

2017
ANNUAL
REPORT

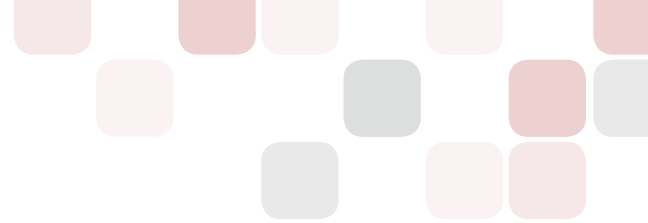


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UIL AND ITS MAIN INVESTEE COMPANIES



NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of Shareholders of United Investments Ltd (the “Company”) will be held at AXYS Group, 6th Floor Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis on Wednesday 27 December 2017 at 10:30 hours to transact the following business:

1. To consider the Annual Report 2017 of the Company.
2. To receive the report of Messrs Ernst & Young, the Auditors of the Company.
3. To consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2017.

Ordinary Resolution I

“Resolved that the Audited Financial Statements of the Company for the year ended 30 June 2017 be hereby adopted.”

4. To approve the re-appointment of Messrs Ernst & Young, as Auditors of the Company to hold office until the next Annual Meeting of Shareholders and to authorise the Board to fix their remuneration for the financial year 2017/2018.

Ordinary Resolution II

“Resolved that Messrs Ernst & Young be re-appointed as Auditors of the Company to hold office until the next Annual Meeting of Shareholders and that the Board be hereby authorised to fix the Auditor’s remuneration for the financial year 2017/2018”.

By Order of the Board

FWM Secretarial Services Limited
Corporate Secretary
Per V.Oomadevi Chetty

Dated this 09 November 2017

Notes:

1. A member of the Company entitled to attend and vote at this meeting, may appoint a proxy (in the case of individual shareholder) or a representative (in the case of a company) whether a shareholder of the Company or not, to attend and vote in his/its behalf.
2. The instrument appointing the proxy or representative should reach The MCB Registry & Securities Ltd, Sir William Newton Street, Port Louis not less than twenty four (24) hours before the meeting.
3. For the purpose of this Annual Meeting of Shareholders, the Directors have resolved in compliance with Section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the Annual Meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 05 December 2017.
4. The minutes of proceedings of the Annual Meeting of Shareholders held on 30 December 2016 are available free of charge on request. Kindly contact the Company Secretary, FWM Secretarial Services Limited, 6/7th Floor Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis.

CHAIRMAN'S & CEO'S REVIEW



Didier MERVÉN

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to review United Investments Ltd's performance for the financial year ended 30th June 2017.

Financial Cluster

Salient Features

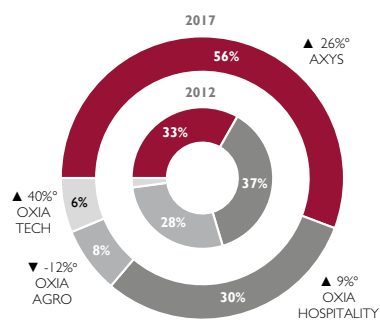
- AXYS Leasing welcomed SPICE Finance as its new brand and Vikash Tulsidas was nominated as CEO.
- The acquisition of Frontière Finance was completed, giving us access to a portfolio of quality South African clients.
- The Geneva office has successfully integrated the three trust companies acquired over the last 5 years into one entity.
- AXYS Investment Partners and AXYS Stockbroking had a reasonable year despite a softer local market environment.
- The banking license did not materialize during the period under review and we hope to receive the greenlight soon.

Non - Financial Cluster

Salient Features

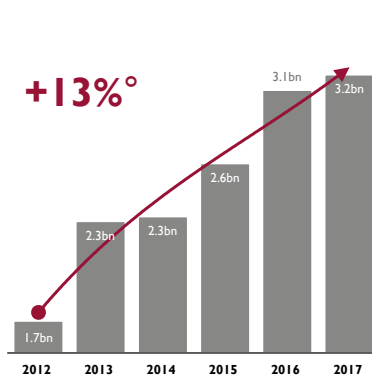
- Island Renewable Fertilizers returned to profitability after being restructured to concentrate solely on the liquid fertilizer market.
- SPA signed to dispose of our investment in the seafood sector. Conclusion of the sale will be subject to court decision.
- Attitude Hospitality going from strength to strength with average occupancy at 85% for the year just completed. We expect an increase both in occupancy and rates during the new financial year.
- With the construction sector on a path to recovery, we foresee a good year ahead for Mecom after a relatively flat year. La Moisson will also benefit, as the sugar industry accelerates the outsourcing of the harvesting and transportation of its cane to the mills in an effort to reduce costs further.
- Quantilab consolidated its presence further in the market and has become a reference locally and overseas due to their accurate and swift results.

PORTFOLIO EVOLUTION



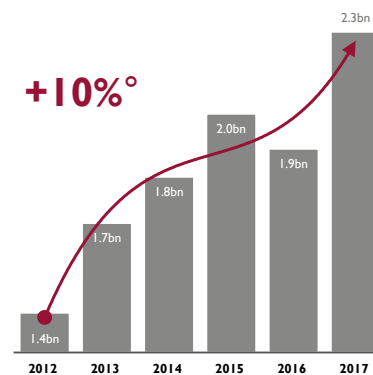
*Annualised since 2012

PORTFOLIO VALUE



*Annualised since 2012

NET ASSET VALUE



*Annualised since 2012



Michel Guy RIVALLAND

Pre and Post end of year news

- With the view of financing the capital of the private bank and reducing debt, we successfully raised Rs 500,000,000 via a rights issue in March.
- The planned split of UIL's activities into two separate entities was delayed in order to address the wish of certain shareholders to understand in greater detail the implications of such a move on their shareholding. We hope to proceed once these questions are dealt with.

AXYS Ltd

Whilst revenue was down year on year, profit before tax only declined slightly due to the multiple departures of clients linked to the new CRS measures introduced in Geneva. Certain clients realised it was no longer viable to hold their investments in offshore structures, given their offshore holdings would need to be reported to tax authorities.

On a positive note and to partly mitigate the impact of the above mentioned departures, we have been able to cut operating costs by over CHF 1,000,000 due to the economies of scale achieved in the merger of our three operations in Switzerland.

AXYS Investment Partners made a small loss on the back of added costs being incurred due to the hiring of staff and the implementation of new software, coupled with trading losses on certain products. We expect to see these initiatives bear fruit in the new financial year.

Our other businesses in the financial cluster reported steady results in line with their budgets.



\$14bn
CLIENT ASSETS

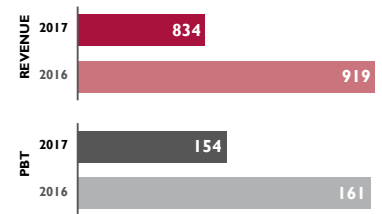


4 | 24
REGULATED | UTILISED
JURISDICTIONS



6,600 | Rs383M
LEASES | DISBURSED

KEY FIGURES



OXIA Ltd

Hospitality

Our hotels performed exceptionally well this year, with occupancy levels increasing by 8% year on year which resulted in an EBITDA increase of 78%, which translated into a profit turnaround of Rs 173,000,000 compared to last year.

This was achieved mainly due to the fact that all our major renovations were completed the previous year, which enabled all our hotels to operate 100% of the rooms available. Coupled with the high demand for Mauritius as a holiday destination and the additional carriers now visiting our island. We believe this trend will continue for the next few years, as our major competitors such as the Caribbean Islands and the Maldives have had major setbacks recently.



9
HOTELS MANAGED

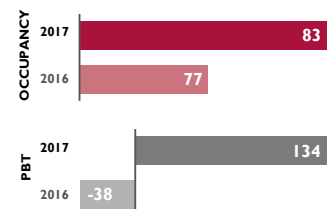


1,078
ROOMS MANAGED



314k
ROOM NIGHTS SOLD

KEY FIGURES



CHAIRMAN'S & CEO'S REVIEW

OXIA Ltd (Cont'd)

Agro

The Agro cluster, which includes Island Renewable Fertilizers, Mecom, La Moisson and Island Chemicals had a very commendable performance this year despite a 5% reduction in revenue, the cluster managed a profit before tax increase of 430% over last year. This was achieved thanks to the much improved results from Mecom and Island Renewable Fertilizers. We believe this trend will continue into next year, as the construction industry starts to recover. We should see more evidence of sugar estates using our contracting services to prepare fields, plant and harvest the cane and transport their crops to the mills, as they endeavor to reduce costs to a minimum.



Tech

This was by far our worst performing cluster this year with revenue down by 20% and profit before tax showing a huge 88% down turn year on year.

This was mostly attributable to Multi Global Systems Ltd ("MGS") and Megabyte which between them contributed to this result. MGS's management changed during the year but unfortunately this change was not received very well by its clients, which in turn affected the turnover and profits. Measures will have to be taken to retrieve this loss of business. Last year Megabyte had an exceptional year due to one-off large contracts. Given this could not be repeated this year and with the moving costs to the new premises, a small loss for the year has been recorded. The other two businesses in the cluster, namely Quantilab and Les Gaz Industriels, performed in line with their budgets, with the former showing very encouraging signs for the year to come.

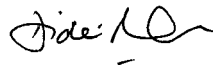


Acknowledgements

To conclude, we would like to express our appreciation to the members of the Board of Directors for their contribution and support during the year, the employees of the Group for their continued dedication to their respective companies and to our valued shareholders for their continued trust and confidence.



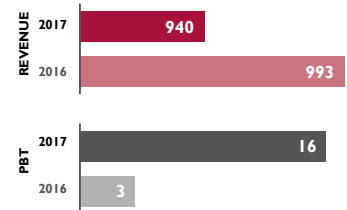
Michel Guy Rivalland
CHIEF EXECUTIVE OFFICER



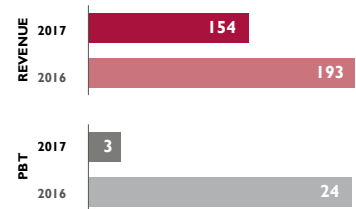
Didier Merven
CHAIRMAN

Date: 20 October 2017

KEY FIGURES



KEY FIGURES



AXYS



CORPORATE PROFILE

The Directors have the pleasure of submitting the Annual Report of United Investments Ltd (“UIL” or “the Company”) and its subsidiaries (the “Group”) together with the audited financial statements for the year ended June 30, 2017.

Board of Directors

Mr. Didier MERVEN (Executive - Chairperson)

Mr. Michel Guy RIVALLAND (Executive)

Mr. Kumar Lilladhur GUNNESS (Independent Non-Executive)

Mr. Pierre Arnaud Marc De MARIGNY-LAGESE
(Independent Non-Executive)

Mr. Nicolas Marie Edouard MAIGROT (Non-Executive)

Mr. Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE (Independent Non-Executive)

Mr. Marie Donald Henri HAREL (Non-Executive)

Board Committees

Audit Committee

Mr. Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE (Chairperson)

Mr. Kumar Lilladhur GUNNESS

Mr. Marie Donald Henri HAREL

Corporate Governance Committee

Mr. Pierre Arnaud Marc De MARIGNY-LAGESE (Chairperson)

Mr. Didier MERVEN

Mr. Nicolas Marie Edouard MAIGROT

Company Secretary

FWM Secretarial Services Limited

6/7th Floor Dias Pier Building, Le Caudan Waterfront,
Caudan,
Port Louis

Registered Office

6/7th Floor Dias Pier Building, Le Caudan Waterfront,
Caudan,
Port Louis

Registrar and Transfer Agent

MCB Registry and Securities Ltd

Sir William Newton Street,
Port Louis

Auditors

Ernst & Young

9th Floor, NeXTeracom Tower I,
Cybercity, Ebene

Bankers

The Mauritius Commercial Bank Limited,

Sir William Newton Street,
Port Louis

AfrAsia Bank Limited

Bowen Square,
10 Dr Ferriere Street,
Port Louis

SBM Bank (Mauritius) Ltd

I, Queen Elizabeth II Avenue,
Port Louis | I 328

ABC Banking Corporation Ltd

Weal House
Duke of Edinburgh Avenue
Place d'Armes
Port Louis | I 328

Legal Adviser

BLC Robert & Associates

2nd Floor, the AXIS,
26 Cybercity, Ebene 72201,
Mauritius

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE SECTION

The Board of Directors is committed to promote the success of United Investments Ltd (“UIL” or the “Company”) and conducts its affairs in a responsible manner. The Board of Directors is accountable to the Company’s shareholders and ensures transparency to its shareholders and protects the interests of all its stakeholders. The Board of Directors is committed to high standards of corporate governance within the Company and its investments.

The Board of Directors recognises that there is a constant need to adapt and improve on the principles and practices, especially around the regulatory requirements and managing investors’ expectations.

This report describes the main corporate governance framework and compliance of the Company with the disclosures required under the Code of Corporate Governance for Mauritius.

ROLE OF THE BOARD OF DIRECTORS

The Board is led by the Chairperson Didier Merven, while the executive management of the Company is led by the Chief Executive Officer, Michel Guy Rivalland.

The role of the Board is to:

- Set down the Company’s values and ensure that its obligation to its stakeholders are understood and met;
- Provide entrepreneurial leadership of the Company within a framework of prudent and effective controls;
- Set out the Company’s strategy and ensure the required financial and human resources are in place for the Company to meet its objectives; and
- Review the performance of management.

ROLE OF THE CHAIRPERSON

The role of the Chairperson is to:

- Provide leadership to the Board without limiting individual responsibility for Board decisions;
- Maintain sound relations with the Company’s shareholders and ensuring principles of effective communication and pertinent disclosures are followed;
- Ensure that all Directors participate fully and constructively in the functioning and decision making process of the Board; and
- Ensure that all relevant information and facts are available to the Board to enable the Directors to make informed decisions.

ROLE OF THE CHIEF EXECUTIVE OFFICER (CEO)

The role of the Chief Executive Officer is to:

- Develop and recommend to the Board a long-term strategy and vision for the Group to generate shareholder value and to develop positive relations with relevant stakeholders;
- Develop and recommend to the Board, major corporate policies, annual business plans and budgets that support the Company’s long-term strategy after a proper assessment of the relevant risks; and
- Oversee the day-to-day business affairs of the Company and ensure the implementation of corporate policies, annual business plans and budgets to support the Company’s long-term strategy.

ROLE OF THE NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The composition of the Board is such that there is an appropriate balance of power and authority between Executive, Non-Executive and Independent Directors.

Non-Executive and Independent Directors play a vital role in providing an independent opinion from management on strategic issues, performance, resources and the evaluation of the Group’s performance.

BOARD OF DIRECTORS

The Company is currently managed by a unitary Board of seven members out of whom, two (2) are Executive Directors, two (2) are Non-Executive and three (3) are Independent Non-Executive Directors.

The Directors have been selected to ensure an appropriate mix of competencies, experience, skill and independence. The Directors receive regular information about the Company to enable them to carry out their duties and responsibilities competently; in appropriate circumstances independent professional advice is also available to the Directors at the Company’s expense.

DIRECTORS’ RESUMES

Didier Merven - Executive - Chairperson

Didier Merven set up in 1992 Portfolio Investment Management Limited (‘PIM’), one of the very first professional portfolio management companies in Mauritius. Over the following 25 years AXYS has evolved from these beginnings into a diversified financial services company. Didier continues to oversee the investment management for the company’s high net worth clients and is a Director on the AXYS board.

Directorship in other listed companies: NOVUS Properties Ltd, Novare Africa Fund PCC in respect of its cell Novare Africa Property Fund One.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESUMES (CONT'D)

Michel Guy Rivalland - Executive

Michel Guy Rivalland is a graduate in economics, BSc (Hons), UK. He joined AXYS Group in 1999, became a shareholder and Director in 2002. He was appointed Chief Executive Officer of AXYS in July 2006, and since July 2010, he has been assuming the role of Chief Executive Officer for UIL.

Directorship in other listed companies: Attitude Property Ltd, Les Gaz Industriels Ltd and NOVUS Properties Ltd.

Kumar Lilladhur Guinness - Independent

Kumar Guinness qualified as a pharmacist from John Moors University, Liverpool, UK. He has a wide ranging business experience locally and overseas. He is currently the Managing Director and the largest shareholder of the Unicorn Group of companies as well as being Director of other local and overseas companies.

Directorship in other listed companies: None.

Pierre Arnaud Marc De MARIGNY-LAGESSE - Independent

Marc Lagesse was until September 2017 the Chief Executive Officer of the Hertshten Group, a Mauritian based holding company with operations in 7 countries across the globe involved in international derivatives markets, property and general insurance. He was previously the Chief Executive Officer of MCB Capital Markets, part of the MCB Group within which Mr Lagesse spent 15 years. Mr Lagesse has a BSc in Statistics and Economics from University College London and an MBA from the London Business School.

Directorship in other listed companies: Director of Medine Ltd, Director of Eudcos Ltd.

Nicolas Marie Edouard MAIGROT - Non-Executive

Nicolas Maigrot is the Managing Director of Terra Mauricia Ltd since 1st January 2016. He started his career as Management Controller at Floreal Knitwear in 1989. He headed the Mauritius and Madagascar operations between 1995 and 1998 and was appointed as Chief Executive Officer of Floreal Knitwear in 2003 and of Ciel Textile (knits and knitwear division) in 2009. He was then recruited as Chief Executive Officer of Ireland Blyth Limited in 2010, a post he held until 2015.

Directorship in other listed companies: Terra Mauricia Ltd, Swan General Ltd and United Docks Ltd.

Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE - Independent

Jean de Fondaumière is a Chartered Accountant of Scotland. He worked in Australia for eleven years and he retired as the Chief Executive Officer of the Swan Group at the end of 2006 after fifteen years with the group. He is a past Chairman of The Stock Exchange of Mauritius and his former directorships include companies operating in the African, Indian Ocean and Asia Pacific regions. Jean currently holds a portfolio of directorships in Mauritius for companies operating in commerce, finance, power generation, sugar and tourism industry.

Directorship in other listed companies: Alteo Ltd, Constance Hotels Services Ltd, Constance La Gaité Company Ltd, Hotelest Ltd and Lux Island Resorts Ltd.

Marie Donald Henri HAREL - Non-Executive

Henri Harel first worked in South Africa as an auditor with De Ravel, Boulle, Saad & Wyman (Chartered Accountants). He then occupied the post of Internal Auditor with Toyota S.A. Manufacturing and that of Financial Accountant at Amalgamated Beverage Industries Ltd (Coca-Cola). Upon his return to Mauritius in 1991, he worked for Société de Gérance de Mon Loisir as Financial Controller until 1996, when he joined Harel Frères Limited in a similar capacity. He is at present Terra's Group Chief Finance Officer and a Management Committee member. He has also been the Chairman of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

Directorship in other listed companies: Terra Mauricia Limited and Swan Insurance Co. Ltd.

Director Selection, Training and Development

The Corporate Governance Committee which also acts as Nomination Committee is responsible for making recommendations with regards to selection of Directors.

Though the Board does not organise or enroll its members on specific training session, it encourages all its members to keep on enhancing their knowledge and competencies through development programmes offered by various institutions in Mauritius.

BOARD EFFECTIVENESS AND DIRECTOR APPRAISAL

Board effectiveness and Director appraisal are discussed at regular interval but no formal appraisal system was in place for the year under review.

CONFLICT OF INTEREST

No contracts of significance or loans existed between the Company and its Directors during the year under review.

Every Director is required to declare any potential conflict of interest at the outset of any discussion at which he feels he might be conflicted.

RELATED PARTY TRANSACTIONS

Please refer to note 23 of the financial statements for details on related party transactions.

attitude 



CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

Three Board meetings were scheduled during the financial year 2017. Board meetings are convened by giving appropriate timely notice.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book. The minutes of each Board are submitted for confirmation at the next meeting and these are then signed by the Chairperson and the Company Secretary.

ATTENDANCE OF BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

Name of Officer	Board Meetings	Audit Committee
Jean Didier MERVEN	3/3	-
Michel Guy RIVALLAND	3/3	-
Kumar Lilladhur GUNNESS	3/3	3/5
Pierre Arnaud Marc De MARIGNY-LAGESSE	1/3	-
Nicolas Marie Edouard MAIGROT	2/3	-
Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE	3/3	5/5
Marie Donald Henri HAREL	3/3	5/5

Exceptionally no Corporate Governance meetings were held during the year under review. Corporate Governance matters were however discussed at full board level. Going forward, it has been resolved to hold at least two Corporate Governance meetings per year.

COMMON DIRECTORS

Didier MERVEN	Firefox Ltd and Portfolio Investment Management Limited
Michel Guy RIVALLAND	None
Kumar Lilladhur GUNNESS	None
Pierre Arnaud Marc DE MARIGNY-LAGESSE	None
Nicolas Marie Edouard MAIGROT	Terra Mauricia Ltd
Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE	None
Marie Donald Henri HAREL	Terra Mauricia Ltd

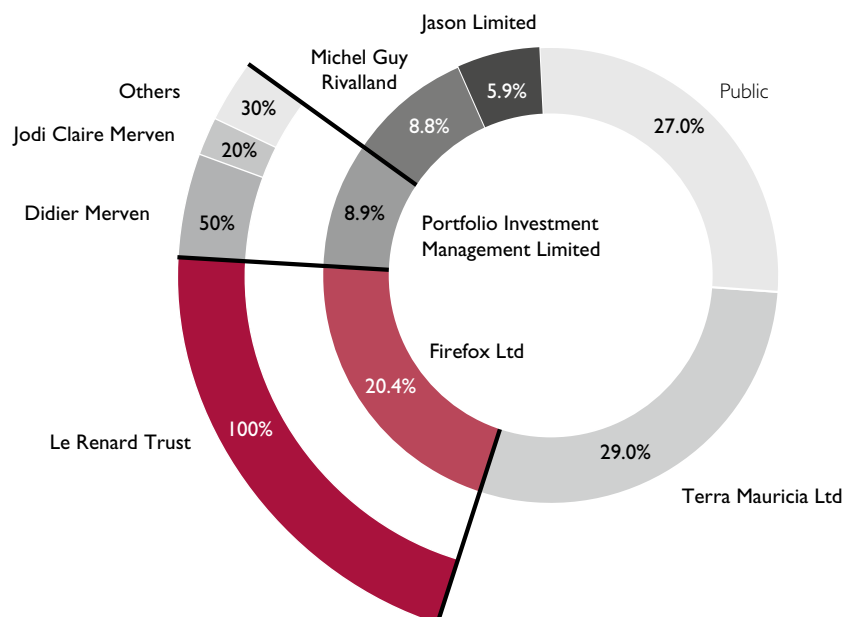
SHAREHOLDING AND CONSTITUTION

The following shareholders held 5% or more of the shareholding of the Company as at June 30, 2017:

Main Shareholders	% Holding
Terra Mauricia Ltd	29.03%
Firefox Ltd	20.38%
Portfolio Investment Management Limited	8.91%
Michel Guy Rivalland	8.77%
Jason Limited	5.89%

CORPORATE GOVERNANCE REPORT

SHAREHOLDING AND CONSTITUTION (CONT'D)



CONSTITUTION

The Company is listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius since 10 January 2007 and its Constitution is in conformity with the provisions of the Companies Act 2001 and the DEM Rules.

The salient features of the Constitution are:

- the Company has wide objects and powers;
- there are no pre-emptive rights attached to the shares;
- fully paid shares are freely transferable;
- the Board of Directors shall consist of not less than 5 but not more than 15 Directors;
- the quorum for a meeting of the Board is fixed by the Board and if not so fixed shall be at least 3 Directors;

- the Board may issue, at any time, a number of ordinary shares, and rights or options to acquire such shares, not exceeding fifteen per cent of the total number of ordinary shares in issue at the time of such issue of such shares, rights or options, to any person, whether already a shareholder of the Company or not, without any requirement that the said shares be first offered to existing shareholders and without the necessity of being authorised by the shareholders by ordinary resolution; and
- there shall be a quorum for meetings of shareholders where 2 shareholders holding at least 40% of the ordinary shares are present or represented.

A copy of the Constitution is available upon request in writing to the Company Secretary at the registered office of the Company, 6/7th Floor Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis.



CORPORATE GOVERNANCE REPORT

DIRECTORS' AND OFFICERS' INTEREST IN UIL SHARES

The Directors follow the principles of the model code on Securities Transactions as detailed in the Mauritius Stock Exchange Listing Rules and in accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties in UIL shares are kept in a Register of Directors' Interests.

As soon as a Director becomes aware that he is interested in a transaction or that his holdings or his associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with every transaction entered into by the Directors and persons closely associated with them.

Moreover, pursuant to the Securities Act 2005, UIL registered itself as a reporting issuer with the Financial Services Commission ("FSC") and makes every effort to follow the relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the Officers and the other insiders of UIL.

DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF UIL

The Directors' interests in the Company's securities as at June 30, 2017 are as follows:

Name of Officer	ORDINARY SHARES			
	Direct		Indirect	
	Shares	%	Shares	%
Jean Didier MERVEN	-	-	6,750,669	4.46
Michel Guy RIVALLAND	13,281,185	8.77	-	-
Kumar Lilladhur GUNNESS	18,233	0.00	325,000	0.16
Pierre Arnaud Marc De MARIGNY-LAGESSE	500,000	0.25	-	-
Nicolas Marie Edouard MAIGROT	-	-	-	-
Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE	-	-	-	-
Marie Donald Henri HAREL	-	-	431	0.00

DISCLOSURE OF SHARES PURCHASED AND SOLD BY THE DIRECTORS

The Directors of the Company follow the principles of the model code on Securities Transactions as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

During the year under review the Directors made the following dealing in shares of the Company:

Name of Director	Number of Shares Purchased/(Sold) Directly	Number of Shares Purchased/(Sold) Indirectly
Pierre Arnaud Marc De MARIGNY-LAGESSE	180,000	-
Kumar Lilladhur GUNNESS	18,191	325,000

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary, FWM Secretarial Services Limited, represented by Mrs V.Oomadevi Chetty, ACIS, who is responsible for providing guidance to the Directors as to their duties, responsibilities and powers.

The Company Secretary ensures that the Board procedures are followed and that applicable rules and regulations as well as principles of good governance are adhered to.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

In line with the Code of Corporate Governance for Mauritius, the Board of Directors has delegated specific duties and responsibilities to Board Committees namely, the Corporate Governance Committee and the Audit Committee.

The Board Committees operate within clearly defined terms of reference and provide assistance to the Board and its Directors in discharging their duties through a more comprehensive evaluation of specific issues. The sub-committees report regularly to the Board to whom they submit their recommendations and are authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for them to perform their duties.

The minutes of the proceedings of each Board Committee meeting are recorded by the Company Secretary, FWM Secretarial Services Ltd, and are entered in the Minutes Book.

Any member of the Board has access to minutes of Board Committee meetings, regardless of whether the Director is a member of such Board Committee.

The Board has decided that the Corporate Governance Committee should also act as the Nomination and Remuneration Committee.

THE MAIN TERMS OF REFERENCE OF THE CORPORATE GOVERNANCE COMMITTEE ARE AS FOLLOWS:

- advise the Board on all aspects of corporate governance and to recommend the adoption of best practices as appropriate for the Company;
- determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- recommend to the Board any closed periods during which the Directors and any other persons in the Company who are privy to price sensitive information shall not be permitted to trade in shares or securities of the Company;
- prepare the corporate governance report to be published in the Company's annual report;
- ensure that the disclosures made in the annual report are in compliance with the disclosure provisions in the Code of Corporate Governance;
- make recommendations to the Board on appointment of new executive, non-executive Directors and independent Directors, including recommendations on composition of Board in general regarding balance between executive and non-executive Directors appointed to the Board;
- review Board structure of the Company, size and composition and make recommendations to the Board where necessary with regard to any adjustments deemed necessary;
- identify and nominate candidates for approval of the Board to fill Board vacancies as and when they arise, (as well as have in place succession plans, in particular for Chairperson and Chief Executive Officer);
- determine and recommend to the Board the level of independent non-executive Directors' fees to be recommended;

- determine and recommend to the Board specific remuneration packages for executive Directors of the Company (basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives, pensions and other benefits);
- determine, agree, develop and recommend to the Board the Company's general policy on executive and senior management remuneration; and
- determine any criteria necessary to measure the performance of the executive Directors, in discharging their duties and responsibilities.

AUDIT COMMITTEE

The Audit Committee operates under the terms of reference adopted by the Board of Directors.

The primary objective of the Audit Committee is to assist the Board of UIL in fulfilling its responsibilities. The Committee thus reviews the integrity of the accounting and risk management.

THE MAIN TERMS OF REFERENCE OF THE AUDIT COMMITTEE ARE AS FOLLOWS:

- recommend the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal of the external auditors;
- discuss and agree with the external auditor before the audit commences the nature and scope of the audit;
- review from time to time the cost effectiveness of the audit and the independence and objectivity of the external auditor;
- review the submission to the Board in relation to any audited accounts, focusing particularly on:
 - any changes in accounting policies and practice;
 - major judgemental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - compliance with accounting standards (and in particular accounting standards adopted in the financial year for the first time);
 - compliance with Stock Exchange and legal requirements;
 - compliance with guidelines, as and when issued by the Financial Services Commission and other authorities;
- discuss problems and reservations arising from the final audit, and any matters the auditors may wish to discuss (in the absence of management where necessary);
- review the external auditors' management letter and management's response;
- review, on behalf of the Board, the Company's system of internal control (including financial, operational compliance and risk management) and make recommendations to the Board;

CORPORATE GOVERNANCE REPORT

THE MAIN TERMS OF REFERENCE OF THE AUDIT COMMITTEE ARE AS FOLLOWS: (CONT'D)

- review the proposed statement on the Directors' review of the Group's system of internal control (including financial, operational compliance and risk management) prior to endorsement by the Board;
- review from time to time the need for an internal audit function and, where such a function exists, review the internal audit programme, ensure co-ordination between the internal and external auditors and ensure that the internal audit function has adequate resources and maintains an appropriate standing within the Group;
- consider the major findings of internal investigations and management's response;
- review the Group's operating, financial and accounting policies and practices;
- receive report of previous quarter from the Internal Auditor;
- consider other matters as defined by the Board; and
- report on all of the above matters to the Board.

DIVIDEND POLICY

There is no formal dividend policy.

STATEMENT OF REMUNERATION POLICY

The Board has delegated to the Corporate Governance Committee the responsibility of determining the adequate remuneration to be paid to the Non Executive Directors, the Executive Directors and Senior Management.

Remuneration is reviewed after taking into account the market norms, practices and is in accordance with the Code of Corporate Governance for Mauritius.

BOARD AND BOARD COMMITTEE FEES

All Non Executive Directors receive a Board remuneration consisting of a fixed fee and an additional fee for each Board meeting attended by them.

Board	Fees
Annual Director's fee	MUR 50,000
Attendance fee	MUR 10,000 per board sitting
Audit Committee	Fees
Chairperson's fee	MUR 50,000
Member's fee	MUR 25,000
Corporate Governance Committee	Fees
Chairperson's fee	MUR 50,000
Member's fee	MUR 25,000

DIRECTORS REMUNERATION AND BENEFITS

Directors	Category	Remuneration from the Company	Remuneration from investee companies	Total
Didier MERVEN	ED	1,000,000	3,195,808	4,195,808
Kumar Lilladhur GUNNESS	INED	80,000	-	80,000
Pierre Arnaud Marc De MARIGNY-LAGESSE	INED	60,000	-	60,000
Michel Guy RIVALLAND	ED	-	5,139,220	5,139,220
Nicolas Marie Edouard MAIGROT	NED	-	-	-
Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE	INED	130,000	-	130,000
Marie Donald Henri HAREL	NED	-	-	-
TOTAL		1,270,000	8,335,028	9,605,028

ED: Executive Director; NED: Non - Executive Director; INED: Independent Non-Executive Director.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER INFORMATION

The Board of Directors places great importance on an open and transparent communication with all the stakeholders of the Company. It also endeavours to regularly inform the shareholders on matters affecting the Company by announcements in the press, disclosures in the Annual Report and at the Annual Meeting of shareholders.

EMPLOYEE SHARE OPTION PLAN

UIL has no employee share option plan.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Company is committed to social and environmental responsibility. It believes that a healthy society and a well-cared for environment are pillars to a sustainable future, one in which it endeavours to invest, as much financially as socially. To that end, the Company's Corporate Social Responsibility commitments focus on three main areas of intervention, namely 'education & training', 'sports & leisure' and the 'environment'. The Company is also committed to providing and maintaining a healthy and safe working environment for its employees and to ensure compliance to group efforts in relation to environmental and social betterment.

CODE OF ETHICS

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all stakeholders. The Company firmly believes in values such as honesty, respect, fairness, steadiness and courtesy. The Company insists, as policy, that all its investee companies and businesses comply with the general law, and with all rules and regulations applicable to their particular areas of activity.

DONATIONS

The Company and its subsidiaries made no social or political donations during the year under review.

RISK FACTORS

The following risk areas have been identified for the Company;

FINANCIAL RISKS

UIL being an investment company, its performance is directly linked to the performance of its investee companies namely AXYS Group Ltd, Island Fertilizers Ltd, Megabyte Ltd, Attitude Hospitality Ltd, Quantilab Ltd, Les Gaz Industriels Ltd, AXYS Investment Partners Ltd, UIL International Ltd, UIL Holding Ltd as well as Mechanisation Company Ltd, amongst others.

Please refer to note 25 of the financial statements for details of the financial risks of UIL and how these are mitigated.

OPERATIONAL RISKS

Operational risks are risks of loss and/or opportunity gain foregone resulting from inadequate or failed internal processes, people, systems or external events. These losses may be caused by one or more of the following:

a) Human Resource risk

Personnel responsible for managing and controlling different business process do not possess the requisite knowledge, skills and experience needed to ensure business objectives are achieved and business risks are reduced to an acceptable level. A dedicated and relevant training programme has been implemented to ensure that human resource risk is reduced to an acceptable level within the Company and its investee companies.

b) Business continuity risk

The capability of the Company and/or its investee companies to continue critical operations and processes is highly dependent on availability of information technologies, skilled personnel and other relevant resources. A dedicated and relevant business interruption plan has been set up, which involve amongst other things the duplication of records and information systems in order to continue operations in the event of an unforeseen event causing interruption of operations.

c) Compliance risk

The risk of not complying with laws, regulations and policies that results in lost revenue, higher costs, unnecessary delays and fines. Management of the investee companies and a compliance department monitor these risk issues regularly.

d) Reputational risk

Losses and/or opportunity gain foregone resulting from damages to the reputation of the Group and/or its investee companies, resulting in revenue loss and destruction of shareholder value. Management of UIL and its investee companies proactively analyses trends that might lead to threats to the reputation of UIL and its investee companies and promptly act to mitigate the threats identified.

QuantiLAB
ACCURATE RESULTS ON TIME



CORPORATE GOVERNANCE REPORT

DIRECTORSHIP OF THE GROUP

APEX Africa Capital Limited

- Louis Augustin Marie LALLIA
- Vikash TULSIDAS

AX East Africa Holding Ltd

- Louis Augustin Marie LALLIA
- Vikash TULSIDAS

AX Offshore Ltd

- Louis Augustin Marie LALLIA
- Didier MERVEN

AXIOM (Mauritius) Equity Ltd

- Constantin Robert Marie DE GRIVEL
- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Consulting DMCC

- Louis Augustin Marie LALLIA
- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Corporate Advisory Ltd

- Louis Augustin Marie LALLIA
- Didier MERVEN

AXYS Group Ltd

- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Holding Ltd

- Michel Guy RIVALLAND
- Sébastien PITOT

AXYS Investment Partners Ltd

- Constantin Robert Marie DE GRIVEL
- Marie Christine DOVE
- Louis Augustin Marie LALLIA
- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Patrimoine Ltd

- Michel Guy RIVALLAND
- Sébastien PITOT

AXYS Stockbroking Ltd

- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Melyn Yao Tsen CHUNG KAI TO

AXYS Treasury Ltd

- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Yield Fund Ltd

- Jan F L Gaetan BOULLE
- Constantin Robert Marie DE GRIVEL
- Didier MERVEN
- Michel Guy RIVALLAND
- M J H R Roger KOENIG

Bajama Limitee

- Isabelle ADAM
- Luc BAX DE KEATING

Cogito Alpha Fund (Mauritius) Ltd

- Constantin Robert Marie DE GRIVEL
- Louis Augustin Marie LALLIA
- Didier MERVEN

Compagnie de Transports Commerciaux Ltd

- Michel Guy RIVALLAND
- Jean Pierre TOSTEE
- Robert Edgar Joseph NOEL

Dynamic Global Equity Ltd

- Constantin Robert Marie DE GRIVEL
- Didier MERVEN
- Michel Guy RIVALLAND
- M J H R Roger KOENIG

Flexi Drive Ltd

- Michel Guy RIVALLAND
- Gilbert Patrick SELVON
- Vikash TULSIDAS
- Eric Michel Georges LEAL
- J Jacques Vivian COLLET-SERRET
- Mohamed Yousof REHMALLY

Flexicom & Co Ltd

- Isabelle ADAM
- Luc BAX DE KEATING
- Harold James MAYER
- Joseph Claude Alain NOEL

Four Oaks Advisors Ltd

- Louis Augustin Marie LALLIA
- Richard Nicholas CHARRINGTON
- Reenu Jadaw LILKUNT

Four Oaks Credit Fund Ltd

- Constantin Robert Marie DE GRIVEL
- Louis Augustin Marie LALLIA
- Didier MERVEN

FWM International Limited

- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS

FWM Secretarial Services Limited

- Michel Guy RIVALLAND
- Marie Nathalie Yannick ROUSSETY

FWM Trustees Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS

Gladius Limitée

- Herbert COUACAUD
- Roland DOGER DE SPEVILLE
- Michel Guy RIVALLAND

Hold Attitude Ltd

- Marie Henri Donald HAREL
- Nicolas Marie Edouard MAIGROT
- Didier MERVEN
- Michel Guy RIVALLAND

Horizon Secretaries Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Eendren VENCHARD

IFL Investment Holding Ltd

- Didier MERVEN
- Michel Guy RIVALLAND

Industrial Coding Ltd

- Thierry GIRAUD
- Michel Guy RIVALLAND

Inside Capital Partners Ltd

- Didier MERVEN
- Michel Guy RIVALLAND

Island Catch Ltd

- Didier MERVEN
- Michel Guy RIVALLAND

Island Chemicals Holding Ltd

- Michel Guy RIVALLAND

Island Chemicals Ltd

- Laurent BOURGAULT DU COUDRAY
- Dani Desire Emmanuel JOSEPH
- Michel Guy RIVALLAND

Island Fertilizers Logistics Ltd

- Didier MERVEN
- Michel Guy RIVALLAND

Island Fertilizers Ltd

- Didier MERVEN
- Michel Guy RIVALLAND

Island International Trade Ltd

- Michel Guy RIVALLAND

Island Liquid Fertilizers Ltd

- Michel Guy RIVALLAND

Island Renewable Energy Ltd

- Brian KERNICK
- Bruce LYLE
- Michel Guy RIVALLAND

Island Renewable Fertilizers Ltd

- Laurent BOURGAULT DU COUDRAY
- Noel Gerard DE RAVEL
- Didier MERVEN
- Michel Guy RIVALLAND

La Moisson Ltee

- Isabelle ADAM
- Luc BAX DE KEATING
- Joseph Claude Alain NOEL

Littlegate Nominees Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Eendren VENCHARD

Lombard Management Services Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Eendren VENCHARD

CORPORATE GOVERNANCE REPORT

DIRECTORSHIP OF THE GROUP (CONT'D)

Mamba Ltd

- Isabelle ADAM
- Luc BAX DE KEATING
- Albert MAMET

Mauritius Kenyan Investment Holding Ltd

- Louis Augustin Marie LALLIA
- Vikash TULSIDAS

Mechanization Company Ltd

- Isabelle ADAM
- Luc BAX DE KEATING
- Laurent BOURGAULT DU COUDRAY
- Harold James MAYER
- Michel Guy RIVALLAND
- Joseph Claude Alain NOEL

Megabyte Investment Ltd

- Thierry GIRAUD
- Michel Guy RIVALLAND

Megabyte Ltd

- Thierry GIRAUD
- Michel Guy RIVALLAND

Multi Global Systems Ltd

- Thierry GIRAUD
- Michel Guy RIVALLAND

Neocloud Ltd

- Laurent BOURGAULT DU COUDRAY
- Jean Michel PITOT
- Michel Guy RIVALLAND

NWT (Mauritius) Limited

- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Eendren VENCHARD

OXIA Ltd

- Pierre Arnaud Marc DE MARIGNY-LAGESSE
- Jean JUPPIN DE FONDAUMIERE
- Kumar Lilladhur GUNNESS
- Marie Henri Donald HAREL
- Nicolas Marie Edouard MAIGROT
- Didier MERVEN
- Michel Guy RIVALLAND

OXIA Agro Ltd

- Laurent BOURGAULT DU COUDRAY
- Didier MERVEN
- Michel Guy RIVALLAND

OXIA Hospitality Ltd

- Laurent BOURGAULT DU COUDRAY
- Didier MERVEN
- Michel Guy RIVALLAND

OXIA Tech Ltd

- Laurent BOURGAULT DU COUDRAY
- Didier MERVEN
- Michel Guy RIVALLAND

Parts Supplies Services Limited

- Bertrand QUEVAUVILLIERS

Pelagic Process Ltd

- Herbert COUACAUD
- Roland DOGER DE SPEVILLE
- Michel Guy RIVALLAND

Pex Construction Equipment Ltd

- Isabelle ADAM
- Luc BAX DE KEATING
- Joseph Claude Alain NOEL

Pex Hydraulics(Mtius) Ltd

- Isabelle ADAM
- Luc BAX DE KEATING
- Joseph Claude Alain NOEL

Powertech Limited

- Bertrand QUEVAUVILLIERS

Quant Data Fund Ltd

- Constantin Robert Marie DE GRIVEL
- Didier MERVEN
- M J H R Roger KOENIG
- Krishen PATTEN

Quantilab Holding Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Hubert G. G. J. LECLEZIO
- Patrice Georges Maxime ROBERT

Quantilab Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Hubert G. G. J. LECLEZIO
- Patrice Georges Maxime ROBERT
- Guy Joseph Bertrand BAUDOT

S.C.E.T.I.A Holding Ltd

- Luc BAX DE KEATING
- Jan F L Gaetan BOULLE
- Michel Guy RIVALLAND
- Bertrand QUEVAUVILLIERS
- Joseph Marie Clement Labauve d'Arifat REY

S.C.E.T.I.A Limitee

- Isabelle ADAM
- Bertrand QUEVAUVILLIERS

SPICE Finance Ltd

- Laurent BOURGAULT DU COUDRAY
- Sébastien PITOT
- Albert Pierre Gilbert POISSON
- Joseph Marie Clement Labauve d'Arifat REY
- Vikash TULSIDAS
- P. J. P. Edouard ESPITALIER NOEL
- Marie D F Sylvain PASCAL

Spice Solutions Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Sébastien PITOT

Terra Marketing Ltd

- Isabelle ADAM
- Luc BAX DE KEATING
- Marie L Hyacinthe ROUILLARD

Turborenov Ltd

- Bertrand QUEVAUVILLIERS

UIL International Ltd

- Didier MERVEN
- Michel Guy RIVALLAND
- Eendren VENCHARD

UIL Holding

- Didier MERVEN
- Michel Guy RIVALLAND
- Eendren VENCHARD

United Investments Ltd

- Pierre Arnaud Marc DE MARIGNY-LAGESSE
- Jean JUPPIN DE FONDAUMIERE
- Kumar Lilladhur GUNNESS
- Marie Henri Donald HAREL
- Nicolas Marie Edouard MAIGROT
- Didier MERVEN
- Michel Guy RIVALLAND

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND AUDIT

The Company has in place a system of internal control and the Board is satisfied that the system of internal control is functioning effectively in managing risks in an acceptable manner.

The Company has also engaged the services of UHY Advisory Ltd to ensure that the system of internal control is operating to an acceptable standard and that the risk management policies in place are adequate in managing risks in a manner acceptable to the Board.

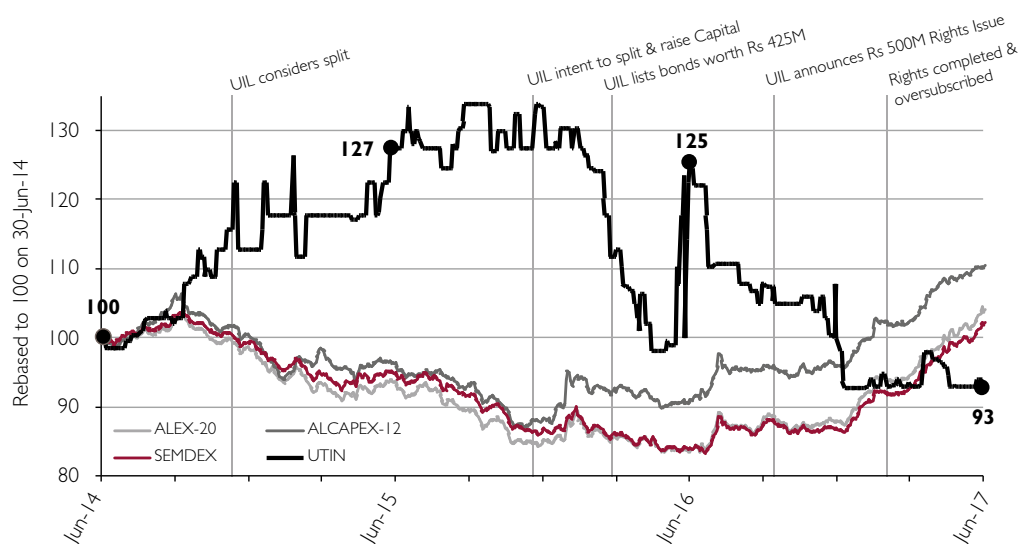
A representative of UHY Advisory Ltd has regular access to the Chairperson of the Company.

AUDITOR'S REMUNERATION

Details of the fees paid to the external auditors are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs	Rs	Rs	Rs
Audit fees	5,178,850	4,881,500	550,000	403,000
Other assurance services	267,690	-	-	-
Other services	1,104,217	260,000	-	-

SHARE PRICE INFORMATION



During the 12 months period ended on June 30th 2017, the Mauritian market's extended bear spell came to an end and rallied to fresh highs. With two (2) companies recording gains for every one (1) that dropped, the SEMDEX gained 21% and the ALEX 20 gained 24% thereby outperforming the MSCI Frontier markets index which climbed 15%. Improving macroeconomic data in Europe coupled with the fact that the perceived threat of protectionism was dissipated when Right wing parties failed to win elections Netherlands & France propelled EUROSTOXX 50 (+23%) to fresh highs and in the US the S&P 500 (+17%) continued its bull-run expecting the Trump administration to deregulate select industries.

CORPORATE GOVERNANCE REPORT

SHARE PRICE INFORMATION (CONT'D)

United Investments Ltd's (UIL) share price converged – as is often the case on the Stock Exchange – towards its rights issue price of Rs9.50 which also happens to be the level at which it closed on June 30th 2017. The successful completion of the rights issue worth Rs500M, coupled with anticipation of UIL splitting its Financial and Non-Financial operations into two separate entities, appears to have driven investors to adopt a wait-and-see stance. This seems to have led to a drop in value traded down to Rs39M during the period under review which nevertheless stand well above the market's Median Turnover of Rs18M. With a Market Capitalisation of Rs1.94bn, UIL remains a Mid-Cap ranking 34th (35th on June 30th 2016) with above average trading activity.

SENIOR MANAGEMENT TEAM

Michel Guy Rivalland

Group Chief Executive Officer

Michel Guy is a graduate in economics, BSc (Hons) UK. He joined AXYS Group in 1999, became a shareholder and Director in 2002. He was appointed Chief Executive Officer of AXYS in July 2006, and since July 2010, he assumes the role of Chief Executive Officer for UIL.

Christine Dove

Group Financial Accountant

Christine is a qualified member of ACCA (UK). She has previously worked for three years in the Audit department with DCDM and a further 3 years in the accounting team of Rogers Group. She joined AXYS Group in 2005 as Financial Accountant, where she headed the Accounts and Financial Department. In August 2010, Christine was appointed Financial Accountant for UIL Group.

Laurent Bourgault du Coudray

Project Manager

Laurent graduated in Accounting and Finance from Curtin University in Perth, Australia and is a member of the Institute of Chartered Accountants in Australia. He has worked over four years in Perth providing corporate and international tax services and is, since January 2013, Project Manager at UIL.

The above 3 persons have contract of employment with AXYS Treasury Ltd, formerly known as United Investments Treasury Ltd, a wholly owned subsidiary of UIL.

Directors' Responsibility Statement

The responsibilities of the Directors of UIL in respect of the operations of the Company are set out below:

Financial Statements

The Directors are required by the Companies Act 2001 to prepare financial statements for the Company that provide a true and fair view of the financial position as at the end of the financial year and of the results of their operations for the year then ended. The Directors are responsible for the integrity of these annual financial statements and for the objectivity of any other information presented therein.

The Directors confirm that, in preparing these financial statements, they have: kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company; safe-guarded the assets of the Group and the Company by maintaining appropriate internal control systems and procedures; taken reasonable steps for the prevention and detection of fraud and other irregularities; prepared the financial statements on a going concern basis; made judgments and estimates that are reasonable and prudent; and, selected suitable accounting policies, in compliance with International Financial Reporting Standards, and have applied them consistently.

The Directors have appointed external auditors whose responsibility is to report on whether the financial statements are fairly presented.

Internal Control

The Directors have an overall responsibility for taking such steps, as are reasonably open to them, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. UIL's internal control systems have been designed to provide the Directors with such reasonable assurance.

Such systems should ensure that all transactions are authorised and recorded and that any material irregularities are detected and rectified within a reasonable time-frame. The Group has an established Internal Audit function which assists management in effectively discharging its responsibilities. Internal Audit is an independent function that reports directly to the Audit Committee. Business controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach.

Governance

The Directors apply the principles of good governance at the level of the Group as well as within the Company.



Michel Guy Rivalland
CHIEF EXECUTIVE OFFICER



Didier Merven
CHAIRMAN

Date: 20 October 2017

NWT



STATEMENT OF COMPLIANCE

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

Name of PIE: United Investments Ltd

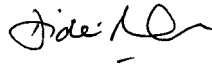
Reporting Period: June 30, 2017

We, the Directors of United Investments Ltd, confirm that to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance except with Section 2.10.3 – Individual appraisal of the Directors.

SIGNED BY: Chairperson and one Director



Michel Guy Rivalland
CHIEF EXECUTIVE OFFICER



Didier Merven
CHAIRMAN

Date: 20 October 2017

CERTIFICATE FROM THE COMPANY SECRETARY

FOR THE YEAR ENDED JUNE 30, 2017

We hereby certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.



FWM Secretarial Services Limited
Company Secretary

Date: 20 October 2017





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Investments Ltd (the “Company”) and its subsidiaries (the “Group”) set out on pages 34 to 82 which comprise of the statements of financial position as at 30 June 2017, and the statements comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of Group and Company as at 30 June 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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 Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our report, we draw attention to Note 27 of the financial statements which indicates the resolution of shareholders to wind up the Company and therefore it is no longer a going concern. This condition indicates that the company is no longer a going concern and that the final amounts to be received upon realization of the assets and settlement of the liabilities could vary from the amounts shown in the statement of financial position.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matter	How the matter was addressed in the audit
<p>Going Concern due to the winding up of the Company</p> <p>On the 29 August 2017 the Board of Directors convened a Special Meeting of the shareholders to approve the restructuring of the Company, including a Scheme of Arrangement ("the Scheme"), which will entail the setting up of two clusters segregating the Company's financial services and non-financial services activities through two wholly owned subsidiaries of the Company, namely AXYS Ltd and OXIA Ltd respectively. Refer to note 30 for further details.</p> <p>On the approval of the Scheme, an application will be made to the Court seeking its sanction of the Scheme whereupon on a future date duly sanctioned by the Court, Group will be dissolved.</p> <p>Given the above restructuring plan, the financial statements have been prepared on a basis other than going concern as explained in note 27.</p>	<ul style="list-style-type: none"> • As part of our audit procedures we ensured that under IAS 1 - Presentation of Financial Statements, IFRS 5 Non-current Assets Held for Sale and discontinued Operations and IAS 10 - Events after the reporting period that the financial statements have been prepared on a basis other than going concern. • We have reviewed management's assessment of using an alternative basis for the preparation of the financial statements and their conclusion that IFRS as a basis for preparation best reflects the financial position and performance of the entity. • We have further considered the following to ensure that the financial statements presented under IFRS is not materially different from the alternate basis: <ul style="list-style-type: none"> - Any possible impairment to assets irrespective of whether or not there has been an indicator of impairment. - Account for any possible future costs upon winding up, even though the costs have not yet been incurred. - Adequate fair Value disclosure on assets and liabilities and estimation uncertainty has been fully disclosed. • We have ensured that the Group and the Company meets the held for sale classification criteria as defined under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. • In particular, we have reviewed the presentation of the financial statements and ensured all non-current assets and liabilities have been reclassified as held for sale. • We also reviewed the carrying value of the assets and liabilities which were determined in accordance with the accounting policies and ensured they reflect the amounts at which they will be realised or settled upon completion of the restructure. • We assessed the impact of these conditions on our audit report. • Refer to note 27 for further details.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

<p>Valuation of the investment portfolio</p> <p>The valuation of the investment portfolio at 30 June 2017 was Rs3.18bn (2016:Rs3.09bn).</p> <p>The Group's investment portfolio mainly consists of unlisted investments. The valuation process is highly judgemental giving rise to significant risk of material misstatement. The valuation of the assets held in the investment portfolio is also the key driver of the Company's net asset value and total return. Incorrect asset pricing could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders. The group has engaged BDO & Co. (Mauritius) (valuation specialist) as their external expert to prepare the valuation of the investee entities and as at year end the Directors have relied on the independent valuation report to arrive at the fair value of investments in the statement of financial position. Refer to note 9 for further disclosure on the valuation of investments.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • We have evaluated the competence, capabilities and objectivity of management's expert and further confirmed the independence of BDO & Co (Mauritius). • We reviewed the valuation report prepared by BDO & Co (Mauritius) by considering : <ul style="list-style-type: none"> (i) the completeness, adequacy and relevance of the information presented to us; (ii) the nature and basis for valuation adjustments and calculations; (iii) the appropriateness of the valuation methods and assumptions used in the analysis; (iv) the reasonableness of market multiples and discounts applied; and (v) Whether our findings support Management's overall conclusions given the scope of work performed. • We obtained and confirmed our understanding of the valuation process through discussions with management and their experts. • We obtained an understanding of the significant events in the material underlying investee companies by having discussions with the key finance team members. • We agreed the inputs to the valuation of the underlying investments in the investment portfolio to the latest audited financial statements and/or quarterly reports as received from management. • Where unaudited financial information were used we reviewed historical trends and obtain explanation for significance variances. We also compared unaudited financial information used in prior years' valuation to audited financial statements obtained subsequently. • We considered and re-performed appropriate corroborating procedures to 30 June 2017 where the underlying information for the investee entities is prior to year-end date.
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements (Cont'd)

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Profile, Corporate Governance Report, Statement of Compliance and the Certificate from the Company Secretary as required by the Companies Act 2001 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of the audit report, and Notice of Annual Meeting and the Chairman's & CEO's Review, which is expected to be made available to us after that date.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the Group and Company 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 the Directors 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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.

Other matter

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.


We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and whether the disclosure is consistent with the requirement of the Code.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.



ERNST & YOUNG
Ebène, Mauritius



PATRICK NG TSEUNG, A.C.A.
Licensed by FRC

Date: 20 October 2017

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2017

	Notes	THE GROUP		THE COMPANY	
		2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
ASSETS					
Non-current assets					
Motor vehicles and equipment	4	-	253	-	-
Investment in subsidiaries	5	-	-	-	441,000
Investments designated at fair value through profit or loss	6	-	3,088,563	-	2,139,386
Long term receivables	7	-	77,729	-	77,729
Other non-current financial assets	8	-	27,960	-	27,960
		-	3,194,505	-	2,686,075
Current assets					
Trade and other receivables	10	-	167,957	-	154,740
Prepayments		-	354	-	79
Current tax assets	15	-	-	-	-
Cash and cash equivalents	11	-	2,359	-	12
		-	170,670	-	154,831
Assets classified as held for sale	3	3,576,703	-	2,993,712	-
TOTAL ASSETS		3,576,703	3,365,175	2,993,712	2,840,906
EQUITY AND LIABILITIES					
Share capital	12	651,462	151,462	651,462	151,462
Share premium	12	920,386	920,386	920,386	920,386
Retained earnings		695,135	842,151	726,817	962,274
Equity attributable to equity holders of the parent		2,266,983	1,913,999	2,298,665	2,034,122
Non-current liabilities					
Interest-bearing loans and borrowings	13	-	1,095,000	-	495,000
Current liabilities					
Trade and other payables	14	-	60,138	-	46,536
Interest-bearing loans and borrowings	13	-	294,218	-	263,428
Current tax liabilities	15	-	1,820	-	1,820
		-	356,176	-	311,784
Liabilities classified as held for sale	3	1,309,720	-	695,047	-
Total liabilities		1,309,720	1,451,176	695,047	806,784
TOTAL EQUITY AND LIABILITIES		3,576,703	3,365,175	2,993,712	2,840,906

These consolidated financial statements have been approved for issue by the Board of Directors on the 20th October 2017 and signed on its behalf by:


Michel Guy Rivalland
 CHIEF EXECUTIVE OFFICER


Didier Merven
 CHAIRMAN

The notes on pages 39 to 82 form an integral part of these consolidated financial statements.
 Auditors' report on pages 28 to 33.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	Notes	THE GROUP		THE COMPANY	
		2017	2016	2017	2016
		Rs'000	Rs'000	Rs'000	Rs'000
Revenue	17	47,856	40,268	26,955	27,930
Administrative expenses	20	(33,105)	(25,519)	(9,250)	(7,132)
Operating profit		14,751	14,749	17,705	20,798
Fair value movements of investments designated at fair value through profit or loss	6	(15,063)	277,457	(28,619)	351,280
Fair value losses	21	(63,567)	(327,528)	(177,995)	(349,272)
Loss on disposal of investments designated at fair value through profit or loss		-	(3,865)	-	(3,865)
Finance income	18	11,911	23,928	11,259	24,219
Finance costs	19	(94,102)	(86,410)	(56,861)	(58,879)
Loss before tax		(146,070)	(101,669)	(234,511)	(15,719)
Income tax expense	15	(946)	(4,022)	(946)	(4,022)
Loss for the year		(147,016)	(105,691)	(235,457)	(19,741)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year, net of tax		(147,016)	(105,691)	(235,457)	(19,741)
Loss and total comprehensive loss for the year attributable to:					
Owners of the parent		(147,016)	(105,691)		
Basic loss per share for the year attributable to ordinary equity holders of the parent (Rs.)	22	(0.83)	(0.70)		

The notes on pages 39 to 82 form an integral part of these consolidated financial statements. Auditors' report on pages 28 to 33.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2017

THE GROUP

	Share capital	Share premium	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2015	151,462	920,386	947,842	2,019,690
Total comprehensive loss for the year	-	-	(105,691)	(105,691)
At June 30, 2016	151,462	920,386	842,151	1,913,999
At July 1, 2016	151,462	920,386	842,151	1,913,999
Issue of shares	500,000	-	-	500,000
Total comprehensive loss for the year	-	-	(147,016)	(147,016)
At June 30, 2017	651,462	920,386	695,135	2,266,983

THE COMPANY

	Share capital	Share premium	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2015	151,462	920,386	982,015	2,053,863
Total comprehensive loss for the year	-	-	(19,741)	(19,741)
At June 30, 2016	151,462	920,386	962,274	2,034,122
At July 1, 2016	151,462	920,386	962,274	2,034,122
Issue of shares	500,000	-	-	500,000
Total comprehensive loss for the year	-	-	(235,457)	(235,457)
At June 30, 2017	651,462	920,386	726,817	2,298,665

The notes on pages 39 to 82 form an integral part of these consolidated financial statements. Auditors' report on pages 28 to 33.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

	Notes	THE GROUP		THE COMPANY	
		2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Operating activities					
Loss before tax		(146,070)	(101,669)	(234,511)	(15,719)
<i>Adjustments for:</i>					
Depreciation of motor vehicles and equipment	20	129	273	-	-
Fair value movement of investments designated at fair value through profit or loss	6	15,063	(277,457)	28,619	(351,280)
Fair value losses of receivables and investment	21	63,567	327,528	177,995	349,272
Loss on disposal of investments designated at fair value through profit or loss		-	3,865	-	3,865
Net unrealised loss / (gain)	18/19	742	96	1,394	(291)
Dividend income	17	(26,955)	(27,930)	(26,955)	(27,930)
Interest income	18	(11,259)	(23,928)	(11,259)	(23,928)
Interest expense	19	92,708	86,314	55,467	58,879
		(12,075)	(12,908)	(9,250)	(7,132)
<i>Working capital adjustments:</i>					
Trade and other receivables and prepayments		(224,266)	(349,552)	(291,117)	223,960
Trade and other payables		(4,181)	(81,645)	(5,368)	(81,966)
		(240,522)	(444,105)	(305,735)	134,862
Interest received		1,095	2,386	1,095	2,386
Interest paid		(96,030)	(68,209)	(58,312)	(50,227)
Income tax and CSR paid	15(b)	(3,379)	(2,500)	(3,379)	(2,500)
Net cash flows (used in) / from operating activities		(338,836)	(512,428)	(366,331)	84,521
Investing activities					
Proceeds from sale of investments designated at fair value through profit or loss		1,169	8,532	1,169	8,532
Deposits transferred	8	22,802	-	22,802	-
Purchase of motor vehicles and equipment	4	(139)	(285)	-	-
Dividends received		1,774	1,151	1,774	1,151
Loans granted to related parties		-	(21,864)	-	(21,864)
Loans repaid by related parties		2,870	-	2,870	-
Acquisition of investments	6	(30,794)	-	(30,794)	-
Acquisition of preference shares	7	(4,363)	(2,427)	(4,363)	(2,427)
Net cash flows used in investing activities		(6,681)	(14,893)	(6,542)	(14,608)
Financing activities					
Issue of shares	12 (a)	500,000	-	500,000	-
Proceeds from borrowings		125,000	1,025,000	125,000	425,000
Repayment of borrowings		(152,945)	(597,917)	(123,333)	(597,917)
Repayment of finance lease liabilities		-	(134)	-	-
Net cash flows from / (used in) financing activities		472,055	426,949	501,667	(172,917)
Net increase / (decrease) in cash and cash equivalents		126,538	(100,372)	128,794	(103,004)
Cash and cash equivalents at July 1,		(182,736)	(82,364)	(185,083)	(82,079)
Cash and cash equivalents at June 30,	11 (b)	(56,198)	(182,736)	(56,289)	(185,083)

The notes on pages 39 to 82 form an integral part of these consolidated financial statements. Auditors' report on pages 28 to 33.



megabyte Beyond
Computers

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

I. CORPORATE INFORMATION

United Investments Ltd (the “Company”) is a public company incorporated and domiciled in the Republic of Mauritius and its shares are listed on the secondary market of Mauritius, the Development and Enterprise Market (“DEM”) under the Stock Exchange of Mauritius. Its registered office and place of business are at 6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis, 11307, Mauritius.

The principal activity of the Group is investment holding.

The consolidated and separate financial statements for the year ended June 30, 2017 were authorised for issue by the Board of Directors on the date stamped on page 34.

2.1 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss.

The consolidated and separate financial statements of United Investments Ltd and its subsidiaries (the ‘Group’) are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs.’000) except when otherwise indicated.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) as issued by International Standard Board, in addition to the following:

- All assets have been assessed for impairment regardless of whether any indicators for impairment were identified and;
- All possible liabilities that might arise from the winding up of the Company have been accrued for.

2.2 BASIS OF CONSOLIDATION

As explained in note 2.6(a) the Company meets the definition of an investment entity under IFRS 10, Consolidated Financial Statements, which require the Company to account for its investment in subsidiaries and associates at fair value through profit or loss instead of consolidating or equity accounting for them. Accordingly the Company only consolidates those subsidiaries that provide services that relate to the Company’s investment activities.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries that fall within the scope of consolidation as described above.

A subsidiary is an entity controlled by the Company. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses 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 listed above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.2 BASIS OF CONSOLIDATION (CONT'D)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements.

(i) Assessing criteria for meeting the definition of an investment entity

Significant judgement has been exercised in determining whether the Group meets the definition of investment entity. Having considered the various criteria, as detailed in 2.6(a) pertaining to Group's operations, management is of the opinion that the Group meets such definition.

(ii) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and determined that the Group will no longer be a going concern following the deregistration of the Group after the approved restructuring of the Company whereby all the assets and liabilities of Group would be transferred into two separate newly formed entities, namely AXYS Ltd ('AXYS') and OXIA Ltd ('OXIA'), which would represent the financial and non-financial investments clusters, respectively (refer to note 27).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Estimations and assumptions

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Fair value of financial instruments

Where the fair value of financial assets recorded on the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to those models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as discount rates, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 9 for more details.

(ii) Assets and liabilities classified as held for sale

An assessment was made at 30 June 2017 that the Group and the Company met the definition to be classified as held for sale in the Statement of Financial Positions as the Group and Company restructure is highly probable. The restructure is expected to complete within one year from the date of the classification as held for sale (see note 3).

The Directors have also considered the following:

- Any possible impairment to assets irrespective of whether or not there has been an indicator of impairment.
- Account for any possible future costs upon winding up, even though the costs have not yet been incurred.
- Adequate fair value disclosure on assets and liabilities and estimation uncertainty fully disclosed.

The Directors conclude that based on their assessment above, the alternative basis for the preparation of the financial statements is not materially different from IFRS.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. There were a number of new standards and interpretations which were effective for this financial year, none of which has a significant impact on the Group.

2.5 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to existing standards and interpretations have been issued and are not yet effective at the date of issuance of the financial statements of the Group. The new standards issued not yet effective will not have an impact on the Group as the Company will be deregistered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the more important accounting policies, which have been applied consistently, is set out below:

(a) Investment entity

IFRS 10, Consolidated Financial Statements requires entities that meet the definition of an investment entity to account for its investments in subsidiaries at fair value through profit or loss instead of being consolidated.

The Group has multiple investors and indirectly holds multiple investments through the investee companies. The Group has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- (a) The Group has obtained funds for the purpose of providing investors with investment management services.
- (b) The Group's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the investee companies.
- (c) The performance of investments made through the investee companies are measured and evaluated on a fair value basis.

(b) Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is determined when the company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(c) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over these policies.

A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The entity has elected to apply the exemption from applying the equity method, under this exemption. Investments in Associates and Joint Ventures are measured at fair value through profit and loss under IFRS 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Foreign currency translation

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

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

(e) Motor vehicles and equipment

Motor vehicles and equipment are stated at cost excluding the costs of the day to day servicing, net of accumulated depreciation and/or accumulated impairment losses, if any. Changes in the expected useful life and residual values, which are reviewed at least at the end of each financial year, are accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated on the straight line method to write down the cost of equipment to their residual values over their estimated useful life as follows:

Computer equipment	33%
Motor vehicles	20%

(f) Financial instruments - recognition and measurement

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.

(i) Financial assets

Initial recognition and measurement

The Group's financial assets include financial assets at fair value through profit or loss, cash at bank, trade and other receivables.

The entity recognises a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instruments.

Debt investments

Financial assets at amortised cost

A debt investment is classified at 'amortised cost' only if both of the following criteria are met: the objective of the Group's business model is to hold the asset to collect the contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. The Group's financial assets at amortised cost include cash at bank and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments - recognition and measurement (Cont'd)

(i) Financial assets (Cont'd)

Financial assets at fair value

If either of the two criteria above is not met, the debt instrument is classified as fair value through profit or loss.

Equity investments

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are recognised in profit or loss.

Cash at bank

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Subsequent measurement

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented in profit or loss within "fair value movement of investments designated at fair value through profit or loss" in the period in which they arise.

The Group subsequently measures all equity investments at fair value. Unrealised and realised fair value gains and losses on equity investments are recognised in profit or loss under "fair value movement of investments designated at fair value through profit or loss". Interests and dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'fair value through profit or loss' and exclude interest and dividend income and expenses.

Trade receivables are subsequently measured at fair value through profit or loss as the Group considers these receivables as equity investments.

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 derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group retains its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments - recognition and measurement (Cont'd)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(ii) Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments - recognition and measurement (Cont'd)

(ii) Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursement.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Management fees are accounted for on an accrual basis in accordance with the terms of relevant agreements.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted at year end.

Deferred tax

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

Deferred 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.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where 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:

- Where the income tax asset relating to the deductible temporary difference 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.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures. Deferred income 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 utilized.

The carrying amount of deferred income 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The principal temporary differences arise from revaluations of certain non-current assets and tax losses carried forward.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in profit or loss.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Taxation (Cont'd)

Deferred tax (Cont'd)

Value Added Tax

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

- where 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
- receivables and payables that 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 accounts receivables or payables in the statement of financial position.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax expense shown within the statement of profit or loss and other comprehensive income and the current tax liabilities 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 at year end.

(k) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Group.

(l) Segmental reporting

Management monitors the operating results of its business on a "company" basis for the purpose of making decisions about resource allocation and performance assessment. As such, management considers that there is no segmental reporting.

(m) Leases

Group as the Lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases, which transfer to Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The interest balance should be recognised as a finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Leases (Cont'd)

Group as the Lessee (Cont'd)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The difference between actual payments and the straight lining of the expense is recognised as a liability or asset in the statement of financial position.

Group as a lessor

Leases where the Group does not transfer the substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs are incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(o) Assets and liabilities classified as held for sale

The Group and the Company have classified all their assets and liabilities as held for sale following a scheme of arrangement (see note 30) whereby the Group and the Company will be restructured and all the assets and liabilities of the entity will be transferred to two clusters segregating the entity's financial and non-financial activities through two wholly owned subsidiaries. The assets and liabilities are measured at the lower of their carrying amount, and fair value less costs to sell.

The criteria for held for sale classification are regarded as met only when the sale is expected to be completed within one year of the date of classification. Where the Group does not go through with its restructure plan within a year of classification and the circumstances to extend the one year period have not occurred, the assets will be derecognised from held for sale and consolidated line by line in the Consolidated Statement of Financial Position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

3. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The Group and the Company classified its operations as held for distribution. Refer to Note 30 for more details.

	Notes	THE GROUP	THE COMPANY
		2017 Rs'000	2017 Rs'000
Assets held for distribution			
Motor vehicles and equipment	4	263	-
Investment in subsidiaries	5	-	362,733
Investments designated at fair value through profit or loss	6	3,178,584	2,215,851
Short term receivables	7	101,173	101,173
Other financial assets	8	2,500	2,500
Trade and other receivables	10	267,518	285,162
Prepayments		527	246
Current tax assets	15	613	613
Cash and cash equivalents	11	25,525	25,434
Total assets held for distribution		3,576,703	2,993,712
Liabilities classified as held for sale distribution			
Trade and other payables	14	52,997	38,324
Interest-bearing loans and borrowings	13	1,256,723	656,723
Total liabilities held for distribution		1,309,720	695,047
		2,266,983	2,298,665

4. (a) MOTOR VEHICLES AND EQUIPMENT

	Computer Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000
THE GROUP			
Cost:			
At July 1, 2015	244	1,500	1,744
Additions	285	-	285
Assets scrapped	(64)	-	(64)
At June 30, 2016	465	1,500	1,965
Additions	139	-	139
At June 30, 2017	604	1,500	2,104
Depreciation:			
At July 1, 2015	128	1,375	1,503
Charge for the year	148	125	273
Assets scrapped	(64)	-	(64)
At June 30, 2016	212	1,500	1,712
Charge for the year	129	-	129
At June 30, 2017	341	1,500	1,841
Net book values:			
At June 30, 2017	263	-	263
At June 30, 2016	253	-	253

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

4. (b) Leased assets are effectively secured as rights to the leased assets revert to the lessor in the event of default.

5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2017	2016
<i>Unquoted</i>		
At July 1,	Rs'000	Rs'000
Additions	441,000	-
Impairment	-	441,000
At June 30,	(78,267)	-
	362,733	441,000

Details of the subsidiaries are as follows:

Name	Main business activity	Year end	Direct & Effective holding & voting power		
			Carrying Value		
			2017 & 2016	2017	2016
			%	Rs'000	Rs'000
AXYS Treasury Ltd (formerly known as United Investments Treasury Ltd)	Management company	June 30,	100	-	-
Hold Attitude Ltd (formerly known as United Investments Bis Ltd)	Investment holding	June 30,	100	362,733	441,000
				362,733	441,000

During the year, the Company impaired its investment in Hold Attitude Ltd to reflect the net recoverable value at Company level at Rs.362.73M

Other subsidiaries accounted for at fair value through profit or loss are disclosed as investee companies in note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

6. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

THE GROUP	Quoted	Unquoted	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	42,607	3,045,956	3,088,563	2,642,743
Additions	-	30,794	30,794	1,050,014
Disposal	-	(1,169)	(1,169)	(1,035,397)
Fair value movement	(2,289)	(12,774)	(15,063)	277,457
Transfer from receivables	-	75,459	75,459	153,746
At June 30,	40,318	3,138,266	3,178,584	3,088,563

THE COMPANY	Quoted	Unquoted	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	42,607	2,096,779	2,139,386	2,642,743
Additions	-	30,794	30,794	27,014
Disposal	-	(1,169)	(1,169)	(1,035,397)
Fair value movement	(2,289)	(26,330)	(28,619)	351,280
Transfer from receivables	-	75,459	75,459	153,746
At June 30,	40,318	2,175,533	2,215,851	2,139,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

6. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of the material investee entities are given below:

- (i) Included in investments at fair value through profit or loss are the following material investee entities and associates. The Group meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries and associates but rather, it recognises them as investments at fair value through profit or loss.

Name	Main business	Year end	Direct Holding %	Indirect Holding %	Effective holding and voting power %
Subsidiaries					
AXYS Holding Ltd	Investment holding	June 30,	100	-	100
AXYS Patrimoine Ltd	Investment holding	June 30,	100	-	100
AX Offshore Ltd	Investment holding	June 30,	100	-	100
AXYS Consulting DMCC	Consultancy and corporate advisory	December 31,	-	51	51
AXYS Group Ltd	Investment holding	June 30,	80	-	80
AXYS Investment Partners Ltd	Asset management	June 30,	100	-	100
SPICE Finance Ltd (formerly known as AXYS Leasing Ltd)	Leasing business	June 30,	-	80	80
AXYS Stockbroking Ltd	Brokerage services	June 30,	-	80	80
Cogito Capital (Pty) Ltd	Investment manager	June 30,	-	50	50
AXYS Ltd	Investment holding	June 30,	100	-	100
OXIA Ltd	Investment holding	June 30,	100	-	100
OXIA Hospitality Ltd	Investment holding	June 30,	100	-	100
OXIA Agro Ltd	Investment holding	June 30,	100	-	100
OXIA Tech Ltd (formerly known as COMILU Ltd)	Investment holding	June 30,	100	-	100
Four Oaks Advisors Ltd	Investment advisory	June 30,	-	50	50
Frontiere Corporate Administrators Ltd	Trust and corporate service provider	June 30,	-	80	80
Frontiere Finance International Ltd	Trust and corporate service provider	June 30,	-	80	80
Frontiere Finance Holding Ltd	Trust and corporate service provider	June 30,	-	80	80
Frontiere Corporate Services Ltd	Trust and corporate service provider	June 30,	-	80	80
Frontiere Finance Ltd	Trust and corporate service provider	June 30,	-	80	80
IFL Investment Holding Ltd	Investment holding	June 30,	-	100	100
Island Catch Ltd	Investment holding	June 30,	100	-	100
Island Chemicals Ltd	Sale of industrial and agricultural products	June 30,	-	100	100
Island Fertilizers Logistics Ltd	Dormant entity	June 30,	-	100	100
Island Fertilizers Ltd	Investment holding	June 30,	100	-	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

6. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Name	Main business	Year end	Direct Holding %	Indirect Holding %	Effective holding and voting power %
Subsidiaries (Cont'd)					
Island Renewable Fertilizers Ltd	Manufacture and sale of liquid fertilizers	June 30,	-	100	100
Lombard Management Services Ltd (formerly known as UIL Services Ltd)	Trust and corporate service provider	June 30,	90	-	90
Mechanisation Company Limited	Sale of industrial and agricultural machinery	June 30,	7	51	58
Megabyte Investment Ltd	Investment holding	June 30,	70	-	70
Megabyte Ltd	IT services	June 30,	-	70	70
NWT (Mauritius) Limited	Trust and corporate service provider	June 30,	-	72	72
NWT Caversham SA	Trust and corporate service provider	June 30,	-	65	65
NWT Management SA	Trust and corporate service provider	June 30,	-	65	65
NWT Suisse Conseil SA	Trust and corporate service provider	June 30,	-	100	100
UIL Holding	Investment holding	June 30,	100	-	100
UIL International Ltd	Investment holding	June 30,	65	-	65
Associates					
Apex Africa Capital Ltd	Brokerage services	June 30,	-	50	50
Attitude Hospitality Ltd	Hospitality	June 30,	-	40	40
Emineo Holding Ltd	Investment holding	June 30,	-	25	25
Emineo Ltd	Engineering	June 30,	-	20	20
Flexi Drive Ltd	Fleet management	June 30,	50	-	50
Helilagon (Mauritius) Ltd	Hospitality	June 30,	-	35	35
La Moisson Ltee	Rental of agricultural equipment	June 30,	-	29	29
Part Supply Services Ltd	Dormant entity	June 30,	-	28	28
Inside Capital Partners Ltd	Asset management	June 30,	25	-	25
Quantilab Holding Ltd	Investment holding	June 30,	50	-	50
Quantilab Ltd	Laboratory	June 30,	-	35	35
S.C.E.T.I.A Holding Ltd	Investment holding	June 30,	-	35	35

(ii) Other material investments other than subsidiaries and associates designated at fair value through profit or loss include:

Name	Main business	Year end	Direct Holding %	Indirect Holding %	Effective holding and voting power %
Les Gaz Industriels Ltee	Utilities	December 31,	19	-	19
Inside Equity Fund	Private Equity	December 31,	48	-	48
Novus Properties Ltd	Investment property	June 30,	7	-	7

All the shares held in the investee companies are ordinary shares.

(iii) Financial guarantees and support provided to unconsolidated entities are disclosed separately in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

7. LONG TERM AND SHORT TERM RECEIVABLES

	THE GROUP AND THE COMPANY	
	2017	2016
	Rs'000	Rs'000
Preference shares at interest rate of 5.123% per annum (note (a))	46,338	46,338
Preference shares of USD 1 bearing no interest (note (b))	17,372	9,527
Loan receivable in USD at interest rate 6% per annum (note (c))	28,529	9,114
Loan receivable in USD at interest rate of USD LIBOR 6 months + 4.5% per annum (note (d))	8,934	8,979
Loan receivable bearing no interest (note (e))	-	3,771
	101,173	77,729
The receivables are classified as follows:		
Long term receivables	-	77,729
Short term receivables	101,173	-
	101,173	77,729

- (a) The Company holds 463,382 preference shares in Attitude Hospitality Ltd. The preference shares will be converted into one ordinary share should the Company satisfy certain predetermined criteria. In the event of winding up of Attitude Hospitality Ltd, the repayment of the preference shares is in priority to any other class of shares. The preference shares will mature in September 2017.
- (b) The Company holds 500,411 preference shares of USD 1 (2016: 273,745 preference shares) bearing no interest in Inside Capital Partners Ltd.
- (c) The Company has granted a loan of USD 810,000 to AXYS Consulting DMCC bearing an interest of 6% per annum.
- (d) The Company has granted a long-term loan of USD 250,000 to the Director of an investee entity bearing an interest of USD LIBOR 6 months + 4.5% per annum.
- (e) Last year, the Company granted a loan of USD 105,000 to Inside Capital Partners Ltd bearing no interest.

All the above loans and preference shares will be transferred to AXYS Ltd and OXIA Ltd following the restructure.

8. OTHER FINANCIAL ASSETS

	THE GROUP AND THE COMPANY	
	2017	2016
	Rs'000	Rs'000
At July 1,	27,960	5,158
New deposits	-	22,802
Deposits converted into ordinary shares	(2,658)	-
Deposits transferred	(22,802)	-
At June 30,	2,500	27,960

As at June 30, 2017, the deposit on shares of Rs.2.5M represents shares in Island Management Ltd, which are yet to be allotted due to a pending legal case.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The table below analyses recurring assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Input other than quoted prices included in Level 1 that are observable for the asset or liability, either or directly or indirectly;

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

THE GROUP	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals	-	-	55,025	55,025
Commercial	-	-	132,582	132,582
Energy	33,199	-	-	33,199
Engineering	-	-	88,921	88,921
Financial services	-	-	1,770,468	1,770,468
Fishing	-	-	53,372	53,372
Fleet management	-	-	2,142	2,142
Hospitality	-	-	967,108	967,108
Investment property	7,119	-	-	7,119
Laboratory	-	-	30,000	30,000
Technology	-	-	38,533	38,533
Other	-	-	115	115
	40,318	-	3,138,266	3,178,584

THE COMPANY	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals	-	-	55,025	55,025
Commercial	-	-	132,582	132,582
Energy	33,199	-	-	33,199
Engineering	-	-	88,921	88,921
Financial services	-	-	1,770,468	1,770,468
Fishing	-	-	53,372	53,372
Fleet management	-	-	2,142	2,142
Hospitality	-	-	4,375	4,375
Investment property	7,119	-	-	7,119
Laboratory	-	-	30,000	30,000
Technology	-	-	38,533	38,533
Other	-	-	115	115
	40,318	-	2,175,533	2,215,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

THE GROUP	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Commercial	-	-	116,590	116,590
Energy	35,211	-	-	35,211
Engineering	-	-	93,013	93,013
Financial services	-	-	1,711,261	1,711,261
Fishing	-	-	50,000	50,000
Fleet management	-	-	659	659
Hospitality	-	-	949,177	949,177
Investment property	7,396	-	-	7,396
Laboratory	-	-	64,550	64,550
Technology	-	-	60,572	60,572
Other	-	-	134	134
	42,607	-	3,045,956	3,088,563

THE COMPANY	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Commercial	-	-	116,590	116,590
Energy	35,211	-	-	35,211
Engineering	-	-	93,013	93,013
Financial services	-	-	1,711,261	1,711,261
Fishing	-	-	50,000	50,000
Fleet management	-	-	659	659
Investment property	7,396	-	-	7,396
Laboratory	-	-	64,550	64,550
Technology	-	-	60,572	60,572
Other	-	-	134	134
	42,607	-	2,096,779	2,139,386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Fair value measurement using significant unobservable inputs (Level 3):

THE GROUP	Balance of July 1, 2016	Acquisitions	Disposals	Impairment	Foreign exchange difference	Transfer	Fair value movement	Transfer from receivables	Balance at June 30, 2017
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals	-	14,000	-	-	-	-	8,439	32,586	55,025
Commercial	116,590	-	-	-	-	-	15,992	-	132,582
Engineering	93,013	-	-	-	-	-	(11,899)	7,807	88,921
Financial services	1,711,261	12,419	(1,169)	-	(1,143)	265	16,082	32,753	1,770,468
Fishing	50,000	-	-	-	-	-	(1,265)	4,637	53,372
Fleet management	659	-	-	-	-	-	1,483	-	2,142
Hospitality	949,177	4,375	-	-	-	-	13,556	-	967,108
Laboratory	64,550	-	-	-	-	-	(34,550)	-	30,000
Technology	60,572	-	-	-	-	-	(19,715)	(2,324)	38,533
Other	134	-	-	(19)	-	(265)	265	-	115
	3,045,956	30,794	(1,169)	(19)	(1,143)	-	(11,612)	75,459	3,138,266

THE COMPANY	Balance of July 1, 2016	Acquisitions	Disposals	Impairment	Foreign exchange difference	Transfer	Fair value movement	Transfer from receivables	Balance at June 30, 2017
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals	-	14,000	-	-	-	-	8,439	32,586	55,025
Commercial	116,590	-	-	-	-	-	15,992	-	132,582
Engineering	93,013	-	-	-	-	-	(11,899)	7,807	88,921
Financial services	1,711,261	12,419	(1,169)	-	(1,143)	265	16,082	32,753	1,770,468
Fishing	50,000	-	-	-	-	-	(1,265)	4,637	53,372
Fleet management	659	-	-	-	-	-	1,483	-	2,142
Hospitality	-	4,375	-	-	-	-	-	-	4,375
Laboratory	64,550	-	-	-	-	-	(34,550)	-	30,000
Technology	60,572	-	-	-	-	-	(19,715)	(2,324)	38,533
Other	134	-	-	(19)	-	(265)	265	-	115
	2,096,779	30,794	(1,169)	(19)	(1,143)	-	(25,168)	75,459	2,175,533

The entity's policies is to recognise transfers out of Level 3 as of the date of the event or change in circumstances that cause the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	Fair value at June 30, 2017	Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability – weighted average)	Sensitivity of the input to fair value	
	Rs'000					Rs'000
THE GROUP						
Engineering	88,921	Adjusted Net Asset Value	N/A	N/A	-	-
Financial services	1,770,468	PE mutiple	Average of peers	9.4 - 10	± 0.5	69,630
		Discounted cash flows	Discount rate	11.72%	± 0.5	(10,190)
		EBITDA mutiple	Average of peers	6.5	± 0.5	5,673
		Turnover mutiple	Average of peers	3.19	± 0.5	5,257
		Net Asset Value	Adjusted Net Asset Value	-	-	-
Chemicals	55,025	EBITDA mutiple	Average of peers	2.8 - 5	± 0.5	14,772
Commercial	132,582	Net Asset Value	N/A	N/A	-	-
		EBITDA mutiple	Average of peers	2.8 - 5	± 0.5	13,872
		PE mutiple	Average of peers	9	± 0.5	3,746
Technology	38,533	EBITDA mutiple	Average of peers	6.3	± 0.5	7,658
		Net Asset Value	N/A	N/A	-	-
Hospitality	967,108	Discounted cash flows	Discount rate	12.96%	+1%	(83,111)
		Recoverable amount	N/A	N/A	-	-
Laboratory	30,000	Recoverable amount	N/A	N/A	-	-
Fleet Management	2,142	Net Asset Value	N/A	N/A	-	-
Fishing	53,372	Recoverable amount	N/A	N/A	-	-
Others	115	Recoverable amount	N/A	N/A	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Type	Fair value at June 30, 2017	Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability – weighted average)	Sensitivity of the input to fair value	
THE COMPANY	Rs'000					Rs'000
Engineering	88,921	Adjusted Net Asset Value	N/A	N/A	-	-
Financial services	1,770,468	PE mutiple	Average of peers	9.4 - 10	± 0.5	69,630
		Discounted cash flows	Discount rate	11.72%	± 0.5	(10,190)
		EBITDA mutiple	Average of peers	6.5	± 0.5	5,673
		Turnover mutiple	Average of peers	3.19	± 0.5	5,257
Chemicals	55,025	Net Asset Value	Adjusted Net Asset Value	-	-	-
		EBITDA multiple	Average of peers	2.8 - 5	± 0.5	14,772
Commercial	132,582	Net Asset Value	N/A	N/A	-	-
		EBITDA multiple	Average of peers	2.8 - 5	± 0.5	13,872
		PE mutiple	Average of peers	9	± 0.5	3,746
Technology	38,533	EBITDA multiple	Average of peers	6.3	± 0.5	7,658
		Net Asset Value	N/A	N/A	-	-
Hospitality	4,375	Recoverable amount	N/A	N/A	-	-
Laboratory	30,000	Recoverable amount	N/A	N/A	-	-
Fleet Management	2,142	Net Asset Value	N/A	N/A	-	-
Fishing	53,372	Recoverable amount	N/A	N/A	-	-
Others	115	Recoverable amount	N/A	N/A	-	-

The Group invests in unquoted equities. Given that there is no active market on which to trade the unquoted local equities, the Directors have assessed the NAV represent the best estimate of fair value at the measurement date. These investments have been classified as level 3 of the fair value hierarchy as they are neither quoted nor traded. Given that management has used the net asset value of investees, no observable input has developed and as such no sensitivity analysis was performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Fair value measurement using significant unobservable inputs (Level 3):

	Balance at July 1, 2015	Acquisitions/ Transfers	Disposals	Fair value movement	Transfer from receivables	Balance at June 30, 2016
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP						
Engineering	-	-	-	30,348	62,665	93,013
Financial services	1,212,911	27,014	(10,000)	401,613	79,723	1,711,261
Commercial	120,000	-	-	(6,554)	3,144	116,590
Technology	61,048	-	-	(8,690)	8,214	60,572
Freight and forwarding	8,000	-	-	(8,000)	-	-
Hospitality	1,023,000	1,023,000	(1,023,000)	(73,823)	-	949,177
Laboratory	54,889	-	-	9,661	-	64,550
Fleet management	250	-	-	409	-	659
Fishing	100,000	-	-	(50,000)	-	50,000
Other	2,413	-	(1,905)	(374)	-	134
	2,582,511	1,050,014	(1,034,905)	294,590	153,746	3,045,956

	Balance at July 1, 2015	Acquisitions/ Transfers	Disposals	Fair value movement	Transfer from receivables	Balance at June 30, 2016
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY						
Engineering	-	-	-	30,348	62,665	93,013
Financial services	1,212,911	27,014	(10,000)	401,613	79,723	1,711,261
Commercial	120,000	-	-	(6,554)	3,144	116,590
Technology	61,048	-	-	(8,690)	8,214	60,572
Freight and forwarding	8,000	-	-	(8,000)	-	-
Hospitality	1,023,000	-	(1,023,000)	-	-	-
Laboratory	54,889	-	-	9,661	-	64,550
Fleet management	250	-	-	409	-	659
Fishing	100,000	-	-	(50,000)	-	50,000
Other	2,413	-	(1,905)	(374)	-	134
	2,582,511	27,014	(1,034,905)	368,413	153,746	2,096,779

The entity's policies is to recognise transfers out of Level 3 as of the date of the event or change in circumstances that cause the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	Fair value at June 30, 2016 Rs'000	Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability –weighted average)	Sensitivity of the input to fair value	Rs'000
THE GROUP						
Engineering	93,013	Recoverable amount	N/A	N/A	-	-
Financial services	1,711,261	PAT multiple	PE Multiple	10	± 0.5	66,376
Commercial	116,590	EBITDA Multiple	Average of peers	4 -8.74	± 0.5	16,880
Technology	60,572	EBITDA Multiple	Average of peers	8.5	+ 1	7,195
Hospitality	949,177	Discounted cash flows	Discount rate	13.53%	± 1	(93,608)
Laboratory	64,550	EBITDA Multiple	Average of peers	7	± 0.5	5,091
Fleet Management	659	Recoverable amount	N/A	N/A	-	659
Fishing	50,000	Recoverable amount	N/A	N/A	-	-
Others	134	Recoverable amount	N/A	N/A	-	-

Type	Fair value at June 30, 2016 Rs'000	Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability –weighted average)	Sensitivity of the input to fair value	Rs'000
THE COMPANY						
Engineering	93,013	Recoverable amount	N/A	N/A	-	-
Financial services	1,711,261	PAT multiple	PE Multiple	10	± 0.5	66,376
Commercial	116,590	EBITDA Multiple	Average of peers	4 -8.74	± 0.5	16,880
Technology	60,572	EBITDA Multiple	Average of peers	8.5	+ 1	7,195
Laboratory	64,550	EBITDA Multiple	Average of peers	7	± 0.5	5,091
Fleet Management	659	Recoverable amount	N/A	N/A	-	659
Fishing	50,000	Recoverable amount	N/A	N/A	-	-
Others	134	Recoverable amount	N/A	N/A	-	-

Valuation process and techniques applied by the Group:

The Board of Directors of the Company is responsible for the valuation of investments including the policies and procedures. The valuation of unlisted investments is carried out on an annual basis or when required in connection with investment or divestment activities of the Group. As at the year end, the Directors have relied on an independent valuation report prepared by BDO & Co. (Mauritius) to conclude to the fair value of investments in the statement of financial position.

The Group invests in equity securities which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. Unlisted investments, which may not have readily ascertainable market values, are valued at fair value, which is the estimated amount that would be received on the investment in an orderly transaction between willing market participants on the measurement date. Generally, the fair value of unlisted investments are adjusted when a significant third-party investment or financing event has occurred or there is a significant change in the financial condition or operating performance of the portfolio company that would indicate either an increase or decrease in fair value. Various valuation techniques and inputs are considered in valuing unlisted investments, including purchase multiples paid in other comparable third-party transactions; comparable public company trading multiples; discounted cash flow analysis; market conditions; liquidity; current operating results; and other pertinent information. When utilising a multiples-based approach, multiples are applied to the most recent and relevant operating performance metric of the investment as appropriate, including historical and/or forecasted revenue, EBITDA, net income or other relevant operating performance metric. However, because of the inherent uncertainty of valuation, the recommended values may differ significantly from values that would have been used had a ready market for the unlisted investments existed, and may differ materially from the amounts realised upon disposition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

10. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Receivable from other related parties	261,435	162,474	284,558	151,443
Other receivables	6,083	5,483	604	3,297
	267,518	167,957	285,162	154,740

- (a) Trade and other receivables are considered as quasi-equity and are generally repayable on demand.
- (b) For terms and conditions relating to related party receivables, refer to note 23.
- (c) The receivables from other related parties written-off and charged to profit or loss during the year are as follows:

	THE GROUP AND THE COMPANY	
	2017	2016
	Rs'000	Rs'000
Write-offs during the year	-	11,225

- (d) The carrying amount of trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupees	254,742	156,926	285,162	154,740
United States Dollars	1,892	-	-	-
Swiss Francs	10,884	11,031	-	-
	267,518	167,957	285,162	154,740

11. CASH AND CASH EQUIVALENTS

- (a) Cash and short-term deposits

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	25,525	2,359	25,434	12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

11. CASH AND CASH EQUIVALENTS (CONT'D)

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

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Cash and short-term deposits	25,525	2,359	25,434	12
Bank overdrafts (note 13)	(81,723)	(185,095)	(81,723)	(185,095)
	(56,198)	(182,736)	(56,289)	(185,083)

12. SHARE CAPITAL AND RESERVES

(a) Share capital

	THE COMPANY	
	Number of shares	Rs'000
<i>Issued and fully paid:</i>		
At July 1, 2016	151,462,163	151,462
Issued shares during the year	52,631,579	500,000
At June 30, 2017	204,093,742	651,462

During the year, there was a right issue of 52,631,579 shares at a price of Rs. 9.50.

The shares issued during the year confer upon the holder the same rights offered to ordinary shareholders which are as follows:

- (a) The right to vote at meetings of shareholders and on a poll to cast one vote for each share held;
- (b) Subject to the rights of any other class of shares, the right to an equal share in dividends and other distribution made by the Company; and
- (c) Subject to the rights of any other class of shares, the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

(b) Share premium

THE GROUP AND THE COMPANY	Rs'000
At June 30, 2017 and June 30, 2016	920,386

The share premium reserve represents the premium arising upon the issue of ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

13. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current:				
Bank loans (note (b))	-	70,000	-	70,000
Bonds (note (c))	-	1,025,000	-	425,000
	-	1,095,000	-	495,000
Current:				
Bonds (note (c))	1,025,000	-	425,000	-
Bank overdrafts (note (a))	81,723	185,095	81,723	185,095
Bank loans (note (b))	150,000	109,123	150,000	78,333
	1,256,723	294,218	656,723	263,428
TOTAL	1,256,723	1,389,218	656,723	758,428

THE COMPANY

- (a) The Company has a temporary overdraft facility of Rs.80M (2016: Rs.181M), as at the year end date out of which Rs.79M (2016: Rs.143M) of this facility has been used. The Company also have a revolving overdraft facility of Rs.40M out of which Rs. 2.6M has been used (2016:Rs. 42M). These facilities bear interest varying from 6.25% to 8.15% per annum which is adjusted with the variation in the Bank of Mauritius Repo rate and the respective banking institutions prime lending rates.
- (b) Bank loans are secured by floating charges over the assets of the Company.
- (c) The bond is an unsecured floating-rate bond bearing a interest of 6.35% (Bank of Mauritius repo rate + 2.35%) per annum and will mature on January 31, 2020.

THE GROUP

The bonds, contracted by Hold Attitude Ltd, is secured by ordinary shares it holds in Attitude Hospitality Ltd and bear a fixed interest of 6% per annum and will mature in September-October 2018.

- (d) Borrowings can be analysed as follows:-

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Within one year	1,256,723	294,218	656,723	263,428
Later than one year but not later than two years	-	30,000	-	30,000
Later than two years but not later than five years	-	1,065,000	-	465,000
	1,256,723	1,389,218	656,723	758,428

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

13. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

(e) The effective interest rates and initial maturity dates at the end of the reporting date were as follows:

	Initial Maturity	THE GROUP	
		2017	2016
Bank overdrafts	On demand	PLR / PLR+1.9%	PLR / PLR+1.9%
Bank borrowings	Sep 17 - Dec 19	PLR+1.9%	3 months Euro LIBOR+4%/ PLR+1.9%
Bonds	Sep-Oct 18 Jan 20	Fixed rate 6% / Repo rate + 2.35%	Fixed rate 6% / Repo rate + 2.35%

	Initial Maturity	THE COMPANY	
		2017	2016
Bank overdrafts	On demand	PLR / PLR+1.9%	PLR / PLR+1.9%
Bank borrowings	Sep 17 - Dec 19	PLR+1.9%	PLR+1.9%
Bond	Jan 20	Repo rate + 2.35%	Repo rate + 2.35%

All the above interest bearing loans and borrowings have been classified as current following the restructuring of the Group. Refer to Note 30.

(f) The carrying amounts of the Group and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian rupee	1,256,723	1,358,428	656,723	758,428
Euro	-	30,790	-	-
	1,256,723	1,389,218	656,723	758,428

14. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	512	409	209	1
Amount due to related parties	28,773	30,390	24,798	28,110
Accruals and other payables	23,712	29,339	13,317	18,425
	52,997	60,138	38,324	46,536

Terms and conditions:

- Trade payables are non-interest bearing and are normally settled on 30 - 60 day terms.
- For terms and conditions relating to related parties, refer to note 23.
- Other payables are non-interest bearing and have an average term of twelve months. Included in other payables are interests on bank loans and bonds amounting to Rs. 11.553M (2016: Rs. 15.046M) for the Company and Rs. 20.528M (2016: Rs. 24.498M) for the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

15. INCOME TAX

(a) Statement of comprehensive income

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Current tax on the loss for the year - 15% (2016: 15%)	803	2,706	803	2,706
Corporate Social Responsibility ("CSR")	107	361	107	361
Under-provision in prior year income tax and CSR liability	36	955	36	955
	946	4,022	946	4,022

(b) Statement of financial position

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	1,820	298	1,820	298
Current tax on the loss for the year - 15% (2016: 15%)	803	2,706	803	2,706
Under-provision in prior year income tax and CSR liability	36	955	36	955
CSR Charge	107	361	107	361
Tax and CSR paid	(3,379)	(2,500)	(3,379)	(2,500)
At June 30,	(613)	1,820	(613)	1,820

(c) Tax Reconciliation

A reconciliation between the tax expense and the product of the accounting profit multiplied by the Group's and Company's applicable tax rates for the years ended June 30, 2017 and 2016 is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Loss before tax	(146,070)	(101,669)	(234,511)	(15,719)
Tax at the rate of 15% (2016:15%)	(21,911)	(15,250)	(35,177)	(2,358)
Income not subject to tax (Note (a))	(6,295)	(58,257)	(4,043)	(58,126)
Expenses not deductible for tax purposes (Note (b))	28,414	75,253	40,023	63,190
Under-provision in prior year income tax and CSR liability	36	955	36	955
Deferred tax asset not recognised	595	960	-	-
CSR charge	107	361	107	361
	946	4,022	946	4,022

(a) Income not subject to tax relates mainly to dividend income and fair value gain on investments designated at fair value through profit or loss..

(b) Expenses not deductible for tax purposes include entertainment, gifts, donations and legal and professional expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

15. INCOME TAX (CONT'D)

(c) Tax Reconciliation (Cont'd)

The Group does not recognised deferred tax asset on tax losses since there is no convincing evidence that there will be taxable profit in the forthcoming years. The tax losses can be deferred for five years. The tax losses available as at June 30, 2017 & 2016 are as follows:

	THE GROUP AND THE COMPANY	
	2017	2016
	Rs'000	Rs'000
At July 1,	96,688	96,688
Tax losses for the year	3,963	-
Tax losses expired during the year	(27,323)	-
At June 30,	73,328	96,688

16. DIVIDENDS

THE GROUP AND THE COMPANY	2017 & 2016
Dividend declared	Nil

17. REVENUE

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend income	26,955	27,930	26,955	27,930
Management fees	20,719	12,338	-	-
Other revenue	182	-	-	-
	47,856	40,268	26,955	27,930

18. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Foreign Exchange Gain	652	-	-	291
Interest income on:				
- Loan to related parties	8,882	21,543	8,882	21,543
- Preference shares of related parties	2,374	2,380	2,374	2,380
- Bank savings	3	5	3	5
	11,911	23,928	11,259	24,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

19. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Foreign Exchange loss	1,394	96	1,394	-
Interest expense on:				
- bank overdrafts	11,963	4,563	11,958	4,551
- loans	14,913	24,642	13,677	22,807
- bonds	63,076	55,250	27,076	29,665
- loans to related parties	2,756	1,856	2,756	1,856
- finance leases	-	3	-	-
	94,102	86,410	56,861	58,879

20. ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Staff costs	17,798	12,820	-	-
Insurance	152	212	-	-
Motor vehicle expenses	762	1,156	-	-
Rent of motor vehicles	649	365	-	-
Office rental	2,771	1,337	-	-
Audit fees	500	403	450	403
Legal and professional fees	5,747	5,666	5,601	4,474
Annual report fees	689	639	689	639
Directors and chairmanship fees	1,265	1,148	1,265	1,148
Depreciation	129	273	-	-
Licence	336	370	233	236
Business trips	711	711	-	-
Other expenses	1,596	419	1,012	232
	33,105	25,519	9,250	7,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

21. FAIR VALUE LOSSES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Fair value losses of receivables from related parties	63,567	316,303	99,728	338,047
Impairment of subsidiary (note 5)	-	-	78,267	-
Write-offs of receivables from related parties (note 10(c))	-	11,225	-	11,225
	63,567	327,528	177,995	349,272

22. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Net loss attributable to ordinary equity holders of the parent	(147,016)	(105,691)	(235,457)	(19,741)
Number of shares ('000)				
Ordinary shares issued at July 1,	151,462	151,462	151,462	151,462
Issued shares during the year	52,632	-	52,632	-
Ordinary shares issued at June 30,	204,094	151,462	204,094	151,462
Weighted average number of shares in issue	177,778	151,462	177,778	151,462
Earnings per share				
Basic	(0.83)	(0.70)	(1.32)	(0.13)

Earnings per share has been computed based on a weighted average number of ordinary shares in issue taking into consideration the rights factor.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

23. RELATED PARTY TRANSACTIONS

THE GROUP	Interest income		Interest expense		Balance receivables		Balance payables	
	2017	2016	2017	2016	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Investee companies:								
AX Offshore Ltd	-	-	-	-	-	20,036	-	-
AXYS Consulting DMCC	1,120	135	-	-	1,759	270	-	-
Spice Solutions Ltd (formerly known as AXYS Finance Ltd)	-	-	-	-	8	8	-	-
AXYS Group Ltd	-	-	-	-	147,754	86,630	-	-
AXYS Holding Ltd	-	-	-	-	14	-	-	-
AXYS Investment Partners Ltd	-	-	-	-	6,583	-	-	-
Flexi Drive Ltd	-	-	459	-	-	-	11,206	-
Four Oaks Advisors Ltd	-	90	-	-	156	1,931	-	-
FWM International Ltd	-	-	-	-	7,067	-	-	-
IFL Investment Holding Ltd	2,866	2,250	-	-	-	-	-	-
Inside Capital Partners Ltd	-	-	-	-	1,169	-	-	3,771
Island Catch Ltd	2,527	2,643	-	-	-	-	-	-
Island Fertilisers Ltd	-	-	-	-	-	32,000	-	-
Island International Trade Ltd	-	-	-	-	-	-	-	-
Island Management Ltd	-	-	-	-	-	4,385	13,583	-
Lombard Management Services Ltd (formerly known as UIL Services Ltd)	-	-	-	-	1,183	-	9	9
Mechanisation Company Ltd	959	527	-	-	5,887	-	-	-
Megabyte Investments Ltd	-	-	-	-	-	-	-	-
Neocloud Ltd	-	-	-	-	6	-	-	-
Novus Properties Ltd	-	-	45	-	-	-	-	-
NWT (Mauritius) Ltd	-	-	-	-	7,143	3,301	-	-
NWT Conseil SA	-	-	-	-	7,256	-	-	-
NWT Management SA	-	-	-	-	3,628	11,031	-	-
Pelagic Process Ltd	-	15,814	-	-	-	-	-	-
Quantilab Holding Ltd	58	33	-	-	860	802	-	-
Quantilab Ltd	166	51	-	-	2,245	2,080	-	-
SPICE Finance Ltd (formerly known as AXYS Leasing Ltd)	-	-	146	698	-	-	3,975	26,610
UIL Holding	-	-	-	-	34,400	-	-	-
UIL International Ltd	-	-	-	-	31,279	-	-	-
Shareholders:								
Firefox Ltd	-	-	2,106	1,130	-	-	-	-
Portfolio Investment Management Limited	664	-	-	28	664	-	-	-
Enterprises with common management:								
Attitude Hospitality Ltd - Preference shares	2,374	2,380	-	-	2,374	-	-	-
Others:								
Director of an investee company	522	-	-	-	-	-	-	-
	11,256	23,923	2,756	1,856	261,435	162,474	28,773	30,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

23. RELATED PARTY TRANSACTIONS (CONT'D)

THE COMPANY	Interest income		Interest expense		Balance receivables		Balance payables	
	2017	2016	2017	2016	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Investee companies:								
AX Offshore Ltd	-	-	-	-	-	20,036	-	-
AXYS Consulting DMCC	1,120	135	-	-	23	270	-	-
Spice Solutions Ltd (formerly known as AXYS Finance Ltd)	-	-	-	-	8	8	-	-
AXYS Group Ltd	-	-	-	-	147,754	86,630	-	-
AXYS Holding Ltd	-	-	-	-	14	-	-	-
AXYS Investment Partners Ltd	-	-	-	-	6,583	-	-	-
Flexi Drive Ltd	-	-	459	-	-	-	11,206	-
Four Oaks Advisors Ltd	-	90	-	-	-	1,931	-	-
FWM International Ltd	-	-	-	-	7,067	-	-	-
Hold Attitude Ltd (formerly known as United Investments Bis Ltd)	-	-	-	-	35,899	-	-	179
IFL Investment Holding Ltd	2,866	2,250	-	-	-	-	-	-
Inside Capital Partners Ltd	-	-	-	-	1,169	-	-	3,771
Island Catch Ltd	2,527	2,643	-	-	-	-	-	-
Island Fertilisers Ltd	-	-	-	-	-	32,000	-	-
Island International Trade Ltd	-	-	-	-	-	-	-	-
Island Management Ltd	-	-	-	-	-	4,385	13,583	-
Lombard Management Services Ltd (formerly known as UIL Services Ltd)	-	-	-	-	1,183	-	9	9
Mechanisation Company Ltd	959	527	-	-	5,887	-	-	-
Megabyte Investments Ltd	-	-	-	-	-	-	-	-
Neocloud Ltd	-	-	-	-	6	-	-	-
Novus Properties Ltd	-	-	45	-	-	-	-	-
NWT (Mauritius) Ltd	-	-	-	-	7,143	3,301	-	-
Pelagic Process Ltd	-	15,814	-	-	-	-	-	-
Quantilab Holding Ltd	58	33	-	-	860	802	-	-
Quantilab Ltd	166	51	-	-	2,245	2,080	-	-
SPICE Finance Ltd (formerly known as AXYS Leasing Ltd)	-	-	146	698	-	-	-	24,151
UIL Holding	-	-	-	-	34,400	-	-	-
UIL International Ltd	-	-	-	-	31,279	-	-	-
Shareholders:								
Firefox Ltd	-	-	2,106	1,130	-	-	-	-
Portfolio Investment Management Limited	664	-	-	28	664	-	-	-
Enterprises with common management:								
Attitude Hospitality Ltd - Preference shares	2,374	2,380	-	-	2,374	-	-	-
Others:								
Director of an investee company	522	-	-	-	-	-	-	-
	11,256	23,923	2,756	1,856	284,558	151,443	24,798	28,110

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

23. RELATED PARTY TRANSACTIONS (CONT'D)

THE GROUP	Nature of transactions	Transactions Rs '000	Net balance receivables / (payables)				As at June 30, 2017 Rs '000
			As at July 1, 2016 Rs '000	Advances/ (payments) Rs '000	Transfer to investments Rs '000	Fair value losses Rs '000	
Investee companies:							
AX Offshore Ltd	Advances	653	20,036	653	(20,689)	-	-
AXYS Consulting DMCC	Advances	1,489	270	1,489	-	-	1,759
Spice Solutions Ltd (formerly known as AXYS Finance Ltd)	Advances	-	8	-	-	-	8
AXYS Group Ltd	Advances	61,124	86,630	61,124	-	-	147,754
AXYS Holding Ltd	Advances	-	-	-	14	-	14
AXYS Investment Partners Ltd	Advances	2,200	-	2,200	4,383	-	6,583
OXIA Tech Ltd (formerly known as COMILU Ltd)	Advances	7,807	-	7,807	(7,807)	-	-
Flexi Drive Ltd	Advances	11,206	-	(11,206)	-	-	(11,206)
Four Oaks Advisors Ltd	Advances	1,775	1,931	(1,775)	-	-	156
FWM International Ltd	Advances	7,067	-	7,067	-	-	7,067
IFL Investment Holding Ltd	Advances	10,799	-	10,799	(10,799)	-	-
Island International Trade Ltd	Advances	240	-	240	-	(240)	-
Inside Capital Partners Ltd	Advances	4,940	(3,771)	4,940	-	-	1,169
Island Catch Ltd	Advances	4,637	-	4,637	(4,637)	-	-
Island Chemicals	Advances	5,000	-	5,000	-	(5,000)	-
Island Fertilisers Ltd	Advances	10,213	32,000	(10,213)	(21,787)	-	-
Island Management Ltd	Advances	17,968	4,385	(17,968)	-	-	(13,583)
Lombard Management Services Ltd (formerly known as UIL Services Ltd)	Advances	1,183	(9)	1,183	-	-	1,174
Mechanisation Company Ltd	Advances	5,887	-	5,887	-	-	5,887
Megabyte Investments Ltd	Advances	2,324	-	(2,324)	2,324	-	-
Neocloud Ltd	Advances	6	-	6	-	-	6
NWT (Mauritius) Ltd	Advances	3,842	3,301	3,842	-	-	7,143
NWT Conseil SA	Management fees	7,256	-	7,256	-	-	7,256
NWT Management SA	Management fees	7,403	11,031	(7,403)	-	-	3,628
Pelagic Process Ltd	Advances	51,627	-	51,627	-	(51,627)	-
Parts Supply Services Ltd	Advances	6,700	-	6,700	-	(6,700)	-
Quantilab Holding Ltd	Advances	58	802	58	-	-	860
Quantilab Ltd	Advances	165	2,080	165	-	-	2,245
SPICE Finance Ltd (formerly known as AXYS Leasing Ltd)	Advances	22,635	(26,610)	22,635	-	-	(3,975)
UIL Holding	Advances	34,400	-	34,400	-	-	34,400
UIL International Ltd	Advances	47,740	-	47,740	(16,461)	-	31,279
Shareholder:							
Firefox Ltd	Advances	664	-	664	-	-	664
Enterprises with common management:							
Attitude Hospitality Ltd - Preference shares	Interest income	2,374	-	2,374	-	-	2,374
		341,382	132,084	239,604	(75,459)	(63,567)	232,662

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

23. RELATED PARTY TRANSACTIONS (CONT'D)

THE COMPANY	Nature of transactions	Transactions Rs '000	Net balance receivables / (payables)				As at June 30, 2017 Rs '000
			As at July 1, 2016 Rs '000	Advances/ (payments) Rs '000	Transfer to investments Rs '000	Fair value losses Rs '000	
Investee companies:							
AX Offshore Ltd	Advances	653	20,036	653	(20,689)	-	-
AXYS Consulting DMCC	Advances	247	270	(247)	-	-	23
Spice Solutions Ltd (formerly known as AXYS Finance Ltd)	Advances	-	8	-	-	-	8
AXYS Group Ltd	Advances	61,124	86,630	61,124	-	-	147,754
AXYS Holding Ltd	Advances	-	-	-	14	-	14
AXYS Investment Partners Ltd	Advances	2,200	-	2,200	4,383	-	6,583
AXYS Treasury Ltd (formerly known as United Investments Treasury Ltd)	Advances	36,161	-	36,161	-	(36,161)	-
OXIA Tech Ltd (formerly known as COMILU Ltd)	Advances	7,807	-	7,807	(7,807)	-	-
Flexi Drive Ltd	Advances	11,206	-	(11,206)	-	-	(11,206)
Four Oaks Advisors Ltd	Advances	1,931	1,931	(1,931)	-	-	-
FWM International Ltd	Advances	7,067	-	7,067	-	-	7,067
Hold Attitude Ltd (formerly known as United Investments Bis Ltd)	Advances	36,078	(179)	36,078	-	-	35,899
IFL Investment Holding Ltd	Advances	10,799	-	10,799	(10,799)	-	-
Island International Trade Ltd	Advances	240	-	240	-	(240)	-
Inside Capital Partners Ltd	Advances	4,940	(3,771)	4,940	-	-	1,169
Island Catch Ltd	Advances	4,637	-	4,637	(4,637)	-	-
Island Chemicals	Advances	5,000	-	5,000	-	(5,000)	-
Island Fertilisers Ltd	Advances	10,213	32,000	(10,213)	(21,787)	-	-
Island Management Ltd	Advances	17,968	4,385	(17,968)	-	-	(13,583)
Lombard Management Services Ltd (formerly known as UIL Services Ltd)	Advances	1,183	(9)	1,183	-	-	1,174
Mechanisation Company Ltd	Advances	5,887	-	5,887	-	-	5,887
Megabyte Investments Ltd	Advances	2,324	-	(2,324)	2,324	-	-
Neocloud Ltd	Advances	6	-	6	-	-	6
NWT (Mauritius) Ltd	Advances	3,842	3,301	3,842	-	-	7,143
Pelagic Process Ltd	Advances	51,627	-	51,627	-	(51,627)	-
Parts Supply Services Ltd	Advances	6,700	-	6,700	-	(6,700)	-
Quantilab Holding Ltd	Advances	58	802	58	-	-	860
Quantilab Ltd	Advances	165	2,080	165	-	-	2,245
SPICE Finance Ltd (formerly known as AXYS Leasing Ltd)	Advances	24,151	(24,151)	24,151	-	-	-
UIL Holding	Advances	34,400	-	34,400	-	-	34,400
UIL International Ltd	Advances	47,740	-	47,740	(16,461)	-	31,279
Shareholder:							
Firefox Ltd	Advances	664	-	664	-	-	664
Enterprises with common management:							
Attitude Hospitality Ltd - Preference shares	Interest income	2,374	-	2,374	-	-	2,374
		299,786	123,333	311,614	(75,459)	(99,728)	259,760

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

23. RELATED PARTY TRANSACTIONS (CONT'D)

KEY MANAGEMENT PERSONNEL COMPENSATION

	THE GROUP	
	2017	2016
	Rs'000	Rs'000
Salaries and short-term employee benefits	11,177	10,768

- (i) Key management personnel includes Executive Directors, Non-Executive Directors and top level management personnel. The compensation includes short-term employee benefits only.
- (ii) The loans owed to/by related parties are unsecured, carry interest rates which vary from 8.15% - 10% and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

24. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is defined as 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.

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

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors

The Group's principal financial liabilities comprise of obligations under finance leases, bank loans, bank overdrafts and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group and the Company's operations.

The Group has various financial assets, such as investments designated at fair value through profit or loss, trade and other receivables and cash and short term deposits which arise directly from its operations.

The main risks arising from the Group's financial instruments are:

- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Equity price risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the Group's financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks. A description of the significant risk factors is given below together with the risk management policies applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's and Company's bank overdrafts and bank loans with floating interest rates. Interest rate risks are not hedged.

The Group's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates. The Group's policy is to manage its interest rate risk by using a mix of fixed and variable rate debts. Changes in market interest rate would also impact on the interest income of the loan to related parties, which would mitigate the Group's and Company's exposure to interest costs.

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax. The impact on equity will be of the same amount.

- Impact on floating rate borrowings:

	THE GROUP		THE COMPANY	
	Increase / decrease in interest rate	Effect on loss before tax	Increase / decrease in interest rate	Effect on loss before tax
	(basis points)	Rs'000	%	Rs'000
June 30, 2017	+1	12,567	+1	6,567
	-1	(12,567)	-1	(6,567)
June 30, 2016	+1	13,892	+1	7,584
	-1	(13,892)	-1	(7,584)

(ii) Credit risk

The Group being an investment holding deals mainly with related parties through advances and current accounts. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Since the Group and the Company trade mainly with related companies, there is no requirement for collateral.

The Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of related entities.

(iii) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available. Management is responsible for liquidity and funding. The Group has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors (Cont'd)

(iii) Liquidity risk management (Cont'd)

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

Financial Liabilities	THE GROUP				Total
	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2017					
Interest bearing loans and borrowings	-	1,308,959	-	-	1,308,959
Financial guarantees	-	182,932	-	-	182,932
Trade payables	-	29,285	-	-	29,285
Bank overdrafts	81,723	-	-	-	81,723
	81,723	1,521,176	-	-	1,602,899

Financial Liabilities	THE GROUP				Total
	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2016					
Interest bearing loans and borrowings	-	199,374	97,275	1,140,105	1,436,754
Financial guarantees	-	-	-	154,000	154,000
Trade payables	-	30,799	-	-	30,799
Bank overdrafts	185,095	-	-	-	185,095
	185,095	230,173	97,275	1,294,105	1,806,648

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors (Cont'd)

(iii) Liquidity risk management (Cont'd)

Financial Liabilities	THE COMPANY				
	On demand Rs'000	Less than 1 year Rs'000	Between 1 and 2 years Rs'000	Between 2 and 5 years Rs'000	Total Rs'000
June 30, 2017					
Interest bearing loans and borrowings	-	653,470	-	-	653,470
Financial guarantees	-	182,932	-	-	182,932
Trade payables	-	25,007	-	-	25,007
Bank overdrafts	81,723	-	-	-	81,723
	81,723	861,409	-	-	943,132

Financial Liabilities	THE COMPANY				
	On demand Rs'000	Less than 1 year Rs'000	Between 1 and 2 years Rs'000	Between 2 and 5 years Rs'000	Total Rs'000
June 30, 2016					
Interest bearing loans and borrowings	-	130,259	61,275	511,157	702,691
Financial guarantees	-	-	-	154,000	154,000
Trade payables	-	28,111	-	-	28,111
Bank overdrafts	185,095	-	-	-	185,095
	185,095	158,370	61,275	665,157	1,069,897

(iv) Equity price risk management

The Group and Company are susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments designated at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

Sensitivity analysis

Refer to note 9 on IFRS 13 disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors (Cont'd)

(v) Foreign currency risk

The Group operates internationally and are exposed to foreign exchange risk arising from currency exposures with respect to Euro ("EUR"), Swiss Franc ("CHF") and United States Dollar ("USD").

The following table demonstrates the sensitivity of the Group's profit before tax following a reasonable possible change only in the foreign exchange rates of EUR, CHF and USD vis a vis Mauritian Rupees. This exercise is based on revalued foreign currency balances at year end.

	Increase/decrease in exchange rate	THE GROUP		THE COMPANY	
		2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
EUR in relation to Rs.	+5	1	(1,433)	-	-
	-5	(1)	1,433	-	-
CHF in relation to Rs.	+5	544	552	-	-
	-5	(544)	(552)	-	-
USD in relation to Rs.	+5	3,881	2,539	3,786	2,539
	-5	(3,881)	(2,539)	(3,786)	(2,539)

(b) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company is financially sustainable while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group and the Company manage their capital structure and make adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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 was to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure access to finance at a reasonable cost. The Group and the Company include within net debt, interest-bearing loans and borrowings, less cash in hand and at bank. Total capital is calculated as "equity" as shown in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Capital risk management (Cont'd)

The gearing ratios at June 30, 2017 and June 30, 2016 were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000
Interest-bearing loans and borrowings	1,256,723	1,389,218	656,723	758,428
Less cash in hand and bank balances	(25,525)	(2,359)	(25,434)	(12)
Net debt	1,231,198	1,386,859	631,289	758,416
Total equity	2,266,983	1,913,999	2,298,665	2,034,122
Capital and net debt	3,498,181	3,300,858	2,929,954	2,792,538
Gearing ratio	35%	42%	22%	27%

During 2017, the Group's strategy, which was unchanged from 2016, was to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure finance at a reasonable cost. The gearing at reporting date is within the average of its peers and industry norms.

26. COMMITMENTS

(a) Capital commitments

At June 30, 2017, the Group had no capital commitments.

(b) Guarantees

The Company has provided the following guarantees at June 30, 2017:

- Lease guarantee of Rs. 52.7M provided by the Company in favour of Gladius Limitee
- Corporate Guarantee for USD 2.6M to AXYS Group Ltd
- Corporate Guarantee for Rs. 25M to AXYS Group Ltd
- Corporate Guarantee of Rs. 3M to AXYS Stockbroking Ltd
- Corporate Guarantee for Rs.25M to Mechanisation Company Ltd
- Financial bank guarantee of Rs. 12M provided by UIL in favour in facilities taken by Pelagic Process Ltd
- Floating Charge on assets of the Company for USD 2.6M in favour in facilities taken by AXYS Group Ltd
- Floating Charge on assets of the Company for USD 3.3M in favour in facilities taken by AXYS Group Ltd
- Floating Charge on assets of the Company for EUR 1.4M in favour in facilities taken by Megabyte Investment Ltd
- Floating Charge on assets of the Company for Rs. 30M in favour in facilities taken by IFL Investment Holding Ltd
- Floating Charge on assets of the Company for Rs. 30M in favour in facilities taken by Island Chemicals Ltd
- Floating Charge on assets of the Company for USD 11.74M in favour in facilities taken by Island Fertilisers Ltd*
- Floating Charge on assets of the Company for Rs. 41M in favour in facilities taken by Island Renewable Fertilisers Ltd
- Letter of undertaking from UIL for Rs. 5M authorising the Bank to debit its account in case of default by S.C.E.T.I.A Holding Ltd.

* the facility secured is for an amount of Rs. 40M only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

27. GOING CONCERN

The Board of Directors of the Group has proposed a restructuring of the Company whereby all the assets and liabilities of the Group would be transferred into two separate newly formed entities namely AXYS Ltd ('AXYS') and OXIA Ltd ('OXIA') which would represent the financial and non-financial investments clusters of the Company respectively. This indicates that the Company will no longer be a going concern. Since the Company is the holding company of the Group, the assets and liabilities of the Group have been classified as held for distribution at the reporting date.

IAS 1 - Presentation of financial statements and IAS 10 - Events after reporting period require that the financial statements should not be prepared on a going concern basis if management determines that it intend to liquidate the entity or cease trading. The Directors have considered an alternative basis of preparation but believe that IFRS as a basis of preparation best reflects the financial position and performance of the entity. The carrying value of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment and changes which have occurred since the year end and consideration has been given to whether any additional provisions are necessary as a result of management intention to liquidate the Company in the foreseeable future. It is expected that all assets and liabilities will be transferred at least at the amounts at which they are included in the statement of financial position and there will be no material additional liabilities.

It is expected that all assets and liabilities will be transferred to the two newly formed entities at fair value. It should be noted that due to events after the finalisation of audited financial statements, the final amounts at which the assets and liabilities be transferred could vary from the amount shown in the statement of financial position due to circumstances which arise subsequent to the preparation of the financial statement.

28. OPERATING LEASE COMMITMENTS

- (a) The Group has commitments under non-cancellable operating leases as follows:

	THE GROUP	
	2017	2016
	Rs'000	Rs'000
Within one year	435	247
After one year and but not more than five years	1,630	144
	2,065	391

- (b) Operating lease relates to rental of motor vehicles with lease terms of 5 years. The leases will be transferred to the two new entities after the split.

The Group entered into a lease agreement for office space occupied by the Group with NWT (Mauritius) Limited and with Spice Finance Ltd for the rental of furniture, fixtures and fittings, other equipment and related expenses. The lease duration period is for 10 years. Office rental expense and recharge of expenses are based on the number of employees each month and utilities consumption for specific expenses. As such, rental expenses are variable and are recognised when invoices are received. Management believes that the Company's adoption of the invoicing amount on a systematic basis, rather than straight lining, duly reflects the time pattern of the user's benefit of the operating lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

29. SUBSTANTIAL SHAREHOLDERS

At June 30, 2017, the following shareholders held more than 5% of the ordinary share capital of the Company:

	Direct	Indirect	Effective
	%	%	%
Terra Mauricio Ltd	29.0	-	29.0
Firefox Ltd	20.4	-	20.4
Portfolio Investment Management Limited	8.9	-	8.9
Michel Guy Rivalland	8.8	-	8.8
Jason Limited	5.9	-	5.9

30. EVENTS AFTER THE REPORTING DATE

After the reporting date, the Board of Directors convened a Special Meeting of the shareholders of United Investments Ltd (“UIL” or “the Company”) on the 29th August 2017 to approve the restructuring of the Company, including the Scheme of Arrangement (the ‘Scheme’), which will entail the setting up of two clusters segregating the Company’s financial services and non-financial services activities through two wholly owned subsidiaries of the Company, namely AXYS Ltd and OXIA Ltd respectively, and which will result in (a) the cancellation of the shares held by the shareholders in the Company, (b) the transfer of the ordinary shares held by the Company in AXYS Ltd and OXIA Ltd respectively to the shareholders of the Company in a one to one ratio, and (c) the liquidation of UIL. The Special Meeting has been adjourned to allow the Company to address a request for further information pertaining to the proposed restructuring. The Directors are confident that the Scheme will be finalised in the forthcoming financial year.

On August 23, 2017, the Company received a drawdown request of Rs 10M from Inside Equity Fund (“the Fund”). The Group has sought a legal opinion from BLC Robert & Associates on whether it is bound by this capital commitment. As of now, the lawyers have entered into discussions with the legal advisers of the investment manager of the Fund with a view to initiate mediation. The process is still ongoing.

PROXY FORM

I/We of being a shareholder of the United Investments Ltd, hereby appoint of or failing him/her, of, as my/our proxy to vote for me/us at the Annual Meeting of Shareholders of the Company to be held at AXYS Group, 6th Floor Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis, on Wednesday 27 December 2017 commencing at 10:30 hours and at any adjournment thereof.

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

Vote with a Tick

Resolutions

- I. Resolved that the Audited Financial Statements of the Company for the year ended 30 June 2017 be hereby adopted
- II Resolved that Messrs Ernst & Young be re-appointed as Auditors of the Company to hold office until the next Annual Meeting of Shareholders and that the Board be hereby authorised to fix the Auditor's Remuneration for the financial year 2017/2018

For **Against** **Abstain**

Signed this day of 2017

.....
SIGNATURE



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