United Bus Service Ltd
Annual Report 2020

ubs united bus service ltd

Table of Contents

Corporate Information

DIRECTORATE

CHAIRMAN
M YACOOB RAMTOOLA **FCA**

DIRECTORS
SWALEH RAMJANE **FCIS MCIT**
M S E HAJI ADAM **FCCA**
MASOOD RAMTOOLA
LOCKNAT DABY SEESARAM **CBE**

SECRETARY
LOCKNAT DABY SEESARAM **CBE**

AUDITOR
BAKER TILLY

REGISTERED OFFICE
LES CASSIS, PORT LOUIS

Chairman's Review

On behalf of the Board, I am pleased to submit the annual report of United Bus Service Ltd (" UBS Ltd" or the "Company") for the year ended 30 June 2020.

The Group's turnover and profitability has been impacted as compared to 2019 and this is the result of the Covid 19 and the related lock down that lead to a sharp decrease in the revenue generated from our transport cluster. The results for the year would have been much worse had it not been the Government's assistance through the wage assistance scheme. Further the results of our transport cluster continues to be affected from:

- The operations of illegal operators
- Increasing cost of operations

The future of our transport cluster remains to be defined with the introduction of the Metro Express. The full impact of the Metro Express on the activities of the UBS Transport Ltd can only be assessed in 2022 once the Metro is fully operational. However from meetings held with the authorities we have been reassured that the Government shall implement accompanying measures to ensure that the transport sector remains viable like the allocation of new routes to bus fleet operators to enable them maintain and sustain their operations. This is in line with the Government vision of offering an efficient public transport system that offers greater connectivity within the island. We at the UBS Ltd we are fully confident as regards to the future of our transport cluster

I would like to take this opportunity to express my special thanks to my fellow Directors for their valuable support and guidance during the year, the management and employees of the Group and the Company for their hard work, dedication and commitment.

I am also thankful to our shareholders for their ongoing support to the company's mission, values and objectives.

Yacoob Ramtoola
Chairman

30 September 2020

Board of Directors

Profile of the Board of Directors of UBS Ltd

Mr. Yacoob Ramtoola FCA – Chairman

- **Skills and experience**
  Mr. Yacoob Ramtoola is a fellow of the Institute of Chartered Accountants and has a wide experience in audit and advisory business and is the Chairman of the UBS Ltd since 1996.
- **Other current appointments**
  Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd, Lintrabis Investment Co Ltd, UBS Transport Ltd and Orland Ltd.

Mr. Swaleh Ramjane FCIS MCIT

- **Skills and experience**
  Mr. Swaleh Ramjane is a fellow of the Chartered Institute of Secretaries and Administrators and a member of the Chartered Institute of Transport, he has a wide experience in transport, commerce and industry. He joined the Company in 1978 and is currently the Group Managing Director.
- **Other current appointments**
  Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd, Lintrabis Investment Co Ltd, UBS Transport Ltd and Orland Ltd.

Mr. M S E Haji Adam FCCA

- **Skills and experience**
  Mr. M S E Haji Adam is a fellow of the Institute of Chartered and Certified Accountants. He had a career in audit and accountancy before joining the Group in 2001. He is currently the Finance Director of the Group and overlooks the finance and administrative functions, and also acts as Group Deputy Managing Director.
- **Other current appointments**
  Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd, Lintrabis Investment Co Ltd, UBS Transport Ltd and Orland Ltd.

Mr. L Daby Seesaram CBE

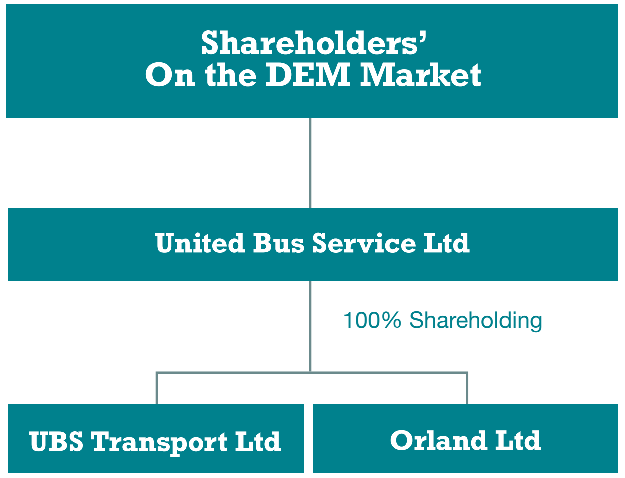
- **Skills and experience**
  Mr. L Daby Seesaram is holder of an LLM and is an experienced barrister. He is the company secretary since 1984.

Massood A Ramtoola

- **Skills and experience**
  Mr. Massood A Ramtoola is an experienced businessman and is the Manager of H A Ramtoola and Sons. He is a Director of the Company since 2013.
- **Other current appointments**
  Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd.

UBS Group Structure

Holding Structure

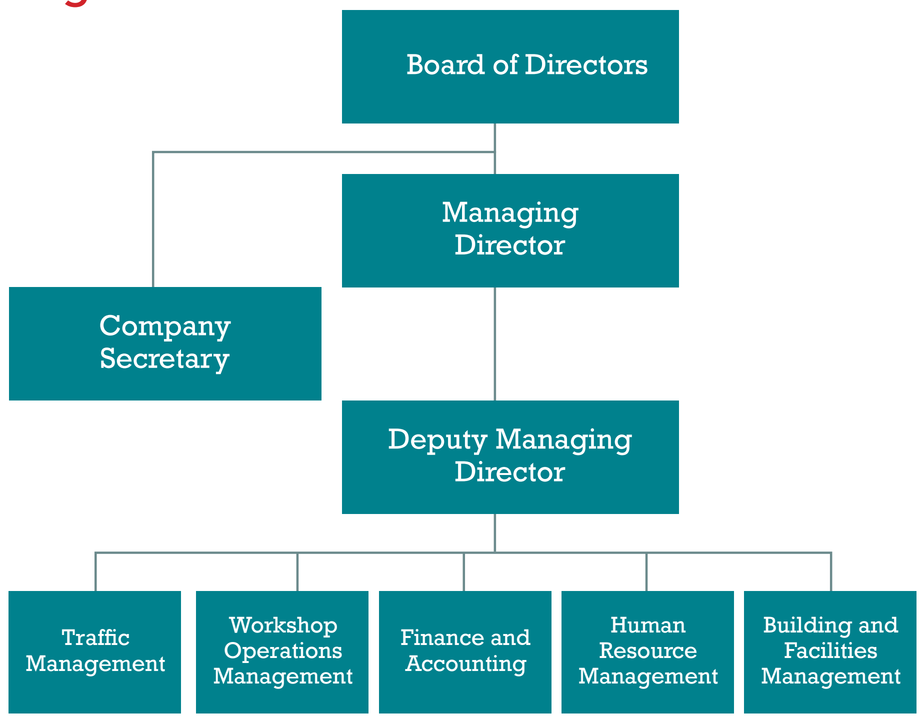


Common Directorships

The below table indicates the Directors common to the United Bus Service Ltd and its subsidiaries:

Directors	UBS Ltd	UBS Transport Ltd	Orland Ltd
Yaccoob Ramtoola	√	√	√
Swaleh Ramjane	√	√	√
M S E Haji Adam	√	√	√
Masood Ramtoola	√	-	-
L D Seesaram	√	-	-

UBS Group Organigram



Introduction

The United Bus Service Limited (UBS Ltd or the Company) is a public limited company incorporated in 1954 and qualifies as a public interest entity as defined under the Financial Reporting Act 2004. The Board of Directors has the responsibility of managing, leading and having full control over the activities of the Company and is committed to achieving high standards of corporate governance.

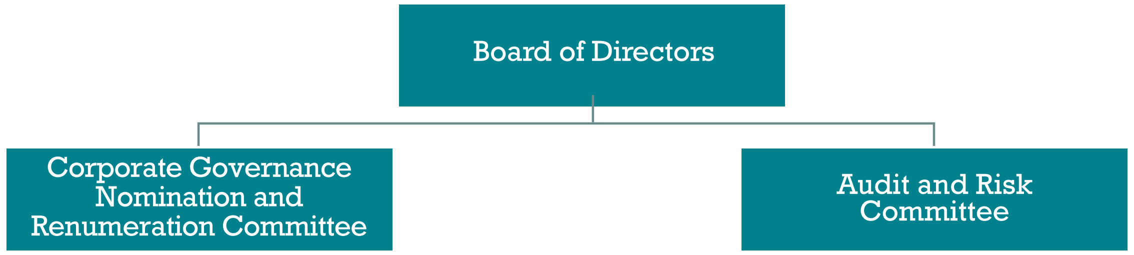
The Company is listed on the Development and Enterprise Market ('DEM") of the Stock exchange of Mauritius ("SEM") and is registered with the FSC as a reporting issuer. It is an investment company holding interests in UBS Transport Ltd and Orland Ltd. Orland Ltd is engaged in property development whereas the UBS Transport Ltd is involved in public transport and is the largest private bus fleet operator in Mauritius.

The report outlines the company's corporate governance framework under National Code of Corporate Governance ("the Code") and provides example as needed how the principles have applied.

The Board of UBS Ltd considers that it has applied in all material respects, all of the principles of the code throughout the financial reporting period from 1 July 2019 to 30 June 2020, and ensured that these principles have been followed and applied across the Group.

Principle 1: Governance Structure

The board serves as the focal point and custodian of corporate governance within the Group and the Company. The Directors recognize that good governance can create shareholder value by enhancing long-term equity performance. While the board is unwavering in its adherence with legislation, regulation, codes and guidelines, the Group's commitment to good governance goes beyond a commitment to comply with standards. Each Director is appointed with the understanding of the amount of time and care that they will have to devote to the Board, the organization, as well as the subsidiaries to ensure an effective oversight of these subsidiaries in line with the governance structure established by the Group.



Key Governance documents

Code of ethics

UBS Ltd commits itself to the highest standards in the conduct of its activities on a daily basis. It consists of general principles regarding relations with stakeholders which defines the reference values guiding the Company in carrying out its activities. Among the aforesaid principles, specific mention is made of the following: honesty, impartiality, confidentiality, the creation of value for shareholders, the value of human resources, the transparency and completeness of information, service quality and the protection of the environment.

The Group is in the process of preparing the code of ethics in line with the recommendations of the Code of Corporate Governance, it will be available soon. This code of ethics shall ensure that Directors and officers of the company have guidance on the ethical, professional and behavior values that they need to adhere and follow.

Board Charter

The board is of the view that the Company's constitution, the Mauritius Companies Act 2001 and rules and regulations which apply to the company are sufficiently detailed and elaborate to serve as benchmark and terms of reference. However, if the need arises in the future the Company shall work towards the implementation of a board charter.

The Chairman ensures that each Director understands his role, responsibilities and the authority of the board of Directors both individually and collectively in setting the direction, the management and the control of the organization. He also ensures that the Directors promote efficiency, transparency and ethical functioning within the Group and the Company.

Principle 1: Governance Structure (Cont'd)

General organization structure of the Company

The general organization structure of the Company is on page 5.

Key Governance Responsibilities

The Board has taken particular note of the following key governance positions that are critical to the Board's performance against its strategy and achievement.

These key governance positions and the job descriptions have been duly approved by the Board.

Key Governance Positions

Chairman of the Board

The Chairman is responsible for the leadership of the board; and in particular he will:

- Ensure effective operation of the board and its committees in conformity with the highest standards of corporate governance
- Ensure communication with shareholders
- Ensure all committees are properly established
- Plan the schedule of meetings and agenda
- Coordinate with the company secretary and ensure the board receives information on a timely basis
- Call for special meetings whenever needed
- Establish a harmonious and open relationship with the Managing Director and other Senior staff

Mr. M Yacoob Ramtoola FCA is the Chairman of the board and a brief profile is provided at page 4.

Group Managing Director (GMD)

The Board is responsible for the appointment of the Group Managing Director, and the Group Managing Director is the most senior member. The authority of the board is conferred to management through the Group Managing Director, so that authority and accountability of management is considered to be the authority and accountability of the Group Managing Director in so far as the board is concerned.

The key responsibilities of the GMD are as follows:

- Formulating and successfully implementing company policy
- Directing strategy towards the profitable growth and operation of the Company
- Developing strategic operating plans that reflect the long-term objectives and priorities established by the board
- Maintaining an ongoing dialogue with the Chair of the board
- Putting in place adequate operational planning and financial control systems
- Closely monitoring the operating and financial results against plans and budgets
- Take remedial action where necessary and inform the board of significant changes
- Maintaining operational performance of the Company
- Assuming full accountability to the board for all the Company's operations
- Building and maintaining an effective executive team

Mr. Swaleh Ramjane FCIS MCIT is the Group Managing Director of UBS Ltd and a brief profile is found on page 4.

Chairman of the Corporate Governance, Nomination and Remuneration committee

The Chairman of the Corporate Governance, Nomination and Remuneration committee works with close collaboration and provides support and advice to the Chairman of the board. He has the following responsibilities:

- Providing guidance to the board on aspects of corporate governance and for recommending the adoption of policies and best practices
- He has to ensure that no Directors are disqualified from holding office
- Determine and develop general policies as regards to executive and senior management remuneration

Principle 1: Governance Structure (Cont'd)

Other Key governance positions

Group Finance Director (GFD)

The GFD reports to the Group Managing Director and his main responsibilities is as per below:

- Provide strategic and financial guidance to ensure that the Group and the Company's commitments are met
- Develop all necessary policies and procedures to ensure the sound financial management and control of the Group's business
- Direct and control finance staff to ensure that they are appropriately motivated and developed so that they can carry out their responsibilities to the required standard
- Contribute to the achievement of the Group's business objectives by providing advice and guidance on financial strategy
- Provide financial advice and guidance to the Group's managers and staff to enable them achieve their objectives
- Oversee the preparation of the Group's financial statements to ensure that these are accurately presented on time
- Develop and maintain all necessary systems, policies and procedures to ensure effective and efficient financial management within the company
- Carry out all necessary actions to ensure that the Company meets its financial and legal obligations

Website

The Group currently does not have a website to publish the following requirement of the Code; it is working towards achieving same; once the website is ready these documents shall be included thereon:

- The Company's constitution
- The Code of ethics
- Job descriptions
- Organization chart
- Statement of major accountabilities

Management has already registered the Group's domain name and it is expected that the website will be operational soon.

Principle 2: The structure of the board and its committees

The Board of Directors of the UBS Ltd represents the shareholders' interests and is collectively responsible for the long-term success of the Group and the Company, its reputation and governance. The board is responsible to all its shareholders and to its other stakeholders for leading and controlling the organization and meeting all legal and regulatory requirements and is also accountable for determining that the Company and its subsidiaries are managed in a way to achieve its objectives.

The board of UBS Ltd is a unitary board and was at 30 June 2020 made up of 5 members. The Chairperson Mr. Yacoob Ramtoola by definition of the Code of Corporate Governance does not meet the criteria of being an independent chairperson. The Board is of the view that a director's independence is not dependent of his term of office. The Board believes that a director's independence is measured by the latter's ability to think, analyse and decide independently and the person's capacity to stand up to contrary views and opposing arguments. The Board has therefore taken the stand that it will ascertain a director's independence on these criteria rather than by the number of years spent on the Board.

Consequently it is entirely satisfied that the chairperson is independent in both character and judgement and he has a wide experience and contributes in strategic issues etc.

Mr. Swaleh Ramjane and Mr. Muhammad Haji Adam are executive directors of the Company.

The executive directors are responsible for managing and running the company, developing and implementing the company's vision and strategy as approved and provided by the board. They manage the relationship between their management responsibilities and their fiduciary duties in the best interests of the company.

Principle 2: The structure of the board and its committees (Cont'd)

For the period ending 30 June 2020 both Messrs. L Daby Seesaram and Massood A Ramtoola have been considered as independently minded Directors even though they have served on the board for several years from the date of their first election. The board is of opinion that these directors have been able to develop over time, insights and knowledge in the Group's business and are therefore able to provide a valuable contribution to the board. The board takes the view that independence cannot be merrily determined solely and arbitrarily on the basis of time. A director's contribution in terms of experience, expertise, objectivity, and independent judgement in engaging and challenging the management in the interests of the Group and Company as he performs his duties are the yard sticks to be used to measure his independence irrespective of the years they have been appointed as directors.

After having taken into account all these attributes and considering that they have discharged their duties by exercising sound independent business judgement in the interest of the Company the board has therefore considered Messrs. L D Seesaram and Massood A Ramtoola as independent directors.

The board after having taken into account the size of the operations of the Group and the company, the spread of operations, the extent of activities which are subject to regulations and the multiplicity of activities is satisfied that its size is sufficient for the management of the affairs of the Group and the company.

Mr. L D Seesaram is the Company Secretary.

The profile of the board members is on page 4.

Powers of the board

The role and responsibilities of the Board of Directors is as per the Company's constitution in compliance of the Companies Act 2001 and as per the listing rules of the stock exchange of Mauritius. The board also follows the principle of good governance as recommended by the NCCG.

Board meetings

The board normally meets 7 times during the year and special meetings are convened when deemed necessary; the board met 5 times for the financial year ended 30 June 2020.

Board attendance

	Board Committee	Corporate Governance, Nomination and Remuneration Committee	Audit & Risk
Yacoob Ramtoola	5/5	2/2	3/3
Swaleh Ramjane	5/5	-	-
L Daby Seesaram	5/5	-	-
M Haji Adam	5/5	2/2	3/3
Masood Ramtoola	5/5	2/2	3/3

The board has approved among others during the year under review the following matters:

Governance

- Monitoring and implementation of the code of corporate governance
- Approval of the corporate governance report to be included in the accounts for the year ended 30 June 2020
- Report from the different committees

Financial

- Approval of the half yearly and quarterly accounts
- Review of business activities

Principle 2: The structure of the board and its committees (Cont'd)

Conflicts of interest and related party transactions

Whenever there is an actual or potential conflict of interest, the director concerned is not present at the part of the meeting in which the conflict of interest is discussed and therefore does not debate or vote on the matter.

Related party transactions are disclosed in note 19 of the notes to the accounts and are at arm's length and in the normal course of business.

Committees of the board
In order to fulfill its obligations, the Board has set up the following sub-committees to assist the Board in discharging its responsibilities; non-executive Directors of the Company chair both committees.

The committees are as follows:

- Corporate Governance, Nomination and Remuneration Committee; and
- Audit and Risk Committee

Corporate Governance, Nomination and Remuneration Committee

Composition and purpose

The members of the Corporate Governance, Nomination and Remuneration Committee are as follows:

- Mr. L D Seesaram (Chairman)
- Mr. Yacoob Ramtoola
- Mr. Massood Ramtoola

The committee consists of 3 members and met 2 times during the year under review. An independent non-executive Director chairs the committee.

The main duties of the committee are as follows:

- Providing guidance to the Board on aspects of Corporate Governance and for recommending the adoption of policies and best practices
- Ensure that no Director is disqualified from holding office
- Ascertain that the right balance of skills, expertise and independence is maintained
- Pay particular attention to potential conflicts of interest and other ethical problems that may arise
- Review the independence of the independent members of the board
- Determine, develop and agree on the Company general policy with respect to executive and senior management remuneration

Audit and risk committee

Composition and purpose

The members of the audit and risk committee are as follows:

Mr. Yacoob Ramtoola (Chairman)
Mr. L D Seesaram
Mr. Massood Ramtoola

The audit and risk committee is the cornerstone of the Company's system of internal control and risk management.

The committee consists of 3 non-executive members of the Company and they have met 3 times during the year under review.

Principle 2: The structure of the board and its committees (Cont'd)

The roles and responsibilities of the committee is set out below:

Auditors and external audit

- Consider and make appointment to the Board for the appointment, re-appointment and removal of external auditors
- Evaluate the performance of external auditors
- Discuss with the external auditors the audit plans, nature and scope of work
- Meet with external auditors at least once yearly and discuss about their audit findings

Financial reporting and internal control

- Review the reliability of the quarterly, half yearly and yearly financial statements prior to their submission to the Board for approval
- Assess the impact of significant accounting and reporting issues and evaluate their impact on the financial statements
- Meet with executive of the Company and the external auditors for discussion of the Company's accounts and results for the audit
- Review the internal control systems and procedures in order to assist the Board of Directors

Internal control function

- The Directors of the Company are responsible for maintaining a sound system of internal control. They believe that the managerial and supervisory control put in place are sufficient to protect the Company's income and assets. Hence it is the responsibility of the members of the audit and risk committee to ensure that the Directors of the Company maintain a sound system of internal control in place.

  The members of the audit committee confirm that each and every sitting of the committee they have reviewed the critical components of the internal controls of the Company:

- They have reviewed the systems established to ensure compliance with those policies, plans and procedures, laws and regulations which could have a significant impact on operations and reports and whether the organization is in compliance
- They have reviewed and ensured that the safeguarding of assets is appropriate
- They have reviewed and appraised the economy and efficiency with which resources are employed
- They have also reviewed the operations or programs to ascertain whether results are consistent with established objectives and goals and whether operations are carried out as planned

Currently, the non-executive Chairman of the Board chairs the audit and risk committee. However, given that Committees are only a mechanism to assist the Board in the performance of its duties and ultimate responsibility and accountability still rests with the Board, we believe that the Chairman of the committee has the expertise and experience needed to carry out the duties as required by the NCCG. Further we believe the Chairman is independent in both character and judgement and demonstrate objectivity in the conduct of the proceedings of the committee.

Annual effectiveness review

The committees confirm that they have discharged their responsibilities for the year under review and it has met the key objectives. However, since the Company has not yet adopted a board charter the committee's performance could not be assessed against the board charter.

Balance and diversity

The Board of UBS Ltd believes that based on its size and its operations, it possesses the right balance. The current Directors possess the appropriate skills, knowledge, independence and experience to enable them to perform their duties. Further the board is of the view that its current size and composition allows it to meet its business requirements. As regards to the gender balance the board is working towards achieving same.

All the Directors of the Company are resident Directors.

Principle 3: Director Appointment Procedures

Appointment

The Board is required from time to time depending on the requirements to fill vacancies that arises in the organization. The following need to be considered prior to the appointment of a new Director onto the board:

- Competence
- Character
- Diligence
- Honesty
- Integrity
- Judgement
- Independence
- Previous experience
- Conflict of interest
- Benefits of diversity, including gender

A transparent procedure is in place before the appointment of a new Director.

It is incumbent to the Corporate Governance, Nomination and Remuneration Committee to review proposals for the appointment as Directors and then make recommendations to the Board. The approval of the Board is required for each appointment and same needs to be put forward to the shareholders at the AGM by way of ordinary resolution for approval.

On appointment to the Board and its Committees, Directors receive a complete induction from the Company Secretary; in addition, new Directors are invited to meet members of the management team in order to rapidly acquire a comprehensive view of the Company's operations, risks and strategy.

A newly elected Director is also requested to sign an appointment letter that clearly highlights his responsibilities etc.

During the year under review the Company has not appointed any new Directors as they are of the view that the current composition of the Board is adequate and sufficient for the Group's scale of operations.

Re-election of Directors

The NCCG do provide for Directors to be elected (or re-elected) as the case applies every year at the AGM of shareholders. However, the board does not consider the recommendation within the context of the company as the shareholders are adequately represented on the board. Also, the constitution of the company does not make any provision for such practices.

The Board also believes that given the nature of the business, reasonable time should be allowed for a Director to understand/ be accustomed with the business. However, re-election of Directors over the age of 70 years is in compliance with Section 138 (B) of the Companies Act 2001.

Professional development

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional practices and professional development.

Succession planning

The Board of the UBS Ltd recognizes the importance of succession planning to provide for continuity in the smooth functioning of the Company. There are certain positions in the Company that are key to the proper functioning and future growth and it is critical to fill up such positions well in time to avoid any leadership gap. The Company has therefore put in place a policy on succession planning for the board and senior management.

Principle 3: Director Appointment Procedures (Cont'd)

Succession planning

The Corporate Governance, Nomination and Remuneration Committee shall oversee the succession planning and shall from time to time make recommendations to the board. The objectives of the succession planning are outlined as per below:

- To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the Company from time to time
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives
- To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to death, disabilities, retirements and unexpected occurrence

Applicability of the policy

The policy shall be applicable for succession planning for the following personnel:

- Chairman and Managing Director
- Group Finance Director
- Company Secretary
- Any other positions within the Company at the discretion of the Managing Director in consultation with the Board

Principle 4: Directors' Duties, Remuneration and Performance

Legal duties

All Directors owe their fiduciary duty to the Company for which they act and all the Directors are fully apprised of their responsibilities.

The Directors are required to:

- To act in good faith: at all times a Director must act in good faith for the overall interests of the Company
- Exercise reasonable care and skill: A Director must act to exercise reasonable level of care as any prudent person would in the circumstances and on the facts known to him. The required level of knowledge expertise and skill may vary between the Directors be they for instance executive and non-executive. They may rely partially on others when acting collectively for their skills and knowledge in reaching a Board decision.
- Exercise their powers as a Director for a proper purpose: The Director should not abuse any of their executive power to ensure their own position. At all times they should act in good faith for the interest of the Company as a whole
- Conflict of interest and duties: At all times the Director must declare any potential conflicts of interest. He must not take on any new position that may endanger his existing relationships without the express permission of the officers of the Company

The Board monitors and evaluate the performance of the Directors and ensures prevention of insider dealing and conflict of interest.

Board evaluation

No board evaluation was conducted for the financial year under review; pursuant to the code the board affirms the value of board evaluation and agreed to the conduct of such an exercise in the near future to evaluate its performance, that of its committees and its individual directors with the aim of improving effectiveness.

It is expected that the first board evaluation will be conducted soon.

The Board of Directors feel the composition of the board is stable and efficient in managing the affairs of the Company.

Principle 4: Directors' Duties, Remuneration and Performance (Cont'd)

Statement of remuneration philosophy

Executive directors are not remunerated for serving on the Board of the Company or its committees. Their remuneration packages as employees of the Company are in accordance with market rates.

The remuneration of the non-executive and independent directors consists of attendance and retainer fees.

Also, the Company does not make any difference in the payment of remuneration criteria for the payment of remuneration to those Executive Directors approaching retirement as they still play an active role in the day to day running of the Company.

The Company clearly differentiates the payment of executive and non-executive remuneration; executive directors' remuneration packages consist of basic salary and other benefits. The structure of the executive remuneration package is reviewed yearly and benchmarked to the industry and market practices. It is the objective of the Group to attract, motivate and retain executive directors as it is an essential for the successful leadership and management of the group's activities. Non-executive directors are paid a fixed retainer fee, a committee fee and any other fees as may be determined from time to time at the sole discretion of the Corporate Governance Nomination and Remuneration committee.

The Directors of the Company are not entitled to any variable remuneration and the Company has no long-term incentive plan in place. Further the Directors of the Company have not received shares in lieu of remuneration during the year under review.

Remuneration and benefits paid to the directors are set out under ''statutory disclosures".

Directors Interest and dealing in UBS Ltd shares

The Company operates a close period policy in line with DEM rules. During closed periods, Directors and officers of the Company and its subsidiary are prohibited from dealing in UBS shares. Parties who may also have access to sensitive information are also cautioned against the possibility of insider trading during these periods.

The table below outlines the interests of the Directors in UBS Ltd shares and remuneration received:

Directors	Direct share holding in UBS Ltd	Indirect share holding in UBS Ltd	Shares purchased during the year
M Yacoob Ramtoola	0.61%	-	-
Swaleh Ramjane	2.89%	-	-
M S E Haji Adam	0.02%	0.39%	-
Massood Ramtoola	0.40%	0.52%	-
L Daby Seesaram	0.11%	-	-

Renumeration paid to the executive and non-executive directors are detailed below:

	Group		Company	
Directors	**2020**	**2019**	**2020**	**2019**
Executive directors	19,189,477	17,482,455	-	-
Non-executive directors	3,118,617	3,380,683	-	-

Principle 4: Directors' Duties, Remuneration and Performance (Cont'd)

Interest register

An interest register which is updated on an annual basis is maintained by the Company Secretary. Any disclosure of interest as required by the Mauritius Companies Act 2001 is recorded in the interest register which is available for inspection during normal working hours upon written request made to the Company Secretary.

The information, information technology and information security policies

The Board is ultimately solely responsible for the governance/management of information within the Group and the Company, the management of information technology and information security policies.

The Chairman with the assistance of the respective teams ensures that Directors receive the necessary information for them to perform their duties.

The Board of Directors is conscious that in today's world of technology, it is important to have a strategic plan for information security aligned with the business strategy so as to achieve the goals set. The Board of UBS Ltd ensures that it has allocated sufficient resources for the implementation of information and IT security plan within the Group and the Company. Risks are identified and the Company allocates resources to ensure that proper policies are put in place to ensure that same is mitigated so as to minimize the impact on information resources.

The Company is also investing in IT so as to have digital information properly secured and safeguarded in different location so as to ensure business continuity. Also, the Company ensures that access rights are granted to authorized personnel only and passwords changed regularly together with back up of digital information.

There are no significant expenditures in respect of information technology to be undertaken in the next financial years.

Principle 5: Risk Governance and Internal Control

The Directors are responsible for maintaining an effective system of internal control and risk management. Whilst these 2 functions are delegated to the Audit and Risk Committee, the governance of risk, the nature and risk appetite remain the ultimate responsibility of the Board.

The responsibility of the Board also includes:

- Ensuring that structures and processes are in place for management of risks
- Identifying the principal risks and uncertainties
- Ensuring that management has developed and implemented the relevant framework
- Ensuring that systems and processes are in place for implementing and monitoring internal controls
- Identifying any deficiency in the system of internal control

Risk Management

The Company is exposed with a variety of risks which could affect its performance and financial condition; the below is a series of key risks:

- *Physical risks*

Among the physical risks identified are unavoidable events such as riots, cyclones and other natural calamities. The following have been undertaken to mitigate the risks of such natural calamities; adoption of cyclone and fire procedures, relevant insurance covers have been contracted by the Company. A disaster recovery plan has also been prepared.

For the prevention of on-site accidents, the Company implements adherence to all occupational and health and safety regulations and in addition the services of a full-time health and safety officer to ensure that all health and safety regulations are observed.

The risks of theft, fraud etc. is mitigated through the implementation of control procedures and CCTV cameras are in place.

Principle 5: Risk Governance and Internal Control (Cont'd)

Risk Management (Cont'd)

- ***Financial risk***

Financial risk management is further explained in note 23 to the Financial Statements and includes a discussion on the following risk.

- Foreign currency risk
- Interest rate risk
- Liquidity management
- Equity price risk

The Board of Directors regularly monitors the liquidity risk management to ensure that the Company has sufficient cash and the availability of funding through credit facilities through financial institutions so that it can meet its commitments in respect of obligations towards different stakeholders.

- ***Operational risk***

These risks are monitored through the establishment of planning and control systems to ensure that the risks of loss from inadequate or failed processes, people and from external events are mitigated.

The Company monitors and evaluates the processes regularly to ensure their proper effectiveness. Managers are required at every level to fulfil their respective duties to ensure that the controls are kept effective over time.

- ***Compliance risk***

This risk is defined as the risk that the Company does not comply with laws, regulations, and policies as set by the Government.

The operations of the Company are fully compliant with all the rules, regulations and policies as laid down by the Authorities and furthermore the Company regularly reviews its position towards any new regulation as set by the Authorities to ensure strict compliance.

- ***Information Technology risk***

This refers to the risk of loss of data, information or eventually the IT systems of the Company being hacked. In order to mitigate this risk, the Company has invested in back-up systems and the necessary software and hardware to ensure that no such losses actually occur.

- ***Reputational Risk***

This risk arises as a result of the Company being unable to meet its professional obligation towards its stakeholders due to unintentional or negligent action.

In order to mitigate this risk, the Company communicates regularly with its stakeholders and constantly strives to build strong business relationships with its stakeholders.

- ***Human Resources Ris***k

The management of human resource risk is an ongoing activity that involves careful planning and constant fluidity to enable the Company to tackle any potential change in the human resources sector. On the basis of the controls that are in place, we believe that the likelihood of a potential human resource risk is negligible.

The Company has also established a succession planning and in due course a designated Group Managing Director will be nominated.

- ***Business Continuity Risk***

Business continuity risk is the task of identifying, developing, acquiring, documenting and testing procedures and resources that will ensure continuity of the Company's key operation in the event of an accident, disaster and emerging threat. It involves risk mitigation planning, i.e.; reducing possibility of the occurrence of adverse events and business recovery planning in the aftermath of a disaster.

Principle 5: Risk Governance and Internal Control (Cont'd)

Risk Management (Cont'd)

- ***Business Continuity Risk (Cont'd)***

In order to reduce the business continuity risk to a minimum level, the Company implements the following procedures:

- The fleet of buses are parked in 3 different locations
- The Company has made provision for office facilities in another bus depot so that in the aftermath of any disaster, administrative functions can resume in a short span of time
- The Company has also made provision for fire extinguishers and also complies with the fire safety rules
- The Company also subscribes to adequate insurance covers
- Proper back up of all the computer systems are performed and kept in different locations

The Directors also confirm that they have assessed the different risks the Group and Company faces and they have reasonable expectations to believe that the Group and the Company will be a going concern and they will be in a position to pay the liabilities when they fall due.

In their risk assessment they have taken into account the following risks:

- Strategic
- Financial
- Operational
- Compliance

There are also some typical risks over which the Group has little influence or they form part of the inherent nature of the business activities, these risks are as follows:

- Foreign exchange risk
- Interest rate risk
- Risk that personnel needed is not obtained
- Changes in regulations that may affect the business activities

Internal control

The Group did not during the year under review have an internal audit function as this was not considered essential given the nature of the Group's business, and the central control and organization and approval structure in place across the Group with clear defined levels of authority and division of responsibilities. The Company has clear and robust internal control procedures for the approval of all transactions, no matter what the size. However, in order to be inline with the requirements of the NCCG the Company is strongly considering the setting up of an internal audit function.

The board has delegated the authority to the audit and risk committee for monitoring and reviewing the effectiveness of the company's internal control and compliance systems, whilst the board is also aware that a system if internal control can only provide reasonable but not complete assurance against the risk of the following:

- Human errors
- Losses
- Fraud
- Losses
- And other irregularities.

Whistle blowing policy

The Company has established a whistle blowing policy which set out the procedures for whistle blowing. A copy of the policy will be available on the Company's website once same is ready.

Staff may report allegations and any concern via email or by post depending on their choice or through their immediate supervisor.

Principle 6: Reporting with integrity

The Directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations. Company law further requires the Directors to prepare financial statements in accordance with Financial Reporting Standards for each financial year.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing with reasonable accuracy at any given point in time the financial position of the Group and the Company. They also have the duty to safeguard the assets of the Company and to prevent and detect frauds. The Directors have confirmed same as disclosed in the Statement of Directors' responsibilities.

Environment, health and safety

The Company strives to maintain a safe working environment that is free from hazards and risk of injury to all employees.

The Company complies with the Occupational Safety and health Act 2005 and other legislations.

The Company hires the services of a health and safety officer on a full time basis to ensure that all health and safety regulations are observed.

A health and safety committee has been set up and meets regularly to discuss about problems and grievances that may arise.

The Company aims to:

- Promote an environment that recognizes environment achievement as one of the main core values
- Create a sense of awareness among employees to be more pro-active rather than reactive in all activities with regards to the environment

Environment and sustainability initiatives

The Company is committed to sustainable development and strives to ensure that its operations are conducted in a way that minimizes the impact on the environment and the society at large.

The following are the initiatives taken by the Company:

- Inculcation of environmental awareness to all staff
- Controlling of air conditioners
- Switching off lights when not needed
- Reduction of photocopying
- Purchase of environment friendly buses
- Recycling of used engine oil
- Use of water recycling plants for the washing and cleaning of buses

Applicable standards

The accounts of the Group and the Company are prepared in accordance with International Financial Reporting Standards.

Principle 7: Audit

External audit

Appointment process

In line with good governance and as per the requirements of the NCCG the Group and Company shall soon proceed with a request for proposal to reputable audit firms registered with the Financial Reporting Council in view of proceeding with the rotation of auditors.

As per the enactment of the Finance Act 2016 and subsequent regulation Government notice No 64 of 2017, listed companies are required to rotate their auditors every 7 years. The previous auditor had been auditing the financial statements of the Group since its incorporation. Following the requirement established for rotation of the auditor, the Group had conducted a tender for appointment of a new audit firm in the month of August 2019. The current auditor Baker Tilly have been appointed to audit the financial statements of the Company for the year ended 30 June 2020 as well as provide tax services. Their appointment was approved by the Board of Directors

Meeting with Audit committee

The external auditors meet with the members of the audit committee without the presence of the executives/management to discuss the financial statements and other audit matters.

The following matters are normally discussed during the meeting with the auditors:

- Scope of the audit work
- Audit findings
- Views on the control environment including fraud risk management
- Free access to the accounting records of the Company

Evaluation of the auditors

The members of the audit committee do evaluate the performance of the external auditor taking into account the quality of the audit, their findings and recommendations.

Principle 8: Relations with other shareholders and other key stakeholders

The Group has defined its stakeholder as any group/person that has an interest in the success or failure of the Company's business. The stakeholders can have a significant impact on decisions regarding operations and finances of the organization. The Group's main stakeholders are as per below:

- Shareholders
- Suppliers/creditors
- Employees
- Commuters/travelling passengers
- Community
- Regulators

Share Capital structure

The Company has a share capital of MUR 49,694,890 consisting of 4,969,489 shares of Rs 10 each.

The Group key stakeholders/communication with shareholders

The Group continuously engages with its stakeholders through an open and transparent communication. It also aims to keep them updated on a regular basis on all matters affecting the Company through announcements and disclosures in the annual report and at the annual meeting of shareholders.

UBS Ltd produces quarterly, half yearly and annual accounts as per statutory requirements and it publishes the accounts immediately after their approval by the Board of Directors.

Principle 8: Relations with other shareholders and other key stakeholders (Cont'd)

The Company's Annual General Meeting provides an opportunity for shareholders to meet discuss with the Board relating to the Company and its performance.

Shareholders

All shareholders have the same voting rights

The major shareholders of the UBS Ltd at 30 June 2020 are as follows:

Shareholders	No.of shares	% shareholding
Associated Commercial Co Ltd	1,704,842	34.31
The Mauritius Secondary Industries Ltd	640,169	12.88
Lintrabis Investment Company Ltd	435,956	8.77

Distribution of shareholding at 30 June 2020

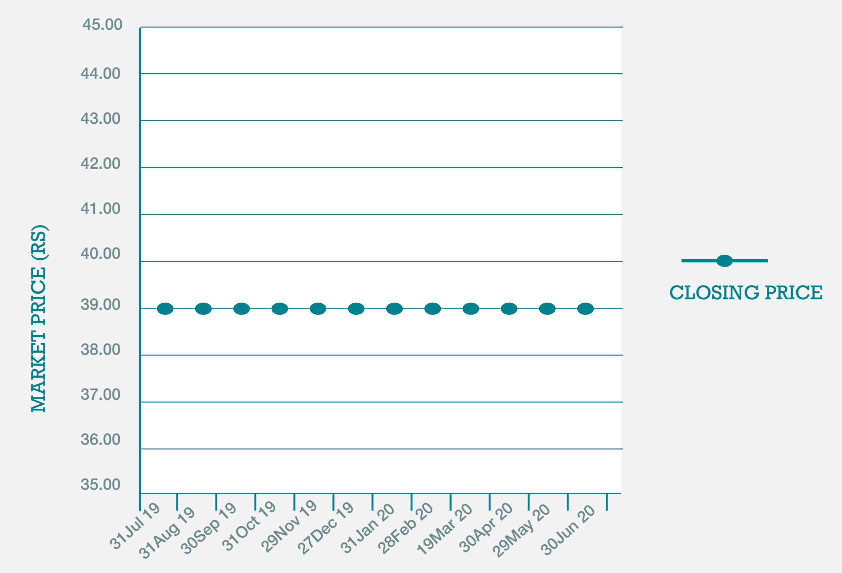
Defined brackets	No of shareholders	No of shares owned	% Holding
1-500	1,061	171,314	3.45
501-1,000	229	159,071	3.20
1001-5,000	295	620,784	12.49
5,001-10,000	36	257,963	5.19
10,001-50,000	46	785,477	15.81
50,001-100,000	1	50,326	1.01
Over 100,000	4	2,924,554	58.85
Total	1,672	4,969,489	100

Principle 8: Relations with other shareholders and other key stakeholders (Cont'd)

Share price information

The shares of the Company are quoted on the Development Enterprise Market of the stock Exchange of Mauritius.

The share price of the Company over the year has been as follows:



Dividends

The Board has agreed over a dividend policy to the effect that a reasonable amount of the recurrent profits after tax is paid as dividends.

Dividends are normally declared in June and are paid in July subject to the performance of the Company, availability of funds and future capital commitments or as otherwise decided by the Board. Directors ensure that the Company satisfies the solvency test for each declaration of dividend.

During the year the Company has not declared any dividend.

Suppliers/creditors

The Group ensures that it is given value for money services and as far as possible it engages with local suppliers.

Employees

The Group/Company considers its employees as their most value assets/ their brand ambassadors and it is actively involved in giving them training, etc. with a view of improving their knowledge/personal development so that they deliver the best service on a daily basis.

Clients (travelling passengers/commuters)

The Group and Company is in constant communication with the travelling passengers/commuters to understand their needs/requirements and it strives towards improving its bus services in a view to improve their daily travelling experience by bus.

Corporate Governance Report

Principle 8: Relations with other shareholders and other key stakeholders (Cont'd)

Community

The Group and Company engages with the community through various CSR commitments such as socio-economic development, education and training, child and healthcare. These are met through the UBS Charitable Trust and Movement Social de Plaine Lauzun with the following objectives:

- To reduce poverty
- To promote self help projects
- To provide formal and non formal education courses
- To organize cultural, social and economic activities

Schedule of events

Some key milestones are as follows:

- Approval of accounts and publication of audited abridged financial statements – September
- Annual meeting – December
- Declaration of dividend – May/June
- Dividend payment – July
- Publication of quarterly accounts
  1 quarter ending 30 September – Mid November
  2 quarter ending 31 December – Mid February
  3 quarter ending 31 March – Mid May

Annual general meeting of shareholders

The annual general meeting of the UBS Ltd is scheduled in December 2020. Shareholders shall be provided with notice of meeting and they will be given the opportunity to communicate/express their views and engage with members of the board. Shareholders shall also be provided with notice of meeting and proxy forms.

Donations

Charitable donations and political contributions:

	Group		Company	
	2020	2019	2020	2019
Charitable donations	Rs 210,000	Rs 25,000	-	-

In line with current legislation the Group has made contribution of Rs 1,796,286 (2019: Rs 1,566,985) to the approved CSR organization. No contribution has been made to any political parties in 2020 and 2019.

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Statement Of Compliance

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

Name of Public Interest Entity: United Bus Service Limited

Reporting period: 30 June 2020

We, the Directors of United Bus Service Limited, confirm that to the best of our knowledge, the Group has complied with all of its obligations and requirements under the Code of Corporate Governance.

The areas of non-compliance, whose reason has been explained in the Report, is:

- Principle 4:

Details of the remuneration paid to each individual director has not been disclosed as required by the Code. Management has instead disclosed the remuneration paid in total to executive and non-executive directors.

Date: 30 September 2020

M Yacoob Ramtoola
Chairman

M S E Haji Adam
Director

Statement of Director's Responsibilities

The Directors are responsible for preparing the corporate governance report and financial statements in accordance with applicable laws and regulations.

The Directors acknowledge their responsibilities for:

- Keeping adequate accounting records and maintenance of effective internal control systems
- The preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standards (IFRSs)
- The use of appropriate accounting policies supported by reasonable and prudent judgements and estimates

The external auditors are responsible for reporting whether the financial statements are fairly presented.

The Directors report that:

- Adequate accounting records and an effective system of internal controls and risk management have been maintained
- Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently
- International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified
- The Code of Corporate Governance has been adhered to in all material aspects and reasons provided for areas of non-compliance

On behalf of the Board

M Yacoob Ramtoola
Chairman

M S E Haji Adam
Director

30 September 2020

Statutory Disclosures
Year ended 30 June 2020

The directors have pleasure to submit herewith their Annual Report together with the audit financial statements for the year ended 30 June 2020.

1. Principal Activities

- The principal activity of the United Bus Service Limited is that of an investment holding company
- The principal activities of the subsidiary companies are as follows: -
  - UBS Transport Ltd - Bus fleet operator
  - Orland Ltd - Property development
- The consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2020 is set on page 33.

2. Directors' Remuneration

The Board of Directors has agreed not to disclose the emoluments of Directors on an individual basis because of the commercially sensitive nature of this data.

Remuneration and benefits received by the Directors from the Company are disclosed

	2020		2019	
	Group	Company	Group	Company
Executive Directors	19,189,477	-	17,482,455	-
Non-Executive Directors	3,118,617	-	3,380,683	-

3. Directors Service Contracts

There were no service contracts between the Company or its subsidiaries and any of its Directors during the year.

4. Contract of Significance

There were no contracts of significance subsisting during or at year end in which a Director of the Company was interested either directly or indirectly.

5. External auditor's fees

	Group	Company	Group	Company
	2020		2019	
External Audit Services	Rs 529,000	Rs 172,500	Rs 918,250	Rs 253,000
Tax compliance services	Rs 63,250	Rs 23,000	Rs 80,500	Rs 27,025

On behalf of the Board

M Yacoob Ramtoola
Chairman

M S E Haji Adam
Director

30 September 2020

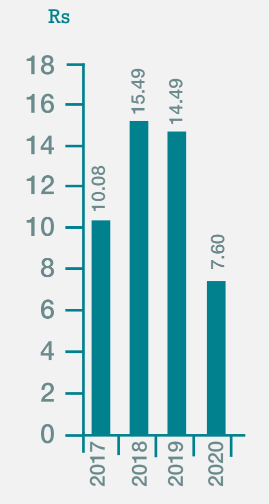
Secretary's Certificate

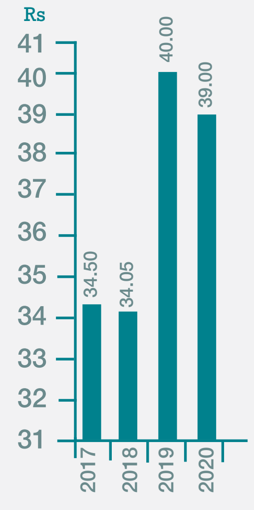
In my capacity as Company Secretary, I hereby confirm that, to the best of my knowledge and belief the Company has filed with Registrar of Companies, as at 30 June 2020 all such returns as are required of the Company under the Mauritius Companies Act 2001.

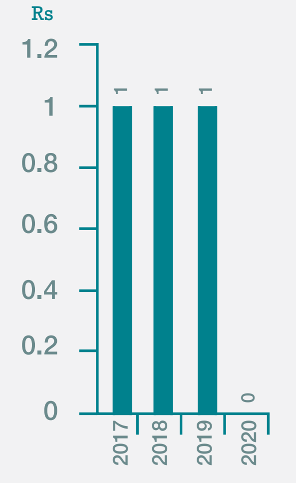
L D Seesaram CBE
Secretary

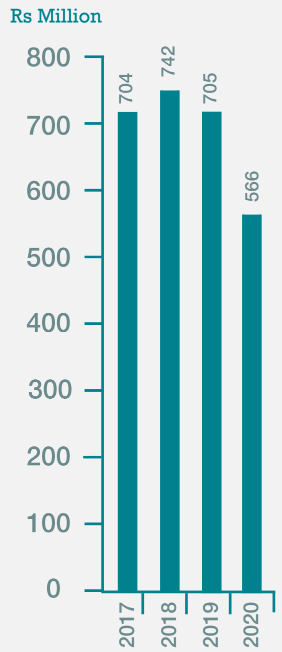
30 September 2020

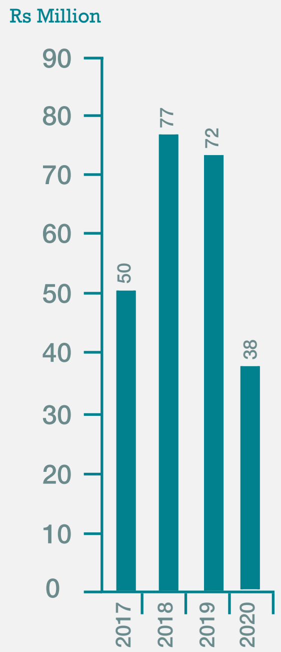
Financial Highlights of the Group











Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of United Bus Service Limited (the "Company") and its subsidiaries (together the "Group") on pages 32 to 79, which comprise the consolidated and separate statement of financial position as at 30 June 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements on pages 32 to 79:

(i) have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS");

(ii) give a true and fair view of the matters to which they relate;

(iii) present fairly the financial position of the Group and Company at 30 June 2020 and their financial performance, changes in equity and cash flows for the year ended on that date; and

(iv) comply with the requirements of Mauritius Companies Act 2001.

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 Financial Statements section of our report. We are independent of 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

We draw attention to Note 30 of the financial statements concerning the major events arising during the financial year ended 30 June 2020. On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The first half of 2020 has seen extreme volatility and limited liquidity in the financial markets, with many markets being subject to government intervention. The threat of the virus still remains, and the directors consider it is too early to analyse on any expected recovery of the local economy. The possibility remains that with a further severe decline in economic activity and reintroduction of restrictions, of disruption of public utilities or network services, as well as system failures at facilities or otherwise affecting businesses, the performance of the Group and the Company could be adversely affected. The directors will continue to monitor the market situation and the impact of the Covid 19 on the Group's and the Company's activities. Our opinion is not modified in this respect.

Other matter

We draw attention to the fact that we were appointed as auditors of the Company for the first time for the year ended 30 June 2020 on 03 February 2020. The consolidated and separate financial statements for the year ended 30 June 2019 were audited by another auditor who expressed an unqualified opinion on those financial statements on 30 September 2020.

Key audit matters

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

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

The key audit matter	How our audit addressed the key audit matter
Recoverability of parent company's investments in subsidiaries and receivables due from group entities.	
As at June 30, 2020 the carrying value of the investment in subsidiary amounted to Rs 256,182,090 and amount receivable from same subsidiary amounted Rs 216,212,781. The Company assesses at each reporting date whether the financial assets carried at amortised cost are credit-impaired. The Group's management has applied a simplified expected credit loss ("ECL") model to determine the allowance for impairment of trade receivables. The COVID-19 situation has created significant instability on the global and local market. However, the subsidiary was profitable and able to settle part of the loan balances to the Company during the financial reporting date.The level of default was lower at 30 June 2020 compared to the same period in 2019, the risk of impairment has remained low as a result of the payments received We considered as a key audit matter due to the judgements and estimates involved in the application of the expected credit loss model.	Our audit procedures performed included amongst others: • Verified the computation of the ECL for accuracy. • Obtained and assessed historical information as well as collections post the financial reporting date of amount receivable in order to determine the risk of defaults and whether a significant increase in credit risk has occurred. We also considered the appropriateness of forward-looking factors used to determine expected credit losses; • Assessed independently assumptions and data used by management as extracted from the Company's records for completeness and accuracy. • Evaluated the adequacy of the disclosures in the financial statements.
Retirement benefit obligations	
The Group has recognised retirement benefit obligations of Rs 433,486,186 as at 30 June 2020. Management has applied independent judgement in choosing appropriate actuarial assumptions to determine the retirement benefit obligations and has involved an actuary to calculate the obligations. These assumptions can have a material impact on the liability. Accordingly, the valuation of retirement benefit obligations is considered to be a key audit matter due to the significance of the balance in the consolidated financial statements as a whole, combined with the judgement associated for determining the appropriate actuarial assumptions. The significant assumptions used have been disclosed in note 21.	The procedures performed included the following: • Assessed the competence, capabilities and objectivity of the independent actuary and verified the qualifications of the actuary. • Assessed and discussed the assumptions that management, in conjunction with actuary made in determining the present value of the liabilities and fair value of the plan assets; • Compared the significant assumptions used by management such as discount rates and annual salary increases with historical data. • Verified data used by actuary with the payroll report for completeness and accuracy.

Responsibilities of the Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and comply with the requirements of Mauritius Companies Act 2001, and for such internal control as the directors determines are necessary to enable the preparation of the consolidated and separate 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's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

This opinion has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purposes.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

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

- Conclude on the appropriateness of 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 Group and 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Responsibilities of the Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements (Cont'd)

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

Other information

The directors are responsible for the other information. The other information comprises statutory disclosures and secretary's certificate.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interest in the Company or any of its subsidiaries other than in our capacities as auditor and tax adviser.

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 the compliance with the Code of Corporate Governance as disclosed in the corporate governance report and on whether the disclosure is consistent with the requirement of the Code.

The directors have given explanations on the principles of the Code which have not been complied with.

In our opinion, except for areas non–application of the Code for which directors have given satisfactorily explanation, the disclosure in the financial statements is consistent with the principles of the Code.

Baker Tilly.

Baker Tilly

Vivek Gujadhur, **FCCA**
Licensed by FRC

Date: 30 September 2020

Statement Of Financial Position
At 30 June 2020

	Note	GROUP		COMPANY	
		2020	2019	2020	2019
		Rs	Rs	Rs	Rs
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	104,271,986	165,653,296	30,500,000	66,500,000
Investment property	6	644,428,747	584,962,400	36,000,000	-
Investments in subsidiaries	7	-	-	256,182,090	256,182,090
Financial assets	8	3,682,174	3,883,620	3,680,174	3,881,620
Deferred tax assets	18(c)	80,701,460	76,533,830	70,620	80,036
Total non-current assets		833,084,367	831,033,146	326,432,884	326,643,746
CURRENT ASSETS					
Inventories	9	59,580,214	70,421,364	-	-
Trade and other receivables	10	18,196,801	9,269,290	30,719,478	34,507,585
Financial assets	8	64,421,205	40,199,318	-	-
Current tax assets	18(a)	6,780,780	4,754,625	-	-
Cash and bank balances	11	60,159,746	51,150,426	1,492,881	287,008
Total current assets		209,138,746	175,795,023	32,212,359	34,794,593
TOTAL ASSETS		1,042,223,113	1,006,828,169	358,645,243	361,438,339
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated capital	14	49,737,832	49,737,832	49,737,832	49,737,832
Revaluation and replacement reserves		45,931,670	45,931,670	45,931,670	45,931,670
Fair value reserves		3,312,154	3,513,600	3,312,154	3,513,600
Retained earnings		258,244,374	225,827,996	136,554,458	114,732,827
Total equity, attributable to owners of the Company		357,226,030	325,011,098	235,536,114	213,915,929
NON-CURRENT LIABILITIES					
Obligations under finance lease	24	2,006,712	3,492,068	-	-
Retirement benefit obligations	21	433,485,186	438,239,605	-	-
Deferred tax liabilities	18(c)	4,027,693	3,992,030	-	-
Total non-current liabilities		439,519,591	445,723,703	-	-
CURRENT LIABILITIES					
Trade and other payables	13	174,921,613	155,588,160	122,136,479	142,552,921
Bank overdraft	11	807,855	-	807,855	-
Obligations under finance lease	24	1,483,229	1,394,545	-	-
Current tax liabilities	18(a)	164,795	6,039,474	164,795	-
Amounts due to related parties	12	68,100,000	68,101,700	-	-
Dividend payable	22	-	4,969,489	-	4,969,489
Total current liabilities		245,477,492	236,093,368	123,109,129	147,522,410
Total liabilities		684,997,083	681,817,071	123,109,129	147,522,410
TOTAL EQUITY AND LIABILITIES		1,042,223,113	1,006,828,169	358,645,243	361,438,339

Approved by the Board of Directors and authorised for issue on 30 September 2020

M Yacoob Ramtoola
Chairman

Swaleh Ramjane
Director

M S E Haji Adam
Director

The notes on pages 38 to 79 form an integral part of these financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income
For The Year Ended 30 June 2020

	Note	GROUP		COMPANY	
		2020	2019	2020	2019
		Rs	Rs	Rs	Rs
REVENUE	26	566,029,777	704,832,415	22,590,093	1,573,667
DIRECT COSTS		(463,008,012)	(550,838,137)	-	-
OPERATING PROFIT		103,021,765	153,994,278	22,590,093	1,573,667
ADMINISTRATIVE EXPENSES		(70,942,731)	(71,584,816)	(594,251)	(589,283)
PROFIT FROM OPERATIONS	15	32,079,034	82,409,462	21,995,842	984,384
OTHER INCOME	16	14,972,933	7,526,936	-	-
FINANCE INCOME	16	1,986,077	614,452	-	-
FINANCE COSTS	17	(2,785,414)	(5,898,470)	-	-
PROFIT BEFORE TAX		46,252,630	84,652,380	21,995,842	984,384
TAX EXPENSE	18(b)	(8,475,484)	(12,630,582)	(174,211)	-
PROFIT FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY		37,777,146	72,021,798	21,821,631	984,384
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligations	21	(6,458,757)	(19,556,373)	-	-
Deferred tax relating on remeasurement of defined benefit obligations	18(b)	1,097,989	3,324,583	-	-
Gain on property revaluation	5	-	11,000,000	-	11,000,000
Fair value (loss)/ gain on investments designated at FVTOCI	8	(201,446)	188,306	(201,446)	188,306
Total other comprehensive (loss)/income for the year, net of income tax		(5,562,214)	(5,043,484)	(201,446)	11,188,306
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, ATTRIBUTABLE TO OWNERS OF THE COMPANY		32,214,932	66,978,314	21,620,185	12,172,690
EARNINGS PER SHARE	20	7.60	14.49		

The notes on pages 38 to 79 form an integral part of these financial statements.

Statements Of Changes In Equity
For The Year Ended 30 June 2020

GROUP

ATTRIBUTABLE TO OWNERS OF THE COMPANY	Note	Stated capital	Properties revaluation reserve	Bus replacement reserve	Fair value reserve*	Retained earnings	Total
		Rs	Rs	Rs	Rs	Rs	Rs
At 1 July 2018 (as previously stated)		49,737,832	34,931,670	400,000	-	174,607,477	259,676,979
IFRS 9 adjustment	8	-	-	-	3,325,294	-	3,325,294
At 01 July 2018 (as restated)		49,737,832	34,931,670	400,000	3,325,294	174,607,477	263,002,273
Transfer		-	-	(400,000)	-	400,000	-
Comprehensive income:							
Profit for the year		-	-	-	-	72,021,798	72,021,798
Other comprehensive income/(loss) for the year, net of income tax		-	11,000,000	-	188,306	(16,231,790)	(5,043,484)
Total comprehensive income for the year		-	11,000,000	-	188,306	55,790,008	66,978,314
Transactions with owners:							
Dividend	22	-	-	-	-	(4,969,489)	(4,969,489)
At 30 June 2019		49,737,832	45,931,670	-	3,513,600	225,827,996	325,011,098
At 1 July 2019		**49,737,832**	**45,931,670**	**-**	**3,513,600**	**225,827,996**	**325,011,098**
Comprehensive income:							
Profit for the year		-	-	-	-	37,777,146	37,777,146
Other comprehensive loss for the year, net of income tax		-	-	-	(201,446)	(5,360,768)	(5,562,214)
Total comprehensive (loss) /income for the year		-	-	-	(201,446)	32,416,378	32,214,932
At 30 June 2020		**49,737,832**	**45,931,670**	**-**	**3,312,154**	**258,244,374**	**357,226,030**

*Fair value reserve represents the cumulative gains and losses arising on the revaluation of investments in equity investments designated at fair value through other comprehensive income, net of cumulative gain/loss reclassified to retained earnings upon disposal.

The notes on pages 38 to 79 form an integral part of these financial statements.

Statements Of Changes In Equity
For The Year Ended 30 June 2020

COMPANY

	Note	Stated capital	Properties revaluation reserve	Bus replacement reserve	Fair value reserve*	Retained earnings	Total
		Rs	Rs	Rs	Rs	Rs	Rs
At 1 July 2018 (as previously stated)		49,737,832	34,931,670	400,000	-	118,317,932	203,387,434
IFRS 9 adjustment	8	-	-	-	3,325,294	-	3,325,294
At 01 July 2018 (as restated)		49,737,832	34,931,670	400,000	3,325,294	118,317,932	206,712,728
Transfer		-	-	(400,000)	-	400,000	-
Comprehensive income:							
Profit for the year		-	-	-	-	984,384	984,384
Other comprehensive income for the year		-	11,000,000	-	188,306	-	11,188,306
Total comprehensive income for the year		-	11,000,000	-	188,306	984,384	12,172,690
Transactions with owners							
Dividend	22	-	-	-	-	(4,969,489)	(4,969,489)
At 30 June 2019		49,737,832	45,931,670	-	3,513,600	114,732,827	213,915,929
At 1 July 2019		**49,737,832**	**45,931,670**	**-**	**3,513,600**	**114,732,827**	**213,915,929**
Comprehensive income:							
Profit for the year		-	-	-	-	21,821,631	21,821,631
Other comprehensive income for the year		-	-	-	(201,446)	-	(201,446)
Total comprehensive (loss)/ income for the year		-	-	-	(201,446)	**21,821,631**	21,620,185
At 30 June 2020		**49,737,832**	**45,931,670**	**-**	**3,312,154**	**136,554,458**	**235,536,114**

*Fair value reserve represents the cumulative gains and losses arising on the revaluation of investments in equity investments designated at fair value through other comprehensive income, net of cumulative gain/loss reclassified to retained earnings upon disposal.

The notes on pages 38 to 79 form an integral part of these financial statements.

Statements Of Cash Flows
For The Year Ended 30 June 2020

Cash flows from operating activities	Note	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
		Rs	Rs	Rs	Rs
Profit before taxation		46,252,630	84,652,380	21,995,842	984,384
Adjustments for:					
Interest expense	17	2,785,414	5,898,470	-	-
Interest income		(1,986,077)	(614,452)	(1,211,893)	(1,563,467)
Dividend income		(10,200)	(10,200)	(20,010,200)	(10,200)
Retirement benefits obligations	21	38,112,363	35,768,942	-	-
Depreciation of property, plant and equipment	5	34,102,380	39,191,342	-	-
Provision for inventory		6,000,000	-	-	
Profit on disposal of plant and equipment	16	(2,750,000)	(2,030,000)	-	-
Profit on disposal of investment property	16	(6,755,704)	-	-	-
Depreciation of investment property	6	30,915,806	30,350,915	-	-
Operating profit before working capital changes		146,666,612	193,207,397	773,749	(589,283)
(Increase)/decrease in trade and other receivables		(10,114,219)	20,201,653	-	-
Decrease/(increase) in inventories		4,841,150	(9,930,243)	-	-
Increase/(decrease) in trade and other payables		16,711,069	(2,924,211)	(25,385,931)	1,261,574
Movement in current account with subsidiary		-	-	25,000,000	4,500,000
		11,438,000	7,347,199	(385,931)	5,761,574
Cash generated from operations		158,104,612	200,554,596	387,818	5,172,291
Net tax paid		(20,571,393)	(15,443,020)	-	-
Retirement benefits paid		(49,325,539)	(28,620,208)	-	-
Interest paid		(2,785,414)	(6,306,920)	-	-
Net cash generated from operating activities		85,422,266	150,184,448	387,818	5,172,291
Cash flows from investing activities					
Interest received		193,540	411,643	-	-
Dividend received		10,200	10,200	10,200	10,200
Purchase of financial assets	8	(113,180,350)	(79,701,510)	-	-
Proceeds from matured treasury bills	8	90,750,000	39,705,000	-	-
Purchase of plant and equipment	5	(8,721,070)	(8,448,604)	-	-
Proceeds from disposal of plant and equipment		2,750,000	2,410,000	-	-
Proceeds from disposal of investment property		8,166,150	-	-	-
Purchases of investment property	6	(55,792,599)	(5,562,842)	-	-
Net cash (used in)/generated from investing activities		(75,824,129)	(51,176,113)	10,200	10,200
Cash flows from financing activities					
Repayment under finance lease	24	(1,396,672)	(1,320,771)	-	-
Loans repayment		-	(78,000,000)	-	-
(Repayments to)/advances from related parties		-	(500,000)	-	-
Dividend paid		-	(4,969,489)	-	(4,969,489)
Net cash used in financing activities		(1,396,672)	(84,790,260)	-	(4,969,489)
Net increase in cash and cash equivalents		8,201,465	14,218,075	398,018	213,002
Cash and cash equivalents at 1 July		51,150,426	36,932,351	287,008	74,006
Cash and cash equivalents at 30 June		59,351,891	51,150,426	685,026	287,008
Represented by:					
Cash and bank balances		60,159,746	51,150,426	1,492,881	287,008
Bank overdraft		(807,855)	-	(807,855)	-
Net cash and bank balances		59,351,891	51,150,426	685,026	287,008

The notes on pages 38 to 79 form an integral part of these financial statements.

1 INCORPORATION AND ACTIVITIES

United Bus Service Limited (the "Company") is a public company incorporated in Mauritius and listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius. Its registered office and principal place of business is situated at Royal Road, Les Cassis, Port Louis.

The main activities of the Company and of its subsidiaries (collectively referred to as the ''Group") are:
- United Bus Service Limited is engaged in investment holding.
- UBS Transport Ltd provides bus transport services to the public.
- Orland Ltd is engaged in property development.

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

"The following standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on 1 July 2019 were adopted by the Group and the Company. However, these did not have a material impact on the Group's and Company's financial statements:

2.1 New and amended IFRS Standards that are effective for the current year

IFRIC 23 - Uncertainty Over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements."

"IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgements made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

The standard does not have any major impact on the Group's and Company's financial statements.

IFRS 16 - Leases

The Group applied IFRS 16 with a date of initial application of 1 July 2019. As a result, the Group has considered its accounting policy for lease contracts as detailed below.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to the contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July, 2019.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 or IAS 17. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Cont'd)

2.1 New and amended IFRS Standards that are effective for the current year (Cont'd)

IFRS 16 - Leases (Cont'd)

On transition to IFRS 16, the Company applied IFRS 16 to contracts that were previously issued as lease. Therefore, the definition of a lease under IFRS 16 was applied to the contracts entered into or changed on or after 1 July 2019.

B. As a lessee

As a lessee, the Group previously classified leases as operating leases based on its assessment of since the lease did not transfer significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for such leases – i.e. these leases are on-balance sheet.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The directors have assessed the impact on adoption of the new standard and concluded that the current operating lease contracts do not include an element of lease and no addition liability should be recognised on the face of the financial position. The Group has vehicles acquired under finance leases and are already capitalised on the balance sheet.

The adoption of the new standard did not result in any adjustment for the existing lease agreements. The directors have opted to disclosed Right-to-use assets which was already capitalised within plant and equipment as a separate class of asset within plant and equipment note (see Note 5).

Amendments to IFRS 9 – Prepayments Features with Negative Compensation

The narrow-scope amendments made to IFRS 9 Financial Instruments in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.

To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

The standard does not have any major impact on the Group's and Company's financial statements.

2.2 New Standards and Interpretations not yet adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 1 and IAS 8 - Definition of Material (effective for annual period beginning on or after 01 January 2020)
- Amendments to IFRS 7 and IFRS 9 - Interest rate benchmark reform (effective for annual period beginning on or after 01 January 2020)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Cont'd)

2.2 New Standards and Interpretations not yet adopted (cont'd)

Amendments to IAS 1 and IAS 8 – Definition of Material

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.
In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole; and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The directors anticipate that the adoption of these standards and interpretations will not have a material impact on the financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

Amendments to IFRS 7 and IFRS 9 – Interest rate benchmark reform

The amendments modify some specific hedge accounting requirements to provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving LIBOR-based contracts, the reliefs will affect companies in all industries.

The directors anticipate that the adoption of these standards and interpretations will not have a material impact on the financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group and the Company are as follows:

(a) Basis of preparation

The financial statements have been prepared under the historical cost basis except for freehold land that are measured at revalued amounts and for investments which are measured at fair value at the end of each reporting period. Revaluations are performed with sufficient regularity.

These financial statements comply with the requirements of the Companies Act 2001.

(b) Foreign currencies

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Basis of consolidation

The Group financial statements incorporate the financial statements of United Bus Service Limited and its subsidiaries. Control is achieved when the Company:

- 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 Company 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.

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 profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into 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.

(d) Investments in subsidiaries

In the separate financial statements, investments in subsidiaries are recognised at cost less impairment. When the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Traffic receipts and private hire revenue are recognised upon performance of services and represents receipts from sale of tickets and hire of buses.

Revenue is measured based on the consideration to which an entity expects to be entitled in a contract with a customer. Revenue is recognised when or as an entity satisfies a performance obligation by transferring control of a promised service or asset to a customer. Control is either transferred over time or at a point in time. The Group derives revenue from sales of shops and apartments which are recognised at point in time. Room revenue derived from rental of apartments are recognised as and when the services are provided and are recognised over time. Syndic fees are recognised as and when the services are provided and are recognised over time. Rental income is recognised on a straight and accrual basis over the lease terms.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Other revenues earned by the company are recognised on accrual basis.

(f) Government grants

Grants from the National Transport Authority are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Government grants (cont'd)

Government grant whose primary condition is that the Group should acquire non-current assets are deducted in calculation of the carrying amount of the asset in which the grant is recognised in profit or loss over the life of a depreciable asset by way of a reduced depreciation expense.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(g) Property, plant and equipment

Freehold land is stated at its revalued amounts in the statement of financial position, being the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Any revaluation increase arising on the revaluation of freehold land is recognised in other comprehensive income and accumulated in equity.

Building on freehold land are carried at cost, less accumulated depreciation and any recognised impairment losses. Cost includes professional fees and borrowing costs capitalised under qualifying assets.

Other items of the property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) Investment property

Investment property is held to earn rentals and/or for capital appreciation.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment losses.

The annual depreciation rate for investment properties is on a range of 2% to 5% on a straight line basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. Freehold land is not depreciated and stated at cost.

(i) Depreciation

Freehold land is not depreciated. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In the year of purchase, depreciation is calculated on a pro-rata basis.

Notes To The Financial Statements (Cont'd)
For The Year Ended 30 June 2020

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Depreciation (cont'd)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The annual depreciation rates applied on straight line method are:

Buildings on leasehold land	10.00%
Buses	15.00%
Plant and machinery	10.00%
Other vehicles	20.00%
Furniture, fittings and equipment	10.00%
Computer equipment	20% - 33.33%
Ticket issue machines	33.33%

(j) 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Inventories

Inventories are stated at the lower of cost (determined on the first-in-first-out (FIFO) basis) and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing such inventories to their present condition and location. Net realisable value represents the estimated selling price for inventories less selling expenses.

(l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' 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.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Cash and cash equivalents

Cash comprises cash at bank and cash in hand. Cash equivalent 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.

(n) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Group and the Company become party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (cont'd)

(i) Amortised cost and effective interest method (cont'd)

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss and is included in the "finance income" line item.

(ii) Equity instruments designated as at FVTOCI

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

A financial asset is held for trading if:

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

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

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

The Group and the Company have designated its investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

The Group and the Company apply the IFRS 9 simplified approach to measure expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experiences, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL until they are derecognised due to short-term nature of the receivables and have been assessed to have credit risk other than low.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's and the Company's debtors operate, obtained from economic expert reports, financial analysts, government bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations.

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

(i) Significant increase in credit risk (cont'd)

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

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

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

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

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

(ii) Definition of default

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

(iii) Write-off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's and Company's recovery procedures. Any recoveries made are recognised in profit or loss.

(iv) Measurement for expected credit losses

The measure of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all cash flows that the Group and the Company expect to receive, discounted at the original interest rate.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

Financial assets (cont'd)

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group and the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost.

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

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

Derecognition of financial liabilities

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

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Impairment of assets

At each end of the reporting period, the Group and the Company review the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount of an asset is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(p) Leasing

Assets held under leases are initially recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

(q) Retirement benefit obligations

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income;
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

Other retirement benefits

The present value of other retirement benefits in respect of Employment Rights Act 2008 gratuities at the end of the reporting period is also recognised as a non-current liability.

State plan

Contributions to the National Pension Scheme are recognised in profit or loss in the year in which they fall due.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(s) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a post-employment benefit plan for the employee of the reporting entity.

(t) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(u) Comparative figures

Comparative figures have been regrouped, where necessary, to conform to the current year's presentation.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical accounting judgements

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

Credit risk

The directors have assessed the credit risk for the financial assets by taking into consideration the quantitative and qualitative reasonable and supporting forward looking information.

Key sources of estimation uncertainty

Property, plant and equipment

The cost of the property, plant and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management has not considered any residual value as it is deemed immaterial.

Notes To The Financial Statements (Cont'd)
For The Year Ended 30 June 2020

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (cont'd)

Allowance for slow-moving inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues.

Financial instruments

The Group holds financial instruments that are not quoted on active markets and investment in subsidiaries. Determining whether the investments in subsidiaries are impaired requires estimate of the value in use of the investments. In considering the value in use, the directors have considered the most recent available audited accounts and actual results achieved. Where impairment indications are indentified, the directors have considered future cash flow projections. The actual results could, however, differ from the estimates. Changes in assumptions could affect the reported value of the investment.

At 30 June 2020, the directors have concluded that none of the investments in subsidiaries are impaired.

With respect to the unquoted investments, the directors have considered the unaudited net asset value of the investee companies at 30 June 2020 for the fair value estimation. The directors consider these net asset value to be reasonable estimate and appropriate.

Retirement benefit obligations

Retirement benefit obligations are determined by actuarial report on the basis detailed in note 21. Changes in assumptions about these factors could affect the provision to be made in the financial statements.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on the assumptions for the future movement of economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Deferred tax assets

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The outcome of their actual utilisation may be different.

Investment property

Management determines the estimated useful lives and related depreciation charge for the Group's investment property. Management will revise the depreciation charge where useful lives are different to previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Functional currency

The determination of the functional currency of the Company and the Group is critical since recording of transactions and exchange differences arising are dependent on the selected functional currency. As describes the the accounting polciies, the directors have considered those factors therein and have determined that the functional currency of the Company and the Group is Rupees.

5 PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land	Buildings on leasehold land	Buses	Plant and machinery	Other vehicles	Right-of-use assets	Furniture, fittings and equipment	Computer equipment	Ticket issue machines	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION										
At 1 July 2018	55,500,000	67,304,259	520,634,638	17,680,730	23,218,567	-	17,549,863	9,527,943	6,454,883	717,870,883
Additions	-	279,850	-	2,667,635	4,475,487	-	373,159	421,740	230,733	8,448,604
Disposal	-	-	(5,589,760)	-	(1,625,000)	-	-	-	-	(7,214,760)
Written off	-	-	-	(2,975,639)	-	-	-	-	(383,356)	(3,358,995)
Revaluation increase	11,000,000	-	-	-	-	-	-	-	-	11,000,000
At 30 June 2019	66,500,000	67,584,109	515,044,878	17,372,726	26,069,054	-	17,923,022	9,949,683	6,302,260	726,745,732
Additions	-	252,674	-	148,851	5,976,472	-	806,662	1,536,411	-	8,721,070
Transfer to Right-of-use asset on adoption of IFRS 16	-	-	-	-	(10,455,500)	10,455,500	-	-	-	-
Disposal	-	-	(10,912,910)	-	(690,000)	-	-	-	-	(11,602,910)
Transfer to investment property	(36,000,000)	-	-	-	-	-	-	-	-	(36,000,000)
At 30 June 2020	30,500,000	67,836,783	504,131,968	17,521,577	20,900,026	10,455,500	18,729,684	11,486,094	6,302,260	687,863,892
ACCUMULATED DEPRECIATION										
At 1 July 2018	-	65,541,378	411,925,771	14,701,272	12,937,601	-	11,911,496	9,162,882	5,914,449	532,094,849
Charge for the year	-	1,290,049	31,648,923	1,118,257	3,603,727	-	945,093	297,608	287,685	39,191,342
Disposal	-	-	(5,589,760)	-	(1,245,000)	-	-	-	-	(6,834,760)
Written off	-	-	-	(2,975,639)	-	-	-	-	(383,356)	(3,358,995)
At 30 June 2019	-	66,831,427	437,984,934	12,843,890	15,296,328	-	12,856,589	9,460,490	5,818,778	561,092,436
Transfer to Right-of-use asset on adoption of IFRS 16	-	-	-	-	(4,749,050)	4,749,050	-	-	-	-
Charge for the year	-	458,920	26,866,192	922,448	2,295,832	1,689,199	929,759	639,528	300,502	34,102,380
Disposal	-	-	(10,912,910)	-	(690,000)	-	-	-	-	(11,602,910)
At 30 June 2020	-	67,290,347	453,938,216	13,766,338	12,153,110	6,438,249	13,786,348	10,100,018	6,119,280	583,591,906
NET BOOK VALUE										
At 30 June 2020	30,500,000	546,436	50,193,752	3,755,239	8,746,916	4,017,251	4,943,336	1,386,076	182,980	104,271,986
At 30 June 2019	66,500,000	752,682	77,059,944	4,528,836	10,772,726	-	5,066,433	489,193	483,482	165,653,296

5 PROPERTY, PLANT AND EQUIPMENT

COMPANY

	Freehold land 2020	Freehold land 2019
	Rs	Rs
At 1 July	66,500,000	55,500,000
Transfer to investment property (Note 6)	(36,000,000)	-
Revaluation adjustment	-	11,000,000
At 30 June	30,500,000	66,500,000

The Company entered into a contract during the year ended 30 June 2020 for leasing of a portion of land. Given the purpose of the use of the land has changed during the year, the fair value of the land has been reclassified to Investment Property.

A review of the residual values and useful lives of plant and equipment is carried out by management at each financial year end and are adjusted prospectively, if appropriate.

Fair value measurement of the Group's and the Company's freehold land

Details of the Group's and the Company's freehold land and information about the fair value hierarchy as at reporting date are as follows:

	2020			
	Level 1	Level 2	Level 3	Total
	Rs	Rs	Rs	Rs
Freehold land	-	30,500,000	-	30,500,000

	2019			
	Level 1	Level 2	Level 3	Total
	Rs	Rs	Rs	Rs
Freehold land	-	66,500,000	-	66,500,000

Had the freehold land been stated at cost, the carrying amount would have been as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Freehold land	9,433,595	20,568,330	9,433,595	20,568,330

The freehold land was fair valued at Rs 36,000,000 and Rs 30,500,000 by an independent valuer, N. Jeetun, for the year ended 30 June 2019. N. Jeetun is a chartered Valuation Surveyor and has appropriate qualifications and experience in the valuation of properties. The valuation which conforms to International Valuation Standards was arrived at based on the market value. The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties within close vicinity of the freehold land. The directors consider that the fair value of the freehold land remained unchanged at reporting date.

The Group's property, plant and equipment have been pledged as security for bank facilities which have been fully repaid during the year ended 30 June 2020. The directors have assessed the carrying amount of the property, plant and equipment and are of opinion that it has not suffered any impairment as at 30 June 2020.

6 INVESTMENT PROPERTY

GROUP	Freehold land	Freehold building	Total
	Rs	Rs	Rs
COST			
At 1 July 2018	34,429,686	548,274,977	582,704,663
Additions	-	5,562,842	5,562,842
Transfer from inventories	-	64,249,363	64,249,363
At 30 June 2019	34,429,686	618,087,182	652,516,868
Additions	44,000,000	11,792,599	55,792,599
Disposals	-	(1,672,465)	(1,672,465)
Transfer from property, plant and equipment	36,000,000	-	36,000,000
At 30 June 2020	114,429,686	628,207,316	742,637,002
DEPRECIATION			
At 1 July 2018	-	37,203,553	37,203,553
Charge for the year	-	30,350,915	30,350,915
At 30 June 2019	-	67,554,468	67,554,468
Charge for the year	-	30,915,806	30,915,806
Disposals	-	(262,019)	(262,019)
At 30 June 2020	-	98,208,255	98,208,255
NET BOOK VALUE			
At 30 June 2020	114,429,686	529,999,061	644,428,747
At 30 June 2019	34,429,686	550,532,714	584,962,400

COMPANY

	Freehold land 2020	Freehold land 2019
	Rs	Rs
At 1 July	-	-
Transfer from property, plant and equipment (Note 5)	36,000,000	-
At 30 June	36,000,000	-

(i) Amount disclosed in profit or loss for investment properties:	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Rental and other income from operating leases	84,331,240	84,601,781	1,368,000	-
Direct expenses from property that generated rental income	66,791,691	45,083,559	-	-
Direct expenses from property that did not generated rental income	594,251	-	594,251	-

The fair value of the investment property at the reporting date was Rs 759.1 M and was determined by the directors based on income approach. The rental contracts are open and cancellable.

6 INVESTMENT PROPERTY (Cont'd)

(ii) Contractual obligations

During the year ended 30 June 2020, the Group acquire a property at a cost of Rs52.4M which will be used for the development of real estate project.

The real estate project and the intended start of construction are yet to be finalised.

(iii) Leasing arrangements
The investment properties are leased to tenants under operating leases with rentals payable monthly.

Lease payments are fixed over the term of the lease.

Minimum lease payments receivable on leases of investment properties are as follows:

	2020	2019
GROUP	Rs	Rs
Within 1 year	79,145,508	76,746,520
Between 2 and 5 years	256,130,448	254,392,196
	335,275,956	331,138,716
COMPANY		
Within 1 year	3,456,000	-
Between 2 and 5 years	3,456,000	-
	6,912,000	-

7 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2020	2019
At cost	Rs	Rs
At 30 June	256,182,090	256,182,090

Details of the Company's subsidiaries at 30 June are as follows:

Name of subsidiary	Country of incorporation and operation	Principal activity	Ownership % Direct	Ownership % Indirect	2020 & 2019
					Rs
UBS Transport Ltd	Mauritius	Bus transport services	100	-	20,000,000
Orland Ltd	Mauritius	Property development	100	-	236,182,090
Pasteur Management and Corporate Services Ltd*	Mauritius	Secreterial support services	-	100	-
Naz Management and Corporate Services Ltd*	Mauritius	Secreterial support services	-	100	-
Queen Mary Heights Ltd*	Mauritius	Property development	-	100	-
Citadel Maintenance Services Ltd*	Mauritius	Office support services	-	100	-
					256,182,090

* Pasteur Management and Corporate Services Ltd, Naz Management and Corporate Services Ltd, Queen Mary Heights Ltd and Citadel Maintenance Services Ltd are dormant companies.

At the reporting date, the directors reviewed the carrying value of the investments in subsidiaries. In their opinion, there is no objective evidence that the investments in subsidiaries are impaired.

8 FINANCIAL ASSETS

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
At fair value through other comprehensive income (FVTOCI)	3,682,174	3,883,620	3,680,174	3,881,620
At amortised cost	64,421,205	40,199,318	-	-
	68,103,379	44,082,938	3,680,174	3,881,620
Included in financial statements as:				
Non-currrent assets	3,682,174	3,883,620	3,680,174	3,881,620
Current assets	64,421,205	40,199,318	-	-
	68,103,379	44,082,938	3,680,174	3,881,620

Investment in equity instrument designated at FVTOCI

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
At 1 July	3,883,620	370,020	3,881,620	368,020
IFRS 9 adjustment	-	3,325,294	-	3,325,294
At 30 June (as restated)	3,883,620	3,695,314	3,881,620	3,693,314
Fair value movement	(201,446)	188,306	(201,446)	188,306
At 30 June	3,682,174	3,883,620	3,680,174	3,881,620

The Group and the Company hold unquoted equity investment which were stated at cost less impairment. With the application of IFRS 9, the equity instruments have been classified as fair value through other comprehensive income (FVTOCI). The fair value of the unquoted investments has been based on the net asset value of the investee as at 30 June 2020.

Financial assets at amortised cost

	GROUP	
	2020	2019
Treasury bills	Rs	Rs
At 01 July	40,199,318	-
Additions	113,179,350	79,701,510
Interest	1,792,537	497,808
Disposals	(90,750,000)	(40,000,000)
At 30 June	64,421,205	40,199,318

The treasury bills have a maturity dates ranging between 5 to 6 months and carry fixed rates of interest. The interest rates on these securities are 2.48% and 3.18% per annum. The treasury bills are held by the Group within a business model whose objective is to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence, the treasury bills are classified and presented at amortised cost.

Due to the short term nature of the treasury bills, the directors have assessed and concluded that the carrying amount at the reporting date approximated its fair value. For the purpose of impairment assessment, the treasury bills are considered to have low credit risk as the Government of Mauritius is the counterparty of these bills. Accordingly, the loss allowance for the treasury bills is measured at an amount equal to 12 months expected credit loss. The impairment loss is considered to be immaterial.

9 INVENTORIES

	GROUP	
	2020	2019
	Rs	Rs
At cost		
Citadel Mall		
- Shops and Mezzanine	22,790,920	22,790,922
- Parking	10,316,864	10,316,861
- Apartments	8,709,247	13,640,713
	41,817,031	46,748,496
Loose tools	-	673,108
Spares and coach work materials	15,025,874	19,663,610
Tyres and tubes	2,051,930	2,207,595
Fuel, gas, uniforms, stationery and others	685,379	1,128,555
	17,763,183	23,672,868
Total	59,580,214	70,421,364

The cost of inventories recognised as an expense during the year was Rs 217,407,085 (2019: Rs 251,587,852).

The Group's inventories were pledged as security for bank facilities which have been fully repaid during the year ended 30 June 2020.

10 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Trade receivables	11,937,211	4,476,748	-	-
Provision for expected credit loss	(28,600)	(28,600)	-	-
	11,908,611	4,448,148	-	-
Other receivables and prepayments	6,288,190	4,821,142	6,640,818	5,428,925
Current account with subsidiary	-	-	24,078,660	29,078,660
	18,196,801	9,269,290	30,719,478	34,507,585

Included under Group's other receivables and prepayments are amounts of Rs 172,544 (2019: Rs 187,262) due by related companies. These balances are interest free and are repayable within one year.

Group's other receivables and prepayments include loan to staff amounting to Rs 425,046 (2019: Rs 645,275) which carries interest at 7% (2019: 7%) per annum and repayable within one year.

Current account with subsidiary is unsecured, repayable on demand and is interest bearing at the rate of an interest of 3.5% per annum (2019: 5.35%). Interest due from subsidiary amounts to Rs 6,634,068 (2019: Rs 5,422,175).

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits which are reviewed regularly. The past due debtors at the reporting date have not been provided as the amounts are still considered recoverable.

The average credit period is 30 days. The Group does not hold any collateral over the trade receivables balances.

10 TRADE AND OTHER RECEIVABLES (Cont'd)

Ageing of past due but not impaired

	GROUP		
	Gross	Provision for credit losses	Net
	Rs	Rs	Rs
2020			
Neither past due nor impaired	10,014,862	-	10,014,862
31-60 days	748,822	-	748,822
61-90 days	159,428	-	159,428
Over 90 days	1,014,099	(28,600)	985,499
	11,937,211	(28,600)	11,908,611
2019			
Neither past due nor impaired	3,948,607	-	3,948,607
31-60 days	363,211	-	363,211
61-90 days	123,093	-	123,093
Over 90 days	41,837	(28,600)	13,237
	4,476,748	(28,600)	4,448,148

The average credit period on sales is 30 days. No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. To measure the expected credit losses, trade receivables have been individually assessed based on their credit risk characteristics and their history of default due to its limited number of trade debtors at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier.

The Group's historical shows a recoverability of more than 80% of its trade receivables within 90 days. After the reporting date, 60% (2019: 96%) of the trade receivables has been recovered. Due to the Covid-19, the debtors have negotiated for an extension in repayments and are abiding to the new agreed terms. Therefore, no further provision for expected credit losses is required.

11 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Cash at bank	59,069,506	47,963,508	1,492,881	287,008
Cash in hand	1,090,240	3,186,918	-	-
Bank overdraft	(807,855)	-	(807,855)	-
	59,351,891	51,150,426	685,026	287,008

12 AMOUNTS DUE TO RELATED PARTIES

	GROUP	
	2020	2019
	Rs	Rs
Parties under common management	68,100,000	68,101,700

Amounts due to parties under common management are unsecured, repayable on demand and bear annual interest at the rate ranging between **3.85% - 5.35%** (2019: 5.35%) per annum.

13 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Trade payables	2,815,897	29,133,800	-	-
Deferred income	37,353,600	-	-	-
Other payables and accruals	134,752,116	126,454,360	7,824,801	7,742,443
Current account with subsidiary	-	-	114,311,678	134,810,478
	174,921,613	155,588,160	122,136,479	142,552,921

Deferred income relates to Government subsidy received in respect of free ticket holders consisting mainly of students, pensioneers. The grant receipt policy is based on the number of school days during a normal academic year. During the period from mid March till end of June 2020, as schools were closed due to the Covid-19 pandemic, no revenue was generated for school transport hence the subsidy received from the Government has been deferred to the next financial year.

The average credit period is 30 days. No interest is charged on trade payables. The Group and the Company have financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The current account with subsidiary is interest free with no fixed terms of repayment and is unsecured. Group's other payables includes deposits from clients of **Rs 30,497,658** (2019: Rs 29,566,046).

14 STATED CAPITAL

	GROUP & COMPANY
	2020 & 2019
	Rs
Issued and fully paid	
4,969,489 Ordinary shares of Rs10 each	49,694,890
Share premium account	42,942
	49,737,832

The ordinary share is not redeemable, carries voting rights, entitlements to dividends or distributions and on winding up to any surplus on assets of the Company.

15 PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting) the following items:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Included in operating expenses				
Cost of inventories expensed:				
- Uniforms and footwears	5,473,370	4,785,290	-	-
- Fuel and lubrication	129,719,844	180,403,361	-	-
- Tyres and tubes	13,654,545	15,660,960	-	-
- Overhauls and spare parts	63,627,861	49,546,595	-	-
- Shops, mezzanine, parking and apartments	4,931,465	1,191,646	-	-
Staff cost	411,548,152	435,174,215	-	-
Government wage assistance	(40,895,500)	-	-	-
Depreciation of property, plant and equipment	33,546,811	36,655,429	-	-
Depreciation of investment property	30,915,806	30,350,915	-	-
Insurances	11,186,624	13,143,254	-	-
Cleaning, repairs, maintenance, fitness and other vehicles expenses	5,430,579	5,484,656	-	-
Telephone, electricity and water	2,898,188	2,984,797	-	-
Legal and professional fees	611,448	902,550	-	-
Rent	7,789,882	7,411,022	-	-
Security service	1,045,588	660,625	-	-
Support from Government of Mauritius	(235,216,800)	(242,409,867)	-	-

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Included in administrative expenses				
Staff cost	22,177,371	23,547,802	-	-
Directors' fees	22,308,094	20,863,138	-	-
Repairs and maintenance	5,453,587	6,416,010	-	-
Electricity, water and telephone	3,858,366	4,218,934	-	-
Rent and rates	2,387,097	2,390,273	-	-
Legal and professional fees	3,687,760	2,907,053	474,251	434,061
Management and secretarial fees	3,811,584	3,736,792	120,000	120,000
Depreciation of property, plant and equipment	2,706,916	2,535,913	-	-

16 OTHER INCOME

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Finance income:				
Interest income	1,986,077	614,452	-	-
Other income:				
Insurance claims receivable	1,592,754	2,547,450	-	-
Profit on disposal of property, plant and equipment	2,750,000	2,030,000	-	-
Profit on disposal of investment property	6,755,704	-	-	-
Other receipts	3,874,475	2,949,484	-	-
	14,972,933	7,526,934	-	-
	16,959,010	8,141,386	-	-

17 FINANCE COSTS

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Interest on:				
- bank loans	-	2,834,066	-	-
- bank overdrafts	81,459	-	-	-
- finance lease	218,344	304,003	-	-
- amount due to related companies	2,485,611	2,760,401	-	-
	2,785,414	5,898,470	-	-

18 TAXATION

(a) Income tax

Income tax is calculated at the rate of 15% (2019: 15%) on the profit for the year as adjusted for tax purposes and it also includes CSR charge which is calculated at the rate of 2% (2019: 2%) on the chargeable income of the preceding year. At 30 June 2020, the Company has fully utilised its accumulated tax losses of Rs. 426,230 and was liable to pay income tax of Rs. 164,795.

18 TAXATION (Cont'd)

(a) Income tax (cont'd)

	GROUP		COMPANY	
	2020	2019	2020	2019
Current tax (assets) / liabilities	Rs	Rs	Rs	Rs
At 1 July	1,284,849	1,539,970	-	-
Provision for the year	5,471,053	13,505,184	164,795	-
Under/(over)provision of income tax in prior year	(31,035)	115,729	-	-
Tax paid	(14,491,574)	(10,469,993)	-	-
Tax Deducted at Source	(3,624,442)	(3,601,919)	-	-
Corporate Social Responsibility provision for the year	1,796,287	1,566,986	-	-
Corporate Social Responsibility paid	(1,294,280)	(1,371,108)	-	-
Covid-19 levy	4,273,157	-	-	-
At 30 June	(6,615,985)	1,284,849	164,795	-
Represented by:				
Current tax liabilities	164,795	6,039,474	164,795	-
Current tax assets	(6,780,780)	(4,754,625)	-	-
	(6,615,985)	1,284,849	164,795	-

(b) Tax expense

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Provision for the year	5,471,053	13,505,184	164,795	-
Under/(over)provision of income tax in prior year	(31,035)	115,729	-	-
Corporate Social Responsibility provision for the year	1,796,287	1,566,986	-	-
Covid-19 levy	4,273,157	-	-	-
Deferred tax movement	(3,033,978)	(2,557,317)	9,416	-
Income tax expense recognised in profit or loss	8,475,484	12,630,582	174,211	-
Deferred tax recognised in other comprehensive income	1,097,989	3,324,583	-	-

18 TAXATION (Cont'd)

(c) Deferred tax assets/(liabilities)

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
At 1 July	72,541,800	66,659,900	80,036	80,036
Deferred tax income				
- recognised in profit or loss:				
Release for the year	3,033,978	2,557,317	(9,416)	-
Over provision in previous year	-	-	-	-
- recognised in other comprehensive income	1,097,989	3,324,583	-	-
At 30 June	76,673,767	72,541,800	70,620	80,036
Represented by:				
Deferred tax assets	80,701,460	76,533,830	70,620	80,036
Deferred tax liabilities	(4,027,693)	(3,992,030)	-	-
At 30 June	76,673,767	72,541,800	70,620	80,036

At the reporting date, the Company has recognised deferred tax assets only to the extent of future available taxable profits.

Deferred tax assets/(liabilities) arise from:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Retirement benefit obligations	74,033,623	74,500,733	-	-
Provision for credit losses	3,825,102	-	-	-
Temporary difference arising from tax base and carrying amount of qualifying assets	2,842,735	(1,963,795)	70,620	80,036
Provision for bad debts	-	4,862	-	-
	80,701,460	72,541,800	70,620	80,036

18 TAXATION (Cont'd)

(d) Tax reconciliation

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Profit before tax	46,252,630	84,652,380	21,995,842	984,384
Tax at the rate of 15% (2019: 15%)	6,937,895	12,697,857	3,299,376	147,658
Tax effect of:				
- Non-taxable income	(5,177,490)	(1,193,491)	(3,154,804)	(107,522)
- Expenses not deductible for tax purposes	6,050,500	429,765	93,574	59,950
- Exempt Income	(1,520,456)	-	-	-
- (Under)/ overprovision of income tax in prior year	(31,035)	7,010	-	-
- Under provision in deferred tax in prior year	(3,825,102)	-	-	-
- Corporate Social Responsibility	1,796,287	1,566,986	-	-
- Covid-19 Levy	4,273,157	-	-	-
- Deferred tax derecognised	35,663	(777,459)	-	-
- Tax rate differential	-	-	-	-
- Tax loss utilised	(63,935)	(100,086)	(63,935)	(100,086)
Income tax expense recognised in profit or loss	8,475,484	12,630,582	174,211	-

19 RELATED PARTY TRANSACTIONS

The Group and the Company are making the following disclosures in accordance with IAS 24 Related Party Disclosures:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
(i) Purchases of tyres and spare parts				
- Significant shareholder	65,140,341	75,450,845	-	-
(ii) Purchases of services				
- Significant shareholder	207,000	207,000	-	-

19 RELATED PARTY TRANSACTIONS (Cont'd)

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
(iii) Purchases of plant and equipment				
- Significant shareholder	-	2,493,114	-	-
(iv) Other income				
- Company under common management	511,035	312,171	-	-
(v) Investment income				
- Interest income from subsidiary	-	-	1,211,893	1,563,467
(vi) Interest expense				
- Company under common management	2,485,611	2,760,401	-	-
(vii) Management fees				
- Company under common management	3,811,584	3,856,792	120,000	120,000
(viii) Outstanding balances				
Receivables from related parties:				
- Company under common management	172,544	187,262	-	-
- Subsidiary	-	-	24,078,660	29,078,660
Payables to related parties:				
- Significant shareholder	-	7,759,367	-	-
- Company under common management	68,100,000	68,101,700	-	-
- Subsidiary	-	-	114,311,678	134,810,478
Interest receivable				
- Subsidiary	-	-	6,634,068	5,422,175

The terms and conditions of the above outstanding balances have been disclosed in the respective notes (12 and 13).

	GROUP		COMPANY	
(ix) Compensation of key management personnel	22,308,094	20,863,138	-	-
(x) Contribution in welfare fund	556,900	707,150	-	-

20 EARNINGS PER SHARE

The earnings and number of ordinary shares used in the calculation of basic earnings per share are as follows:

	GROUP	
	2020	2019
	Rs	Rs
Profit for the year	37,777,146	72,021,798
Number of ordinary shares	4,969,489	4,969,489
Earnings per share	7.60	14.49

21 RETIREMENT BENEFIT OBLIGATIONS

GROUP

Amounts recognised in statement of financial position

	GROUP	
	2020	2019
	Rs	Rs
Defined benefit plan (Note (a))	12,572,051	12,860,095
Other retirement benefits (Note (b))	420,913,135	425,379,510
	433,485,186	438,239,605

(a) Defined benefit plan

The Group operated a defined benefit plan and was wholly funded. The plan is a defined benefit arrangement, with benefits based on final salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The Group has stopped providing pension benefits to the employees as from 1 July 2012.

The figures are based on the report submitted by SWAN Life Ltd for the year ended 30 June 2020.

The pension plans typically expose the Group to investment risk and interest rate risk.

Investment risk	The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.
Longevity risk	The liabilities disclosed are based on the mortality tables PA (92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.
Interest risk	If the Bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

The main actuarial assumptions used for accounting purposes:

	2020	2019
	%	%
Discount rate	3.1%	4.40%
Post retirement mortality - Swan Annuity rates	Rates 2020	Rates 2017

The notional return on plan assets was Rs 2,839,611 for the year ended 30 June 2020 (2019: Rs 252,220).

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plan is as follows:

	2020	2019
	Rs	Rs
Total market value of assets	(5,607,704)	(7,914,763)
Present value of plan liability	18,179,756	20,774,858
	12,572,052	12,860,095

The market value of assets is based on the reserves held for the Deferred Annuity Policies for statutory purposes.

Amount recognised in statement of profit or loss:

	2020	2019
	Rs	Rs
Net interest cost	565,844	621,708

21 RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(a) Defined benefit plan (cont'd)

Movement in liability recognised in statement of financial position:	2020	2019
	Rs	Rs
At 1 July	12,860,095	11,955,915
Actuarial losses recognised in other comprehensive income	(853,887)	282,472
Total expense - net interest cost	565,844	621,708
At 30 June	12,572,052	12,860,095
Change in defined benefit obligation:		
Present value of defined benefit obligation at 1 July	20,774,858	21,097,109
Interest cost	802,086	1,059,092
Actuarial losses	1,749,482	97,308
Benefits paid	(5,146,670)	(1,478,651)
Present value of defined benefit obligation at 30 June	18,179,756	20,774,858
Change in plan assets:		
Fair value of plan assets at 1 July	(7,914,763)	(9,141,194)
Interest income	(236,242)	(437,384)
Actuarial losses/(gains)	(2,603,369)	185,164
Benefits paid	5,146,670	1,478,651
Fair value of plan assets at 30 June	(5,607,704)	(7,914,763)
Analysis of amount recognised in other comprehensive income:		
Losses on pension scheme assets	2,603,369	185,164
Experience gains on the liabilities	456,074	(733,186)
Changes in assumptions underlying the present value of the scheme	(2,205,556)	830,494
Actuarial loss recognised in other comprehensive income	853,887	282,472
Cumulative actuarial at 1 July	625,347	907,819
Actuarial losses recognised this year	853,887	(282,472)
Cumulative actuarial gains at 30 June	1,479,234	625,347

	2020	2019
	Rs	Rs
Defined benefit obligation	(18,179,756)	(20,774,858)
Plan assets	5,607,704	7,914,763
Deficit	(12,572,052)	(12,860,095)
Acturial losses on plan liabilities	(1,749,482)	(97,308)
Acturial gains/(losses) on plan assets	2,603,369	(185,164)

21 RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(a) Defined benefit plan (cont'd)

The Group is not expected to make any contribution unless there is a shortfall for a retiring member.

Significant actuarial assumptions for the determination of the defined benefit plan is discount rate. The sensitivity analysis below have been determined based on sensibly possible change of the discount rate occurring at the end of the reporting period if all other assumptions remained unchanged

- If the discount rate is 1% higher/lower, the defined benefit obligation would decrease/increase by Rs 1,236,189 (2019: Rs 1,026,543).
- If the discount rate is 1% lower/higher, the defined benefit obligation would increase/decrease by Rs 1,096,979 (2019: Rs 1,153,539).

The weighted average duration of the liabilities as at 30 June 2020 is 7 years.

(b) Other retirement benefits

The liability relates to Retirement Gratuities payable under the Employment Rights Act (ERA). The latter provides for a lump sum at retirement based on final salary and years of service. The figures are based on the report submitted by SWAN Life Ltd for the year ended 30 June 2020.

The main actuarial assumptions used for accounting purposes:	2020	2019
	%	%
Discount rate	3.20	4.90
Future long-term salary increase	3.50	3.50

The amount included in the statement of financial position arising from the entity's obligation in respect of other retirement benefits is as follows:

	2020	2019
	Rs	Rs
Present value of unfunded defined benefit obligation	420,913,135	425,379,510
Amount recognised in statement of profit or loss:		
Service cost	17,896,947	15,103,843
Net interest cost	19,649,572	20,043,391
	37,546,519	35,147,234
Movement in liability recognised in statement of financial position:		
At 1 July	425,379,511	399,578,584
Total expense as above	37,546,519	35,147,234
Actuarial losses recognised in other comprehensive income	7,312,644	19,273,901
Benefit paid	(49,325,539)	(28,620,208)
At 30 June	420,913,135	425,379,511

21 RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(b) Other retirement benefits (cont'd)

Analysis of amount recognised in other comprehensive income:	2020	2019
	Rs	Rs
Experience losses on the liabilities	(38,259,121)	11,490,305
Changes in assumptions underlying the present value of the scheme	45,571,765	7,783,596
Actuarial loss recognised in other comprehensive income	7,312,644	19,273,901
Cumulative actuarial losses at 1 July	154,910,107	135,636,206
Actuarial losses recognised this year	7,312,644	19,273,901
Cumulative actuarial losses at 30 June	162,222,751	154,910,107
Unfunded defined benefit obligation	-	-
Actuarial losses on plan liabilities	7,312,644	19,273,901

Significant actuarial assumptions for the determination of the defined benefit plan is discount rate. The sensitivity analysis below have been determined based on the sensibly possible changes of the discount rate or salary increase rate occurring at the end of reporting if all other assumption remained unchanged.

- Increase in defined benefit obligations due to 1% decrease in discount rate Rs 32,747,033 (2019: Rs 28,548,132).
- Decrease in defined benefit obligations due to 1% increase in discount rate Rs 28,158,918 (2019: Rs 24,707,660).
- Increase in defined benefit obligations due to 1% increase in future long-term salary assumption Rs 32,297,534 (2019: Rs 28,665,754).
- Decrease in defined benefit obligations due to 1% decrease in future long-term salary assumption Rs 28,328,608 (2019: Rs 25,245,626).

The weighted average duration of the defined benefit obligation as at 30 June 2020 is 8 years.

The Group is expected to contribute around Rs 17.6m to the PRGF for the year ending 30 June 2021.

(c) State pension plan

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
National pension scheme contributions charged	11,822,996	11,747,804	-	-

22 DIVIDEND PER SHARE

	GROUP & COMPANY	
	2020	2019
	Rs	Rs
Dividend declared on 3 June 2019 and paid on 17 July 2019 - Rs 1 per share	-	4,969,489

23 FINANCIAL INSTRUMENTS

Capital risk management
The Group and the Company manage its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholder. The Group's and the Company's overall strategy remained unchanged. The capital structure of the Group and the Company consist of net debt (which includes borrowings disclosed in note 11,12 and 25, net off by cash and bank balances) and equity comprising issued capital and reserves.

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

Gearing Ratio
The Group and the Company review the capital structure on a regular basis and as part of this review, management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio of the Group and the Company at the year-end was as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Debt (i)	3,489,941	4,886,613	807,855	-
Cash and bank balances	(60,159,746)	(51,150,426)	(1,492,881)	(287,008)
Net debt	(56,669,805)	(46,263,813)	(685,026)	(287,008)
Equity (ii)	357,226,030	325,011,098	235,536,114	213,915,929
Net debt to equity ratio	0%	0%	0%	0%

(i) Debt is defined as long and short term borrowings, as detailed in note 24.

(ii) Equity includes all capital and reserves of the Group and the Company.

Categories of financial instruments	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Financial assets				
Investments at FVTOCI	3,682,174	3,883,620	3,680,174	3,881,620
Amortised cost:				
Cash and bank balances	60,159,746	51,150,426	1,492,881	287,008
Trade and other receivables	14,200,312	3,633,019	30,712,728	34,500,835
Treasury bills	64,421,205	40,199,318	-	-
	142,463,437	98,866,383	35,885,783	38,669,463
Financial liabilities				
Amortised cost:				
Trade and other payables	105,931,040	124,973,119	121,603,892	141,813,738
Bank overdraft	807,855	-	807,855	-
Dividend payable	-	4,969,489	-	4,969,489
Amounts due to related parties	68,100,000	68,101,700	-	-
Obligations under finance lease	3,489,941	-	-	-
	178,328,836	198,044,308	122,411,747	146,783,227

23 FINANCIAL INSTRUMENTS (Cont'd)

The following has been excluded from financial assets and financial liabilities:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Financial assets				
Prepayments	2,070,088	918,208	6,750	6,750
Deposits and advances	700,940	1,191,327	-	-
TDS	1,225,461	3,526,736	-	-
	3,996,489	5,636,271	6,750	6,750
Financial liabilities				
VAT	532,587	739,183	-	-
PAYE	490,264	309,812	-	-
Deferred income	37,353,600	-	-	-
Deposits and advances	30,614,122	29,566,046	-	-
	68,990,573	30,615,041	-	-

Market risk
Market risk represent the potential loss that can be caused by a change in market value of financial instruments. The Group's and the Company's activities are expose primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group and the Company make use of proper mix in its financial instruments to manage its exposure to interest rate and foreign currency risk.

Foreign currency risk management
The Group and the Company have no financial assets and liabilities denominated in foreign companies and thus are not significantly exposed to foreign currency risk.

Interest rate risk management
The Group and the Company are exposed to risk associated with the effects of fluctuations in the prevailing levels of market interest rates. The risk is managed by the Group and the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The interest rate profile of the financial assets and financial liabilities of the Group and the Company as at 30 June was:

	GROUP		COMPANY	
	2020	2019	2020	2019
	% p.a.	% p.a.	% p.a.	% p.a.
Financial assets				
Treasury bills (fixed)	2.48 & 3.18	2.48 & 3.18	-	-
Loans to staff (fixed)	7.00	7.00	-	-
Loans to related parties	-	-	3.85 - 5.35	5.35
Financial liabilities				
Amount due to related and other parties (fixed)	3.85 - 5.35	5.35	-	-
Obligation under finance lease (fixed)	5.35 - 5.85	5.35 - 5.85	-	-

Interest rate sensitivity analysis

The Group's and Company's financial instruments bear fixed interest rates. Therefore, the Group and Company is not exposed to interest rate risk.

Notes To The Financial Statements (Cont'd)
For The Year Ended 30 June 2020

23 FINANCIAL INSTRUMENTS (Cont'd)

Credit risk management
The Group's and the Company's credit risk are primarily attributable to its trade receivables and cash, bank balances and treasury bills. The concentration of credit risk is limited due to the fact that the customer base being unrelated and the banks are reputable banking institutions.The amounts presented in the statement of financial position are net of provision for expected credit losses, if any.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company do not have significant concentration of credit risk.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company do not have significant concentration of credit risk.

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial liabilities is summarised as follows:

	GROUP		
	Less than 1 year	More than 1 year	Total
	Rs	Rs	Rs
2020			
Financial liabilities			
Trade and other payables	105,931,040	-	105,931,040
Bank overdraft	807,855		807,855
Amounts due to related and other parties	68,100,000	-	68,100,000
Obligations under finance lease	1,483,229	2,006,712	3,489,941
	176,322,124	2,006,712	178,328,836
2019			
Financial liabilities			
Trade and other payables	124,973,119	-	124,973,119
Dividend payable	4,969,489	-	4,969,489
Amounts due to related and other parties	68,101,700	-	68,101,700
Obligations under finance lease	1,394,545	3,492,068	4,886,613
	199,438,853	3,492,068	202,930,921

	COMPANY		
	Less than 1 year	More than 1 year	Total
	Rs	Rs	Rs
2020			
Financial liabilities			
Other payables and accruals	121,603,892	-	121,603,892
	121,603,892	-	121,603,892
2019			
Financial liabilities			
Other payables and accruals	141,813,738	-	141,813,738
Dividend payable	4,969,489	-	4,969,489
	146,783,227	-	146,783,227

23 FINANCIAL INSTRUMENTS (Cont'd)

Equity price risk
The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

Equity price sensitivity analysis
The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

- Profit for the year ended 30 June 2020 and 30 June 2019 would have been unaffected as the quoted equity investments are classified as FVTOCI; and
- Other comprehensive income would increase/decrease by Rs 184,009 (2019: Rs 194,181) for the Group and the Company respectively as a result of the changes in fair value of the investments in equity instruments.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from prior year. The Group's and the Company's sensitivity to equity prices have changed significantly due to fair value loss recognised during the year on quoted equity investments.

Fair value measurements
Except for financial assets which are measured at fair value at end of each reporting period, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The following table gives information about how the fair values of financial assets are determined for both the Group and the Company:

Financial assets	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs of fair value	Fair values as at	
					2020	2019
					Rs	Rs
GROUP						
Unquoted investments	Level 3	Net asset value	N/A	N/A	3,682,174	3,883,620
COMPANY						
Unquoted investments	Level 3	Net asset value	N/A	N/A	3,680,174	3,881,620

The directors believe that a 1% change in the reported net asset value of the investee companies will have no signficant impact on the reported fair value at the reporting date.

24 OBLIGATION UNDER FINANCE LEASE

The Group leased certain of its vehicles and buses under finance leases. The lease term is five years. The Group has option to purchase the equipment for a nominal amount at the end of the lease terms. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Interest rates underlying all obligations under finance lease at respective contract date from 5.35% to 5.85% per annum (2019: 5.35% to 6.25%).

	Minimum lease payments		Present value of minimum lease payments	
	2020	2019	2020	2019
Amount payable under finance leases:	Rs	Rs	Rs	Rs
Within one year	1,590,036	1,624,774	1,483,229	1,394,545
In the second to fifth years inclusive	2,065,682	3,728,967	2,006,712	3,492,068
	3,655,718	5,353,741	3,489,941	4,886,613
Less: Future finance charges	(165,777)	(467,128)	-	-
Present value of minimum lease payments	3,489,941	4,886,613	3,489,941	4,886,613

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

24 OBLIGATION UNDER FINANCE LEASE (Cont'd)

	GROUP	
	2020	2019
	Rs	Rs
Right of use asset (disclosed within Note 5)		
Vehicles		
Cost	10,455,500	10,455,500
Accumulated depreciation	(6,438,249)	(4,749,050)
	4,017,251	5,706,450
Lease liabilities		
Current	1,483,229	1,394,545
Non current	2,006,712	3,492,068
	3,489,941	4,886,613

There has been no additions to the right-of-use assets during the 2020 financial year.

	GROUP	
	2020	2019
(i) Amount recognised in the statement of profit or loss	Rs	Rs
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of right-of-use assets	1,689,199	1,957,134
Interest expenses (included in finance costs)	218,344	304,003

(ii) Cash outflow

The total cash outflow for leases in 2020 was Rs 1,396,672 (2019: Rs 1,320,771)
The vehicles under lease are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

25 CONTINGENT LIABILITIES

There are contingent liabilities not provided for in the financial statements in respect of bank guarantees amounting to Rs 10,000 (2019: Rs 10,000) for the Group and the Company respectively. The directors consider that no liabilities will arise as the probability of default in respect of the guarantee is remote.

26 REVENUE

The following is an analysis of the Group's and the Company's revenue for the year from continuing operations:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Revenue from traffic receipts	465,080,359	603,689,518	-	-
Revenue from private hire	10,007,978	13,884,695	-	-
Rental income	76,353,681	76,746,512	1,368,000	-
Syndic fees	7,977,559	7,855,269	-	-
Sales of shops, apartments and parkings	6,600,000	2,646,221	-	-
Interest income	-	-	1,211,893	1,563,467
Dividend income	10,200	10,200	20,010,200	10,200
	566,029,777	704,832,415	22,590,093	1,573,667
Timing of revenue recognition:				
- At a point in time	481,688,337	620,220,434	-	-
- Over time	84,331,240	84,601,781	1,368,000	-
	566,019,577	704,822,215	1,368,000	-

26 REVENUE (Cont'd)

Investment properties are leased to tenants under operating leases with rental payable monthly and derives revenue from provision of public transport services in Mauritius.

Performance obligations and revenue recognition policies

The following table provides information about the revenue recognition policies:

Type of service	Nature and timing of performance obligation, including significant payment terms	Revenue recognition policy
Traffic receipts	Revenue recognised at point in time. Tariffs are set by the local authorities in Mauritius	Revenue is recognised when the service is rendered.
Private hire	Revenue recognised at point in time as per agreement in place.	Revenue is recognised when the service is rendered.
Rental Income and syndic fees	Rental and syndic fees charged for the usage of investment property	Revenue is recognised on a monthly basis.
Sale of investment property	Revenue recognised at point in time based on sales deed agreement in place.	Revenue is recognised on disposal of the assets.

Assets and liabilities related to revenue contracts

The Company has recognised the following assets and liabilities related to contracts with customers.

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Current contract assets				
Trade receivables	5,311,429	4,626,625	-	-
Less allowance	(28,600)	(28,600)	-	-
Total contract assets	5,282,829	4,598,025	-	-

The above contract assets are in respect to receipts to be collected for private hires and rental income. There are no contract assets in respect to Traffic receipts as all revenue are collected in cash at point of providing the service.

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Contract liabilities				
Deferred income	37,353,600	-	-	-
Deposits	30,497,658	29,581,546	-	-
	67,851,258	29,581,546	-	-

There are no unsatisfied performance obligation at the reporting date.

27. SEGMENTAL REPORTING

Group

The directors of the Group have chosen to organise the Group into different types of services and products delivered and provided. Specifically, the main Group's reportable segments under IFRS 8 are as follows:

- Bus transport services to the public
- Property development
- Investment holding

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Segment assets		Segment liabilities	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Bus transport services to the public	282,783,672	265,028,922	591,255,405	597,544,070
Property development	690,870,985	671,043,833	84,908,565	71,561,069
Investment holding	71,759,843	70,755,414	8,632,656	12,711,932
Consolidated total assets/liabilities	1,045,414,500	1,006,828,169	684,796,626	681,817,071

For the purpose of monitoring segment performance and including resources between segments:

- All assets are allocated to reportable segments. There are no assets jointly used by reportable segments; and
- All liabilities are allocated to reportable segments. There are no liabilities for which reportable segments are jointly liable.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Segment assets		Segment liabilities	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Bus transport services to the public	475,088,337	617,574,213	22,386,503	56,652,322
Property development	90,931,240	87,248,002	23,238,285	27,015,674
Investment holding	10,200	10,200	1,995,842	984,384
	566,029,777	704,832,415	47,620,630	84,652,380

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales in the current year (2019: Rs Nil). The accounting policies of the reportable segments are the same as the accounting policies described in note 3(t). Segment profit represents profit after taxation earned by each segment.

27 SEGMENTAL REPORTING (Cont'd)

Other segmental reporting

	Bus transport services	Property development	Investment holding	Total
	Rs	Rs	Rs	Rs
2020				
Interest income	1,800,189	185,888	-	1,986,077
Interest expense	1,410,945	1,374,469	-	2,785,414
Depreciation and amortisation	31,843,412	812,746	1,446,222	34,102,380
Income tax expense	3,193,012	1,890,628	-	5,083,640
Additions to investment property	-	55,792,599	-	55,792,599
Additions to property, plant and equipment	2,297,112	6,423,958	-	8,721,070
2019				
Interest income	510,209	104,243	-	614,452
Interest expense	4,455,068	1,443,402	-	5,898,470
Depreciation and amortisation	37,646,381	98,739	1,446,222	39,191,342
Income tax expense	(10,957,632)	(2,032,950)	-	(12,990,582)
Additions to investment property	-	5,562,842	-	5,562,842
Additions to property, plant and equipment	8,431,082	17,522	-	8,448,604

Geographical information and information about major customers
Since all the operations are carried out locally, the geographical reporting disclosure is therefore not applicable. There are no single customer which contributes 10% or more to the Group's revenue in either 2020 or 2019.

28 NON-CASH TRANSACTION

During the year, the Group entered into the following non-cash transactions which are not reflected in the statements of cash flows:

	GROUP		COMPANY	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Dividend income	-	-	20,000,000	-

Dividend income from the subsidiary was net off against the current account with the concerned party; leading to no cash inflow.

29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 01 July 2018	Financing cash flows	At 30 June 2019	Financing cash flows	At 30 June 2020
	Rs	Rs	Rs	Rs	Rs
Bank loans	78,000,000	(78,000,000)	-	-	-
Amounts due to related parties	68,601,700	(500,000)	68,101,700	(1,000)	68,100,700
Obligations under finance lease	6,207,384	(1,320,771)	4,886,613	(1,396,672)	3,489,941
	152,809,084	(79,820,771)	72,988,313	(1,397,672)	71,590,641

The cash flows from bank loans, amounts due to related parties, finance leases and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.

30 MAJOR EVENTS DURING THE YEAR - COVID-19

Most countries around the world have suffered and continue to suffer outbreaks of COVID-19 and are likely to suffer continued increases in recorded cases. The COVID-19 outbreak has seen a sudden and rapid decline in global economic growth.

During the first half of 2020, we have seen extreme volatility and limited liquidity in securities markets with many markets subject to governmental intervention. Certain Governments have imposed restrictions on the manufacture of goods and the provision of services, in addition to the free movement of persons. This has had a material impact on the activities of businesses, their profitability and their ability to generate positive cash flow. In such market conditions there is a much higher risk of credit defaults and bankruptcies.

Much of the developed world appeared to have the virus under some sort of control at the end of June 2020; however from an overall global perspective, the threat still remains. Reminders of this are evident from localised outbreaks in countries even where the original threat had been brought under control. As a result, it is still too soon to say when a sustained recovery will come or whether that recovery will be faster or slower than normal, as much will depend on how quickly individual countries are able to keep the virus under control and their ability to continue to reopen and then remain open for business. As a result, this may have a material impact on the performance of the the Group and the Company in terms performance of investments held, demand for rental of properties in future and transport facilities being offered.

The possibility remains that with a further severe decline in economic activity and reintroduction of restrictions, of disruption of public utilities or network services, as well as system failures at facilities or otherwise affecting businesses, the performance of the Company could be adversely affected. COVID-19 has resulted in adjusted working practices, work remotely for prolonged periods of time or to be potentially absent from work due to illness as a result of the disease which may adversely impact the day to day operations of the Group and the Company. The Group suffered from significant drop in its revenue during the last quarter of this financial year. The Group also benefitted from wage assistance scheme, disclosed in note 15, during the last quarter to sustain payment of staff costs. The operations of the Group will also be impacted with the introduction of the Metro. The directors continue to monitor the impact of the COVID-19 and the Metro services on the Group's activities.

31 EVENTS AFTER REPORTING DATE

Except for the continuous monitoring of the impact of the COVID-19 disclosed in the above note, there has been no other material event after the reporting date that requires disclosure and amendment to the financial statements.

32 CONTROLLING PARTY

The directors consider Associated Commercial Co Ltd, a public company incorporated in Mauritius and listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius, to be the majority shareholder and controlling party.