is determined and valued by the actuary and provided for. The obligations arising under this item are not funded. Actuarial gains or losses are recognised using the same policy as for a defined benefit scheme. A liability is recognised in Note 12.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes

Current income tax

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

Deferred income tax

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

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

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

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

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

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

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 profit or loss and other 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.

- *I nvestment 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

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.

Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment, in which the entity operates (functional currency). The financial statements are presented in Mauritian rupees which is the Group's and the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group and the Company 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 the Group and 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.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds. Dividends are recognised as a liability in the year in which they are declared.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them

4. PROPERTY AND EQUIPMENT

THE GROUP AND THE COMPANY	Improvement to buildings	Furniture and office equipment	Motor Vehicles	Total
	Rs.	Rs.	Rs.	Rs.
COST				
At July 1, 2019	2,146,988	5,888,505	901,283	8,936,776
Additions	-	191,117	-	191,117
At June 30, 2020	**2,146,988**	**6,079,622**	**901,283**	**9,127,893**
Additions	**-**	**564,965**	**-**	**564,965**
At June 30, 2021	**2,146,988**	**6,644,587**	**901,283**	**9,692,858**
ACCUMULATED DEPRECIATION				
At July 1, 2019	1,147,796	4,771,991	882,515	6,802,302
Charge for the year	214,699	335,822	9,384	559,905
At June 30, 2020	**1,362,495**	**5,107,813**	**891,899**	**7,362,207**
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**
CARRYING AMOUNT				
At June 30, 2020	784,493	971,809	9,384	1,765,686
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	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**2,219,032,446**	2,228,160,551	**931,473,907**	948,534,218
Additions	**116,832,686**	7,932,206	**4,410,030**	-
Adjustments	**-**	(17,060,311)	**-**	(17,060,311)
At June 30,	**2,335,865,132**	2,219,032,446	**935,883,937**	931,473,907

Investment properties which consist of freehold land and buildings were revalued on July 24, 2019 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. A letter was received from the land surveyor on August 6, 2021 confirming that the fair values at June 30, 2019 still holds at June 30, 2021.

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

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

Rental income from investment properties amounted to Rs. 46,308,204 (2020: Rs. 46,520,695) for the Group and the Company. Direct operating expenses arising on the investment properties during the year amounted to Rs. 12,339,741 (2020: Rs. 25,435,554).

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

5. INVESTMENT PROPERTIES (CONTINUED)

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

THE GROUP

	Fair value measurement using		
	Date of valuation	Total	Level 2
		Rs.	Rs.
Assets measured at fair value:			
Investment properties	**30-Jun-21**	**2,335,865,132**	**2,335,865,132**
Investment properties	30-Jun-20	2,219,032,446	2,219,032,446

THE COMPANY

	Fair value measurement using		
	Date of valuation	Total	Level 2
		Rs.	Rs.
Assets measured at fair value:			
Investment properties	**30-Jun-21**	**935,883,937**	**935,883,937**
Investment properties	30-Jun-20	931,473,907	931,473,907

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

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

6. INVESTMENTS IN SUBSIDIARIES

THE COMPANY

	2021	2020
	Rs.	Rs.
Unquoted (at cost)		
At July 1 and June 30	**50,000**	50,000

6. INVESTMENTS IN SUBSIDIARIES

THE COMPANY

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	Main business	Type	Issued capital	Nominal value of investment 2021	Nominal value of investment 2020	% Holding 2021 & 2020
			Rs.	**Rs.**	Rs.	%
United Properties Ltd	Property development	Direct	25,000	**25,000**	25,000	100%
UDL Investments Ltd	Investment holding	Direct	25,000	**25,000**	25,000	100%
			50,000	**50,000**	50,000	

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

7. INVESTMENTS IN FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Financial assets at FVTOCI (i)	**363,233,149**	239,871,531	**228,235,243**	104,873,625
Financial assets at amortised cost (ii)	**186,670,000**	-	**186,670,000**	-
	549,903,149	239,871,531	**414,905,243**	104,873,625

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

	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Investments in unquoted equity instruments				
At July 1,	**239,871,531**	239,960,997	**104,873,625**	104,963,091
Fair value gain/(loss)	**5,584,724**	(89,466)	**5,584,724**	(89,466)
At June 30,	**245,456,255**	239,871,531	**110,458,349**	104,873,625
Investments in quoted equity/debt instruments				
At July 1,	**-**	-	**-**	-
Additions	**100,280,743**	-	**100,280,743**	-
Fair value gain	**17,496,151**	-	**17,496,151**	-
At June 30,	**117,776,894**	-	**117,776,894**	-
Analysed as:				
At fair value				
Unquoted investment in Axys Group (note (a))	**78,374,691**	74,625,890	**78,374,691**	74,625,890
Unquoted investment in Societe Libra (note (b))	**134,997,906**	134,997,906	**-**	-
Other unquoted investments (note (c))	**32,083,658**	30,247,735	**32,083,658**	30,247,735
Quoted debt instruments (note (d))	**117,772,200**	-	**117,772,200**	-
Quoted equity instruments	**4,694**	-	**4,694**	-
	363,233,149	239,871,531	**228,235,243**	104,873,625

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.

7. INVESTMENTS IN FINANCIAL ASSETS (CONTINUED)

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

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.

(a) 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. A qualified audit opinion has been issued in the audit report due to a lack of information to fair value the investment in Axys as at June 30, 2021.

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

The first dispute relates to what the UDL Group considers to be breaches of the shareholders agreement "Pacte de Societaires" agreed upon by UDL Group and Societe Pronema pertaining to their investment in Societe Libra. The UDL Group is seeking the dissolution of Societe Libra. The other dispute (initiated by Societe Pronema) relates to the entitlement of the Group to maintain its shareholding in Société Libra and also to the Group’s right and ability to appoint representatives on the administrative organs of the entity.

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

The Group holds 49.9% in Societe Libra. Through its investment in Société Libra, the Group holds an effective interest of 13.41% in Harel Mallac Ltd, a listed company.

Since the beginning of the dispute, the Group has been prevented from having access to any financial information of Société Libra. As a result, the Directors have not been able to determine the fair value and have measured the investment at cost. A qualified audit opinion has been issued in the audit report due to a lack of information to fair value of the investment in Societe Libra as at June 30, 2021.

(c) 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.

(d) The investment in debt instrument is held by the Group and the Company within a business model whose objective is both to collect their contractual cash flows, which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Hence, the investment in debt instrument is classified as FVTOCI.

For the purpose of the impairment assessment, the debt instrument is considered to have low credit risk as the counterparties to these investments have a BBB-credit rating.

7. INVESTMENTS IN FINANCIAL ASSETS (CONTINUED)

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

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Assets measured at fair value				
Level 1	**117,776,894**	-	**117,776,894**	-
Level 3	**245,456,255**	239,871,531	**110,458,349**	104,873,625
	363,233,149	239,871,531	**228,235,243**	104,873,625

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 12,272,813 (2020: Rs 11,993,577) for the Group and Rs 5,522,917 (2020: 5,243,682) for the Company

(ii) FINANCIAL ASSETS MEASURED AT AMORTISED COST

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**-**	-	**-**	-
Additions	**186,670,000**	-	**186,670,000**	-
At June 30,	**186,670,000**	-	**186,670,000**	-

Financial assets at amortised cost comprise 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 are 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 are classified as at amortised cost.

The financial assets at amortised cost are considered to have low credit risk and as such impairment to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2021

8. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**16,147,719**	17,410,649	**16,147,719**	17,410,649
Loss allowance	**(4,662,184)**	(7,488,291)	**(4,662,184)**	(7,488,291)
	11,485,535	9,922,358	**11,485,535**	9,922,358
Amount receivable from subsidiaries	**-**	-	**1,094,855,601**	1,029,930,890
Straight line rental accrual	**3,523,972**	3,193,614	**3,523,972**	3,193,614
Other debtors and prepayments	**31,404,231**	18,016,772	**31,305,424**	17,917,963
	46,413,738	31,132,744	**1,141,170,532**	1,060,964,825

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 sure 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	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**7,488,291**	6,637,332	**7,488,291**	6,637,332
Charge for the year	**402,466**	850,959	**402,466**	850,959
Utilised during the year	**(3,228,573)**	-	**(3,228,573)**	-
At June 30,	**4,662,184**	7,488,291	**4,662,184**	7,488,291

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.

	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	1,910,851	2,256,449	11,980,419	**16,147,719**
Lifetime ECL	291,193	394,647	3,976,344	**4,662,184**

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

	THE GROUP AND THE COMPANY			
	Trade receivables - past due			
30 June 2020	Not past due	31 - 90	> 90	Total
Expected credit loss rate	4.90%	25.50%	62.59%	43.01%
Estimated total gross carrying amount at default	4,077,796	2,847,779	10,485,074	17,410,649
Lifetime ECL	199,812	726,062	6,562,417	7,488,291

9. CASH AT BANK AND IN HAND

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Petty cash	**39,913**	27,645	**39,913**	27,645
Cash at bank and short term deposits	**236,870,425**	9,928	**235,578,133**	-
	236,910,338	37,573	**235,618,046**	27,645

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

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Cash at bank and in hand	**236,910,338**	37,573	**235,618,046**	27,645
Bank overdraft (note 11(b))	**-**	(100,513,938)	**-**	(100,513,938)
	236,910,338	(100,476,365)	**235,618,046**	(100,486,293)

10. STATED CAPITAL AND RESERVES

Stated capital	THE GROUP AND THE COMPANY	
	2021	**2020**
	Rs.	**Rs.**
Issued and fully paid		
At July 1,	**105,600,000**	105,600,000
Issued during the year	**62,842,850**	-
At June 30,	**168,442,850**	105,600,000

	2021	**2020**
Reconciliation of number of shares:		
At July 1,	**10,560,000**	10,560,000
Issued during the year	**6,284,285**	-
At June 30,	**16,844,285**	10,560,000

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.

United Docks Ltd has successfully completed the Rights Issue of 6,034,285 new ordinary shares of par value MUR 10 each at a price of MUR 50.00 per share and the issue of 250,000 new ordinary shares of par value MUR 10 each at price of MUR 50.00 per share exclusively to the Management of United Docks Ltd thus raising MUR 314,214,250. The stated capital of the Company post Rights Issue and issue to Management is made up of 16,844,285 ordinary shares of par value MUR 10 each.

Reserves

Share premium

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

Other reserves

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

11. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Non-current		
Bank loans (note (a))	**-**	180,210,500
Notes (note (c))	**750,000,000**	-
	750,000,000	180,210,500
Current		
Bank overdraft (note (b))	**-**	100,513,938
Bank loans (note (a))	**-**	120,841,633
	-	221,355,571
TOTAL	**750,000,000**	401,566,071
Bank loans and notes can be analysed as follows:-		
Within one year	**-**	120,841,633
After one year and before two years	**-**	16,089,498
After two years and before five years	**-**	56,065,981
More than five years	**750,000,000**	108,055,022
	750,000,000	301,052,134

(a) Bank borrowings are secured by floating charges over the assets of the Group and the Company. The effective interest rate on the bank loans vary from 4.10% to 5.10%. The bank loans were denominated in Mauritian rupees and were repaid during the year.

(b) The bank overdraft was secured by floating charges on the assets of the Group and the Company. The rate of interest on the bank overdraft was 4.6% and the amount was fully repaid during the year.

(c) On May 6, 2020, 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 August 11, 2020. The offer was closed on September 25, 2020 and the Notes issued on September 30, 2020. The notes mature on September 30, 2030 bearing interests rates from 4.10% to 4.70% p.a.

12. RETIREMENT BENEFIT PLANS

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Amounts recognised in statement of financial position		
Defined benefit scheme (a)	**1,043,166**	1,422,765
Unfunded retirement gratuity (b)	**(5,257,661)**	(4,320,315)
	(4,214,495)	(2,897,550)

The retirement benefit plan figures have been based on the latest actuarial report dated September 10, 2021 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 PLANS (CONTINUED)

(a) Defined benefit scheme

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

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

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

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

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

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Movement in the asset recognised in the statement of financial position:		
At July 1,	**1,422,765**	166,141
Amount recognised in profit or loss	**(129,793)**	(194,613)
Amount recognised in other comprehensive income	**(337,033)**	1,300,362
Employer contributions	**87,227**	150,875
At June 30,	**1,043,166**	1,422,765
Movement in the fair value of plan assets are as follows:		
At July 1,	**24,363,419**	33,742,235
Interest income	**636,613**	1,842,346
Employer contributions	**87,227**	150,875
Employee contributions	**22,955**	39,704
Benefits paid	**(1,691,047)**	(1,900,273)
Return on plan assets excluding interest income	**2,066,587**	(9,511,468)
At June 30,	**25,485,754**	24,363,419
Reconciliation of Present Value of Defined Benefit Obligation:		
At July 1,	**19,416,760**	16,629,338
Current service cost	**169,686**	209,181
Employee contributions	**22,955**	39,704
Interest cost	**501,575**	878,760
Benefits paid	**(1,691,047)**	(1,900,273)
Liability experience losses/(gain)	**791,693**	(1,328,909)
Liability (gain)/loss due to change in financial assumptions	**(3,793,007)**	4,888,959
At June 30,	**15,418,615**	19,416,760
Reconciliation of the Effect of the Asset Ceiling:		
Opening balance	**3,523,894**	16,946,756
Amount recognised in profit or loss	**95,145**	949,018
Amount recognised in other comprehensive income	**5,404,934**	(14,371,880)
Closing balance	**9,023,973**	3,523,894

12. RETIREMENT BENEFIT PLAN (CONTINUED)

(a) Defined benefit scheme (Continued)

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Amounts recognised in statement of profit or loss:		
Current service cost	**169,686**	209,181
Net interest cost	**(39,893)**	(14,568)
	129,793	194,613
Amounts recognised in statement of other comprehensive income:		
Return on plan assets	**(2,066,587)**	9,511,468
Liability experience (gain)/losses	**791,693**	(1,328,909)
Liability (gain)/loss due to change in financial assumptions	**(3,793,007)**	4,888,959
Change in effect of asset ceiling	**5,404,934**	(14,371,880)
	337,033	(1,300,362)

	THE GROUP AND THE COMPANY	
	2021	2020
	%	%
The assets in the plan are made up as follows:		
Local quoted equities	**105**	96
Local unquoted debt	**4**	6
Cash and others	**(9)**	(2)
	100	100

	THE GROUP AND THE COMPANY	
	2021	2020
Principal assumptions used:		
Discount rate	**4.9%**	2.7%
Future salary increases	**3.6%**	1.3%
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	
	2021	2020
	Rs.	Rs.
Increase in defined benefit obligations due to 1% decrease in discount rate	**1,834,371**	2,829,736
Decrease in defined benefit obligations due to 1% increase in discount rate	**1,505,967**	2,255,186
Increase in defined benefit obligations due to 1% increase in salary rate	**256,252**	350,286
Decrease in defined benefit obligations due to 1% decrease in salary rate	**235,465**	318,221
Increase in defined benefit obligations due to 1 year increase in longevity	**593,757**	828,967
Decrease in defined benefit obligations due to 1 year decrease in longevity	**598,982**	828,188

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2021

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 contributionfor next year is Rs 90,810.

The weighted average duration of the defined benefit obligation is 11 years (2020: 13 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	
	2021	2020
	Rs.	Rs.
Movement in the liability recognised in the statement of financial position:		
At July 1,	**4,320,315**	4,588,324
Amount recognised in profit or loss	**657,466**	588,676
Amount recognised in other comprehensive income	**1,335,722**	(856,685)
Less Employer Contributions	**(1,055,842)**	-
At June 30,	**5,257,661**	4,320,315
Movement in the present value of defined benefit obligation:		
At July 1,	**4,320,315**	4,588,324
Interest income	**547,873**	331,730
Interest expense	**109,593**	256,946
Other benefits paid	**(1,055,842)**	-
Liability experience losses/(gain)	**1,272,799**	(935,132)
Liability loss due to change in financial assumption	**62,923**	78,447
At June 30,	**5,257,661**	4,320,315
Amounts recognised in statement of profit or loss		
Current service cost	**547,873**	331,730
Net interest cost	**109,593**	256,946
	657,466	588,676
Amounts recognised in statement of other comprehensive income		
Liability experience (losses)/gain	**(1,272,799)**	935,132
Liability loss due to change in financial assumptions	**(62,923)**	(78,447)
	(1,335,722)	856,685

	THE GROUP AND THE COMPANY	
	2021	2020
Principal assumptions used:		
Discount rate	**4.9%**	2.7%
Future salary increases	**3.6%**	1.3%
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	
	2021	2020
	Rs.	Rs.
Increase in defined benefit obligations due to 1% decrease in discount rate	**781,180**	548,508
Decrease in defined benefit obligations due to 1% increase in discount rate	**646,548**	462,587
Increase in defined benefit obligations due to 1% increase in salary rate	**772,396**	550,878
Decrease in defined benefit obligations due to 1% decrease in salary rate	**651,803**	472,761

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

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

The expected employer contributions for next year is Rs 0.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14 years (2020: 12 years)

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Within the next 12 months	**87,230**	86,800
Between 2 and 5 years	**348,920**	347,200
Between 5 and 10 years	**436,150**	434,000
Total expected payments	**872,300**	868,000

13. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Trade payables	**1,745,271**	14,945,734	**1,745,271**	14,945,734
Accruals and other payables	**19,098,163**	13,630,485	**14,940,354**	13,516,203
	20,843,434	28,576,219	**16,685,625**	28,461,937

Term and conditions of the above financial liabilities:
- Accruals and other payables consist of deposits from tenants, severance allowance payable, COVID-19 levy and amount 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% (2020: 15%) on its profit/(loss) for the year as adjusted for income tax purpose. At 30 June 2020, the Company has accumulated tax losses of Rs 23,197,801 (2020: Rs 47,976,244) 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
	Rs.	
30-Jun-18	3,397,571	30-Jun-24
30-Jun-19	14,014,323	30-Jun-25
30-Jun-20	5,785,905	30-Jun-26
	23,197,799	

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Tax deducted at source is included under trade and other receivables.	**1,348,136**	2,384,764

Tax reconciliation

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
(Loss)/profit before tax	**1,913,879**	(16,407,317)	**2,172,299**	(16,233,324)
Tax calculated at a rate of 15% (2020: 15%)	**287,082**	(2,461,098)	**325,845**	(2,434,999)
Income not subject to tax	**(1,524,258)**	(250,628)	**(1,485,495)**	(250,628)
Expenses not deductible for tax purposes	**3,100,246**	212,794	**3,100,246**	212,794
Utilisation of previously unrecognised tax losses	**(1,239,148)**	-	**(1,239,148)**	-
Deferred tax asset not recognised	**(623,922)**	2,498,966	**(701,448)**	2,472,867
	-	-	**-**	-

Deferred tax

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Temporary differences for which deferred tax has not been recognised:		
Loss allowance on trade receivables	**699,328**	1,273,009
Retirement benefit plan	**632,174**	492,584
Accumulated tax losses	**3,479,670**	8,155,961

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2021

15. DIVIDEND PAYABLE

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
At July 1,	**1,602,868**	1,602,868
Reversed during the year	**(1,602,868)**	-
Dividend declared	**5,053,285**	-
At June 30.	**5,053,285**	1,602,868

Dividend payable relates to dividend declared by United Docks Ltd in prior years but not collected which has been reversed in the statement of changes in equity at June 30, 2021.

Following a board resolution dated June 28, 2021, United Docks Ltd declared a final dividend of Rs.0.30 per share (2020: Nil) on the 16,844,285 ordinary shares in issue and payable to shareholders for the financial year ended 30 June 2021. The dividend has been paid on the July 30, 2021.

16. REVENUE

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Rental income	**50,375,933**	55,215,527
Investment income	**3,691,806**	1,670,854
	54,067,739	56,886,381

17. OTHER INCOME

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Interest income	**1,260,777**	-	**1,260,777**	-
Foreign exchange gain	**5,492,500**	-	**5,492,500**	-
Sundry income	**41,009**	5,109	**41,009**	5,109
	6,794,286	5,109	**6,794,286**	5,109

18. OPERATING PROFIT

	THE GROUP		THE COMPANY	
Operating profit is arrived at:	**2021**	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
After charging:				
Depreciation on property and equipment	**634,605**	559,905	**634,605**	559,905
Loss allowance on trade receivables	**402,466**	850,959	**402,466**	850,959
Professional and legal fees	**1,398,206**	3,673,874	**1,398,206**	3,673,874
Compensation expense	**-**	17,000,000	**-**	17,000,000
Employee benefit expense	**21,188,860**	18,290,550	**21,188,860**	18,290,550

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Employee benefit expense:				
Wages and salaries	**17,481,232**	13,602,988	**17,481,232**	13,602,988
Defined benefit costs	**-**	632,412	**-**	632,413
Defined contribution costs	**1,183,478**	3,507,635	**1,183,478**	3,507,634
Social security costs	**677,924**	536,815	**677,924**	536,815
Government Assistance Scheme Levy	**762,981**	-	**762,981**	-
Retirement Benefits /Severance allowance	**1,083,245**	10,700	**1,083,245**	10,700
	21,188,860	18,290,550	**21,188,860**	18,290,550

19. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Interest expense on:				
- Notes	**12,727,296**	-	**12,727,296**	-
- Bank overdraft	**1,110,003**	5,967,954	**1,110,003**	5,967,954
- Bank loans	**7,007,774**	13,532,103	**7,007,774**	13,532,103
	20,845,073	19,500,057	**20,845,073**	19,500,057

20. PROFIT/(LOSS) PER SHARE

	THE GROUP	
	2021	2020
	Rs.	Rs.
Profit/(loss) for the year attributable to owners of the Company	**1,913,879**	(16,407,317)
Number of ordinary shares in issue	**16,844,285**	10,560,000
Weighted average number of ordinary shares	**12,654,762**	10,500,000
Profit/(loss) per share (basic and diluted)	**0.15**	(1.55)

There are no diluted investments during the financial year ended June 30, 2021 (2020: 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 on 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, 2021 and June 30, 2020.

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 2020, 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 at bank and in hand. Total capital is calculated as ''equity'' as shown in the statement of financial position.

21. FINANCIAL RISK MANAGEMENT

Gearing ratio	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Interest-bearing loans and borrowings	**750,000,000**	401,566,071	**750,000,000**	401,566,071
Cash at bank and in hand	**(236,910,338)**	(37,573)	**(235,618,046)**	(27,645)
Net debt	**513,089,662**	401,528,498	**514,381,954**	401,538,426
Equity	**2,390,677,189**	2,057,197,272	**1,953,370,399**	1,664,627,262
Net unrealised gains reserve	**(90,285,354)**	(84,700,630)	**(90,285,354)**	(84,700,630)
Total capital	**2,300,391,835**	1,972,496,642	**1,863,085,045**	1,579,926,632
Capital and net debt	**2,813,481,497**	2,374,025,140	**2,377,466,999**	1,981,465,058
Gearing ratio	**18%**	17%	**22%**	20%

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 and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

June 30, 2021	THE GROUP		THE COMPANY	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
	Rs.	**Rs.**	**Rs.**	**Rs.**
At amortised cost:				
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 loans and borrowings	**-**	**750,000,000**	**-**	**750,000,000**
Dividend payable	**-**	**5,053,285**	**-**	**5,053,285**
Designated as at FVTOCI:				
- Unquoted equity investments	**245,456,255**	**-**	**110,458,349**	**-**
- Quoted debt instruments	**117,772,200**	**-**	**117,772,200**	**-**
- Quoted equity instruments	**4,694**	**-**	**4,694**	**-**
	818,731,027	**775,729,931**	**1,777,233,600**	**771,572,122**

June 30, 2021	THE GROUP		THE COMPANY	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
	Rs.	**Rs.**	**Rs.**	**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**

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2021

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments (continued)

	THE GROUP		THE COMPANY	
June 30, 2020	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
At amortised cost:				
Trade and other receivables	26,703,026	-	1,056,633,914	-
Cash at bank and in hand	37,573	-	27,645	-
Trade and other payables	-	28,576,219	-	28,461,937
Interest-bearing loans and borrowings	-	401,566,071	-	401,566,071
Dividend payable	-	1,602,868	-	1,602,868
Designated as at FVTOCI:				
Unquoted equity investments	239,871,531	-	104,873,625	-
	266,612,130	431,745,158	1,161,535,184	431,630,876

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

Financial risk management

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 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 two types of risk: interest rate risk and foreign 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 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**	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Financial liabilities				
Non-interest bearing	**20,676,646**	28,576,219	**16,518,837**	28,461,937
Variable interest bearing	**750,000,000**	401,566,071	**750,000,000**	401,566,071
	770,676,646	430,142,290	**766,518,837**	430,028,008

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis

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

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs.	Rs.
Effect on loss before tax	**(7,500,000)**	(4,015,661)

Foreign currency risk

The Group and the Company hold financial assets (debt instrument) amounting to Rs 111,670,000 (2020: Nil) which is denominated in United States Dollar (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 5,583,500 (2020: Nil). 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.

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 Directors have determined that the equity price risk sensitivity analysis of listed securities to be immaterial. 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.

<u>Trade receivables</u>

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 require approval from management.

<u>Intercompany receivables</u>

Management assesses credit risk at 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.

<u>Investment in debt instruments</u>

The Group and the Company transact with entities with investment grade of minimum BBB credit rating. As such, the investment is considered to have low credit risk for the purpose of impairment assessment.

<u>Cash at bank</u>

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

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

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	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
June 30, 2021						
Interest bearing loans and borrowings	-	-	-	-	**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**
	5,675,052	**3,348,139**	**16,706,740**	-	**750,000,000**	**775,729,931**
June 30, 2020						
Interest bearing loans and borrowings	100,513,938	3,328,636	117,512,997	72,155,479	108,055,021	401,566,071
Trade and other payables	621,767	14,945,734	14,611,581	-	-	30,179,082
Dividend payable	1,602,868	-	-	-	-	1,602,868
	102,738,573	18,274,370	132,124,578	72,155,479	108,055,021	433,348,021

THE COMPANY

	On demand	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
June 30, 2021						
Interest bearing loans and borrowings	-	-	-	-	**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**
	5,675,052	**3,348,139**	**12,548,931**	-	**750,000,000**	**771,572,122**
June 30, 2020						
Interest bearing loans and borrowings	100,513,938	3,328,636	117,512,997	72,155,479	108,055,021	401,566,071
Trade and other payables	621,767	14,945,734	14,497,301	-	-	30,064,802
Dividend payable	1,602,868	-	-	-	-	1,602,868
	102,738,573	18,274,370	132,010,298	72,155,479	108,055,021	433,233,741

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	
		2021	2020	**2021**	2020
		Rs.	Rs.	**Rs.**	Rs.
(a) *Trading transactions:*					
La Prudence Leasing Finance Co. Ltd	Rental income	**(1,892,106)**	(1,919,255)	**(1,892,106)**	(1,919,255)
La Prudence Leasing Finance Co. Ltd	Interest income	**(1,125,000)**	-	**(1,125,000)**	-
United Docks Superannuation Fund	Pension contribution	**(87,227)**	(150,875)	**(87,227)**	(150,875)
UDL Investments Ltd	Expenses paid on behalf during the year	**-**	-	**62,620**	55,040
United Properties Ltd	Expenses paid on behalf during the year	**-**	-	**195,803**	118,953

- La Prudence Leasing Finance Co. Ltd is a related party under common ownership.
- United Docks Superannuation Fund is the pension fund of the Group and the Company.

(b) *Reversal of dividend receivable from subsidiaries:*

Following a board resolution, the Directors of the subsidiaries namely, United Properties Ltd and UDL Investments Ltd resolved to cancel the balance of dividend relating to the financial year ending 30 June 2006 payable to their respective common sole shareholder.

Subsidiary	Date of resolution		
UDL Investments Ltd	29 January 2021	**-**	33,000,000
United Properties Ltd	3 February 2021	**-**	11,995,200
		-	44,995,200

The dividend receivable from subsidiaries have been reversed in the financial statements at 30 June 2021.

23. RELATED PARTY DISCLOSURES (CONTINUED)

(c) *The following amounts were outstanding at reporting date:*

La Prudence Leasing Finance Co. Ltd	Rental receivable	**(1,008,684)**	(468,632)	**(1,008,684)**	(468,632)
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	**-**	-	**(965,595,772)**	(855,737,100)
UDL Investments Ltd	Financing of acquisition of investment and expenses paid on behalf	**-**	-	**(129,259,829)**	(129,198,590)
United Properties Ltd	Dividend receivable	**-**	-	**-**	(33,000,000)
UDL Investments Ltd	Dividend receivable	**-**	-	**-**	(11,995,200)

An amendment in Mauritius Companies Act 2001, where the Board declares a dividend, it shall ensure that that dividend is paid not later than 12 months after the date on which the dividend is declared. As such, the cummulative dividend receivable from subsidiaries amounting to Rs 44,995,200 has been reversed during the year.

For the financial year ended June 30, 2021, the Company assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2020: 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	
	2021	2020	**2021**	2020
	Rs.	Rs.	**Rs.**	Rs.
Salaries and short-term employee benefits	**12,852,808**	7,378,750	**12,852,808**	7,378,750
Post-employment benefits	**87,227**	150,875	**87,227**	150,875

- 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.

24. OPERATING LEASE ARRANGEMENTS (CONTINUED)

The total rental revenue recognised as income during the year is Rs. 37,826,212 (2020: Rs. 40,070,635) for the Group.

	THE GROUP	
	2021	2020
	Rs.	Rs.
Year 1	**28,085,615**	30,981,230
Year 2	**20,729,158**	22,385,014
Year 3	**6,793,481**	14,206,338
Year 4	**1,501,862**	-
Total	**57,110,116**	67,572,582

25. EVENTS AFTER REPORTING DATE

There are no significant events after the reporting date which needs to be disclosed or requires any amendments to the June 30, 2021 financial statements.

26. 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, 2020	**Financing cash flows**	**Non-cash changes**	**June 30, 2021**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Interest bearing loans and borrowings	**301,052,134**	**448,947,866**	**-**	**750,000,000**

	July 1, 2019	Financing cash flows	Non-cash changes	June 30, 2020
	Rs.	Rs.	Rs.	Rs.
Interest bearing loans and borrowings	243,974,694	57,077,440	-	301,052,134

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

27. CAPITAL COMMITMENTS

At June 30, 2021, the Group has capital commitments of approximately Rs 552M (2020: Nil) relating to capital expenditure for its investment properties as disclosed in Note 5.

UNITED DOCKS

Proxy Form / Postal Vote Form

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

1. Proxy Form (Option 1)

Appoint .... or failing him/her .... of .... as my/our proxy to vote for me/us and on at the Annual Meeting of the Company to be held on **Friday the 17 December 2021 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 2021.			
2.To re-elect the following persons under separate resolutions as directors of the Company to hold office until the next Annual Meeting:			
2.1 Mr. Nicolas Eynaud			
2.2 Mr. Antoine Galea			
2.3 Mr. M. H. Dominique Galea			
2.4 Mr. J. Alexis Harel			
2.5 Mr. Nadeen Lallmamode			
2.6 Mrs. L. M. C. Michèle Lionnet			
2.7 Mr. Nicolas M. E. Maigrot			
2.8 Mr. Mushtaq Oosman			
2.9 Mr. Bhoonesh Pandea			
2.10 Mr. K. H. Bernard Wong Ping Lun			
3.In accordance with Section 138(6) of the Companies Act 2001, to re-appoint Mr. I. Ibrahim Bahemia as director of the Company to hold office from the date of this Annual Meeting of Shareholders until the next Annual Meeting of the Company.			
4. To approve the remuneration of directors.			
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.			

Signed this 2021

....

Signature(s)

Notes:

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

2) 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 by Thursday the 16 December 2021 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 Wednesday the 15 December 2021 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 17 November 2021.

UNITED DOCKS

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