United Bus Service Limited

Consolidated and Separate Financial Statements

For the year ended

30 June 2026

UNITED BUS SERVICE LIMITED

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UNITED BUS SERVICE LIMITED

CORPORATE INFORMATION

DIRECTORATE

CHAIRMAN
M YACOOB RAMTOOLA ***FCA***

DIRECTORS
SWALEH RAMJANE ***FCIS MCIT***
M S E HAJI ADAM ***FCCA***
MASOOD RAMTOOLA
A FOUAD MALLAM HASSAM
SABINA MORABY

SECRETARY
M S E HAJI ADAM ***FCCA***

AUDITOR
ECOVIS (MAURITIUS)
SUITE 207, 2ND FLOOR NG TOWER
CYBERCITY
EBENE

REGISTERED OFFICE
LES CASSIS, PORT LOUIS

BANKS
SBM BANK (MAURITIUS) LTD
1 QUEEN ELIZABETH II AVENUE
PORT LOUIS

THE MAURITIUS COMMERCIAL BANK LIMITED
SIR WILLIWM NEWTON STREET
PORT LOUIS

AFRASIA BANK LIMITED
BOWEN SQUARE
10 DR FERRIERE STREET
PORT LOUIS
MAURITIUS

United Bus Service Ltd

Chairman's letter

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 2026.

The Group's turnover for the year ended 30 June 2026 has slightly decreased as compared to the previous year. However, the profitability of the Group has been severely impacted with the reduction of various financial support from the Government to bus operators. This has resulted in a loss after tax of Rs 41.6 million as compared to a profit of Rs 18.3 million last year. The operations of the Group continue to be impacted by the metro and the illegal operators.

We are hopeful that with the various measures initiated by the Government in view of modernising the public transport that the situation will improve in the near future.

I would like to express my gratitude and appreciation to the Board members for their guidance, the management and employees of the group for their hard work and dedication.

I am also thankful to the shareholders for their ongoing support to the Group

Yacoob Ramtoola FCA
Chairman
30 Sept 2026

UNITED BUS SERVICE LIMITED

Board of Directors

Profile of the Board of Directors of United Bus Service Ltd ("UBS Ltd")

Mr. Yacoob Ramtoola FCA – Chairman – Non-Executive Director

- **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 – Executive Director

- **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– Executive Director

- **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 Group Chief Executive and overlooks the finance and administrative functions.

- **Other current appointments**
  Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd, Lintrabis Investment Co Ltd, UBS Transport Ltd, Orland Ltd & Union Sugar Estates Ltd.

Massood A Ramtoola– Non-Executive Director

- **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.

Ahmad Fouad Mallam Hassam– Independent Non-Executive Director

- **Skills and experience**
  Mr A F Mallam Hassam is holder of Master of Arts in Administrative Science from the University of Punjab. He has also been awarded Master of Laws in Criminology and Criminal Justice from the University of London. He has a wide experience in the Public Bus Transport Industry.

- **Other current appointments**
  Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd.

UNITED BUS SERVICE LIMITED

Board of Directors **(Continued)**

Profile of the Board of Directors of United Bus Service Ltd ("UBS Ltd") (Continued)

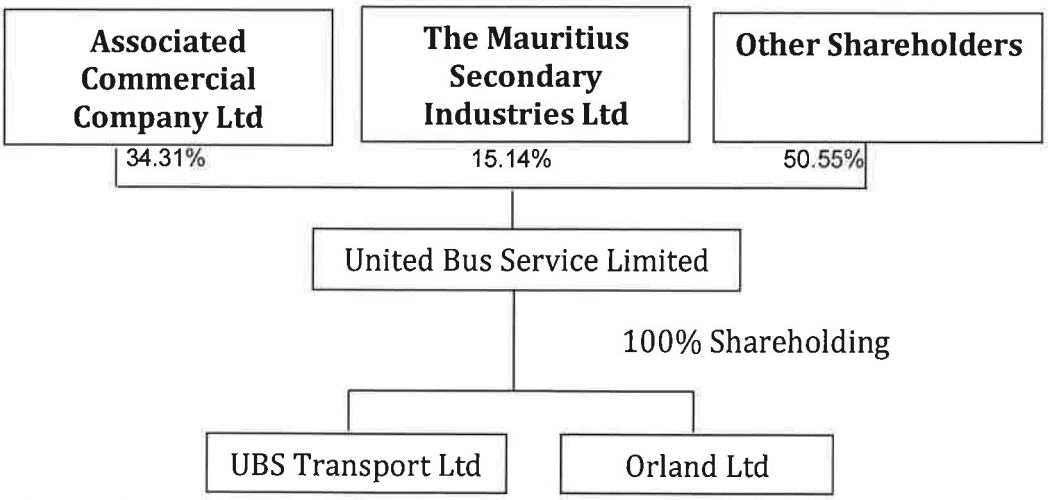
Sabina Moraby – Independent Non-Executive Director

- **Skills and experience**
  Mrs Sabina Moraby is an experienced IT professional with more than 30 years of experience, she also has experience in Management and Administrative functions.

- **Other current appointments**
  Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd.

UBS Group Structure

Holding Structure



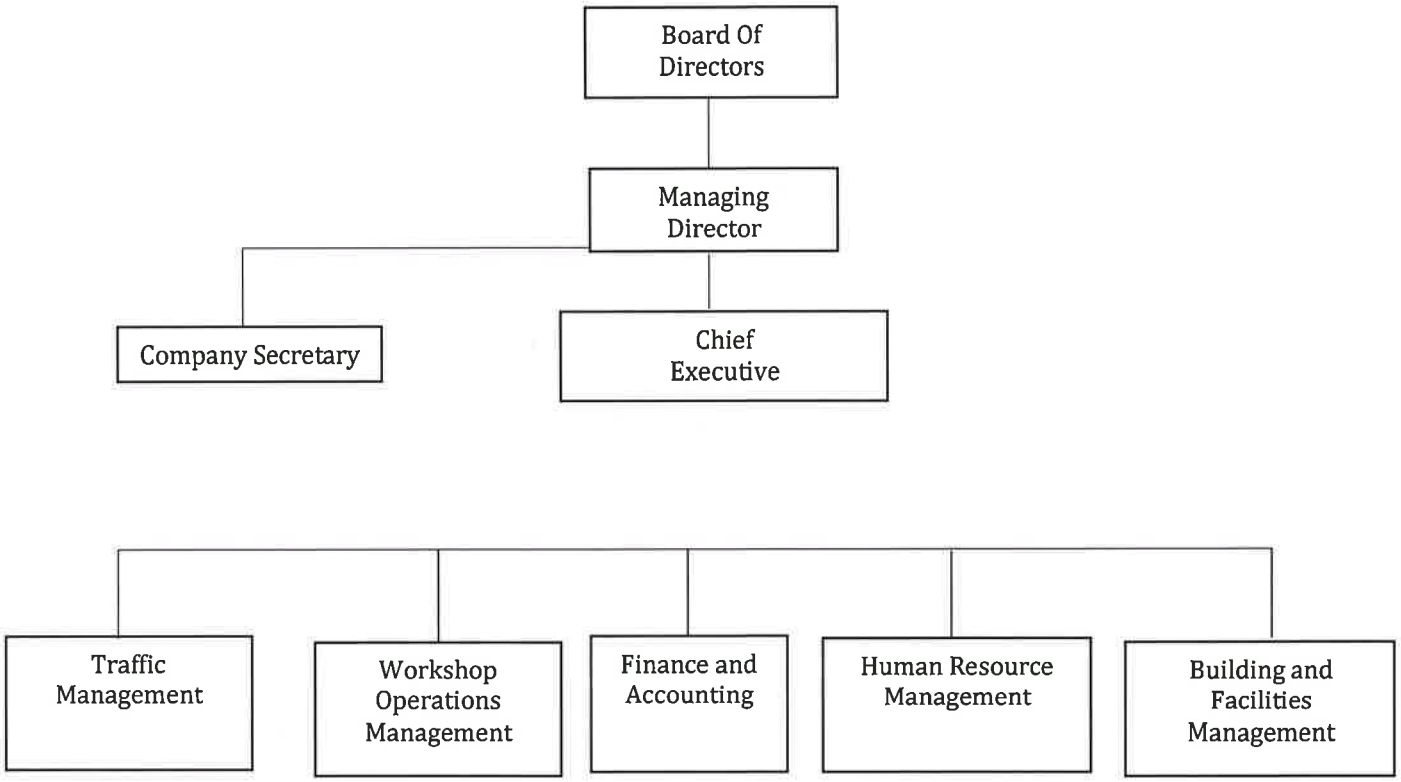
Common Directorships

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

	UBS Ltd	UBS Transport Ltd	Orland Ltd
Yacoob Ramtoola	•	•	•
Swaleh Ramjane	•	•	•
M S E Haji Adam	•	•	•
Masood Ramtoola	•	-	-
A F Mallam Hassam	•	-	-
Sabina Moraby	•	-	-

UNITED BUS SERVICE LIMITED

UBS Group Organigram



UNITED BUS SERVICE LIMITED

Corporate Governance Report

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.

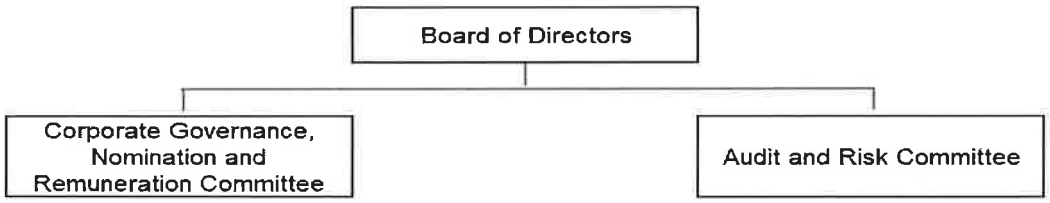
The Company is listed on the Development and Enterprise Market ('DEM") of the Stock exchange of Mauritius ("SEM") and is registered with the FSC as a reporting issuer. It is an investment company holding interests in UBS Transport Ltd and Orland Ltd. Orland Ltd is engaged in property development whereas 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 2025 to 30 June 2026 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.

Corporate Governance Report (Continued)

Principle 1: Governance Structure (Continued)

Code of ethics (Continued)

The code of ethics is available on the Company's website.

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.

General organization structure of the Company

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

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 iv.

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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 1: Governance Structure (Continued)

Group Managing Director (GMD) (Continued)

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 iv.

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

Other Key governance positions

Group Chief Executive

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

- Provide strategic and guidance to ensure that the Group and the Company's commitments are met
- Develop all necessary policies and procedures to ensure the sound management and control of the Group's business
- Direct and control 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 strategy
- Provide advice and guidance to the Group's managers and staff to enable them achieve their objectives
- Develop and maintain all necessary systems, policies and procedures to ensure effective and efficient management within the company
- Carry out all necessary actions to ensure that the Company meets its financial and legal obligations

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 1: Governance Structure (Continued)

Website

The following information is available:

- Annual report
- Quarterly accounts
- Share price information
- Financial highlights etc.
- The Code of Ethics
- Organization chart
- Statement of major accountabilities

UBS Ltd acknowledges that the Constitution is not currently available on the website of the Group. In line with the recommendations of Principle 1 of the National Code of Corporate Governance, the Company is in the process of reviewing the publication of its Constitution on the website to further enhance transparency.

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 as at 30 June 2026 made up of 6 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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 2: The structure of the board and its committees (Continued)

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.

The profile of the board members is on page iv.

Powers of the board

The role and responsibilities of the Board of Directors is as per the Company's constitution in compliance of the Mauritius 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 met 6 times for the financial year ended 30 June 2026.

Board attendance

	Board	Corporate Governance, Nomination and Remuneration Committee	Audit & Risk Committee
Yacoob Ramtoola	6/6	2/2	4/4
Swaleh Ramjane	6/6	-	-
M Haji Adam	6/6	-	-
Masood Ramtoola	6/6	2/2	-
A F Mallam Hassam	6/6	2/2	4/4
Sabina Moraby	6/6	-	4/4

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 2026
- Report from the different committees

Financial

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

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 21 of the notes to the accounts and are at arm's length and in the normal course of business.

Corporate Governance Report (Continued)

Principle 2: The structure of the board and its committees (Continued)

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. A Fouad Mallam Hassam (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. A Fouad Mallam Hassam
Mr. Sabina Moraby

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 4 times during the year under review.

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

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 2: The structure of the board and its committees (Continued)

Audit and risk committee (Continued)

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.

Principle 2: The structure of the board and its committees (Continued)

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 allow it to meet its business requirements.

All the Directors of the Company are resident Directors.

Principle 3: Directors' Appointment Procedures

Appointment

The Board is required from time to time depending on the requirements to fill vacancies that arise 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
- Judgment
- 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.

Principle 3: Directors' Appointment Procedures (Continued)

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 Mauritius 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.

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 Chief Executive
- 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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 4: Directors' Duties, Remuneration and Performance

Legal duties (Continued)

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

A board evaluation by way of questionnaire was performed during the year ended 30 June 2024.The Corporate Governance, Nomination and Remuneration Committee took note of the main areas identified for improvement and necessary action has been undertaken to act on the results. The next board evaluation will be performed in the financial year 30 June 2027.

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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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

Statement of remuneration philosophy (Continued)

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	0.02%	-	-
Swaleh Ramjane	2.89%	-	-
M S E Haji Adam	0.02%	0.39%	-
Massood Ramtoola	0.40%	0.52%	-
A F Mallam Hassam	0.02%	-	-
Sabina Moraby	0.04%	-	-

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

The fees paid to directors in 2026 were as follows:

	Fees
	Rs 000
Executive Director (Full Time)	
Swaleh Ramjane	18,147
M S E Haji Adam	5,771
Non-Executive Directors (Part Time)	
Yacoob Ramtoola	3,003
Massood Ramtoola	-
Ahmad Fouad Mallam Hassam	529
Sabina Moraby	50

	Group		Company	
Directors	**2026**	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive directors	**23,918**	25,365	**-**	-
Non-executive directors	**3,582**	3,735	**50**	-

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

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 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 to minimize the impact on information resources.

The Company is also investing in IT to have digital information properly secured and safeguarded in different location to ensure business continuity. Also, the Company ensures that access rights are granted to authorized personnel only and passwords change 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 Group is exposed with a variety of risks which could affect its performance and financial condition; the below is a series of key risks:

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 5: Risk Governance and Internal Control (Continued)

- ***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, and relevant insurance covers have been contracted by the Group and the Company. A disaster recovery plan has also been prepared.

For the prevention of on-site accidents, the Group and the Company implement 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.

- ***Financial risk***

Financial risk management is further explained in note 24 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 Group and 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 Group and the Company do not comply with laws, regulations, and policies as set by the Government.

The operations of the Group and 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 Group and the Company being hacked. In order to mitigate this risk, the Group and the Company have invested in back-up systems and the necessary software and hardware to ensure that no such losses actually occur.

Principle 5: Risk Governance and Internal Control (Continued)

- ***Reputational Risk***

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

In order to mitigate this risk, the Group and the Company communicate regularly with their stakeholders and constantly strive to build strong business relationships with their stakeholders.

- ***Human Resources Risk***

The management of human resource risk is an ongoing activity that involves careful planning and constant fluidity to enable the Group and 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 Group and the Company have 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 Group's and 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.

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

Principle 5: Risk Governance and Internal Control (Continued)

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 size. However, in order to be in line 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 sets 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 International Financial Reporting Standards and in compliance with Mauritius Companies Act 2001 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 a 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 problems and grievances that may arise.

Principle 6: Reporting with integrity (Continued)

Environment, health and safety (Continued)

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 society at large.

The following are the initiatives taken by the Company:

- Inculcation of environmental awareness to all staff
- Controlling air conditioners
- Switching off lights when not needed
- Reduction in photocopying
- Purchase of environmentally 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

ECOVIS (MAURITIUS) has been appointed as auditors of the Company in December 2021.

The company approached various audit firms as regards to their willingness and availability to accept UBS Ltd as their client for the financial year 30 June 2026. After due evaluation and consideration by the Board of Directors it was recommended to the shareholders to appoint ECOVIS (MAURITIUS) (previously known as Duncan Morris) as auditors of the Company for the financial year 30 June 2026.

ECOVIS (MAURITIUS) have been appointed as external auditors at the shareholders meeting of December 2021.

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

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 7: Audit (Continued)

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.

Audit fees and other services

The fees paid to the external auditors for the year 2025 and 2026 are as follows:

	Group	**Company**	Group	Company
	2026		2025	
External Audit Services	**Rs 636,479**	**Rs 213,003**	Rs 606,165	Rs 202,860
Tax compliance services	**Rs 91,414**	**Rs 28,020**	Rs 79,915	Rs 34,402

The non audit work is performed by a different team that holds the necessary expertise and is independent of the audit team and supervised by different managers and partners.

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

Stated Capital structure

The Company issued ordinary shares consisting of 4,969,489 ordinary shares of par value Rs 10 each at a premium. The total issued capital amounts to Rs 49,737,832, inclusive of share premium.

The Group key stakeholders/communication with shareholders

The Group continuously engages with its stakeholders through 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.

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

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 8: Relations with other shareholders and other key stakeholders (Continued)

Shareholders

All shareholders have the same voting rights

The major shareholders of the UBS Ltd at 30 June 2026 are as follows:

Shareholders	No of shares	% shareholding
Associated Commercial Co Ltd	1,704,842	34.31
The Mauritius Secondary Industries Ltd	752,245	15.14
Lintrabis Investment Company Ltd	435,956	8.77

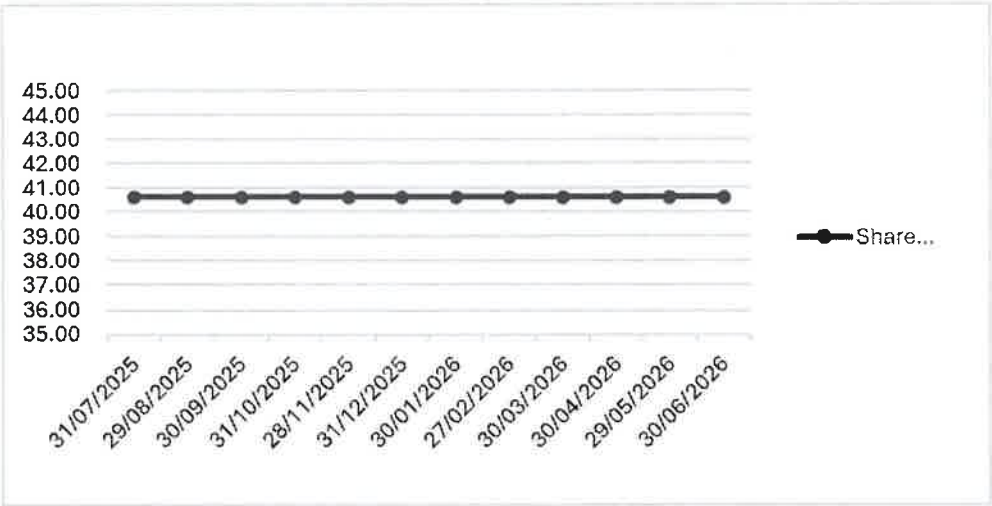
Distribution of shareholding at 30 June 2025

Defined brackets	No of shareholders	No of shares owned	% Holding
1-500	1,062	169,189	3.42
501-1,000	224	154,740	3.11
1001-5,000	293	620,803	12.49
5,001-10,000	36	257,963	5.19
10,001-50,000	41	650,713	13.09
50,001-100,000	1	79,439	1.60
Over 100,000	4	3,036,642	61.12
Total	1,660	4,969,489	100

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:



Principle 8: Relations with other shareholders and other key stakeholders (Continued)

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. A dividend of Rs 1.00 was paid in June 2025.

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 and the Company consider their 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 are 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.

Community

The Group and the Company engage 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

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

Principle 8: Relations with other shareholders and other key stakeholders (Continued)

Annual general meeting of shareholders

The annual general meeting of the UBS Ltd is scheduled in December 2026. 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	
	2026	2025	**2026**	2025
Other donations	-	-	-	-

In line with current legislation the Group has made contribution of **Rs 1,475,459** (2025: Rs 2,170,348) to the approved CSR organization. No contribution has been made to any political parties in 2026 and 2025.

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

Name of Public Interest Entity: United Bus Service Limited

Reporting period: 30 June 2026

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

Date: 30 SEP 2026

.....

M Yacoob Ramtoola
Chairman

.....

M S E Haji Adam
Director

UNITED BUS SERVICE LIMITED

Statement of Directors' Responsibilities

The Directors are responsible for preparing the corporate governance report and consolidated and separate 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 the consolidated and separate 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 consolidated and separate 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

30 SEP 2026

.....
M S E Haji Adam
Director

UNITED BUS SERVICE LIMITED

Statutory Disclosures
Year ended 30 June 2026

The directors have pleasure to submit herewith their Annual Report together with the audited consolidated and separate financial statements for the year ended 30 June 2025.

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 and separate statements of profit and loss and other comprehensive income for the year ended 30 June 2026 is set on page 10.

2. Directors' Remuneration

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

	2026		2025	
	Group	**Company**	Group	Company
Executive Directors	**Rs 23,918,186**	-	Rs 25,365,009	-
Non-Executive Directors	**Rs 3,582,407**	**Rs 50,000**	Rs 3,734,758	-

The remuneration of each director has been disclosed on page xvii.

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
	2026		2025	
External Audit Services	**Rs 636,479**	**Rs 213,003**	Rs 606,165	Rs 202,860
Tax compliance services	**Rs 91,414**	**Rs 28,020**	Rs 79,915	Rs 34,402

The tax compliance services team is separate from the external audit services team.

On behalf of the Board

.....
M Yacoob Ramtoola
Chairman

30 SEP 2026

.....
M S E Haji Adam
Director

UNITED BUS SERVICE LIMITED

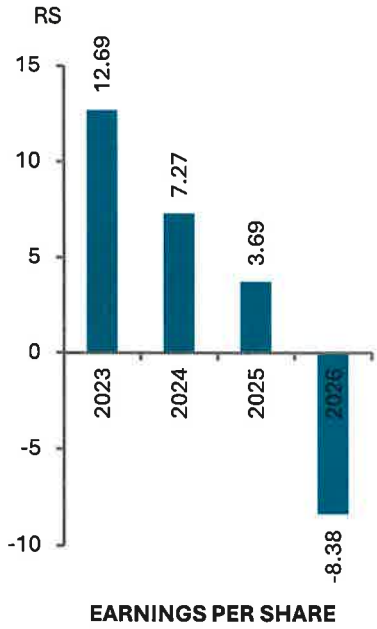
Secretary's Certificate

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 2026 all such returns as are required of the Company under the Mauritius Companies Act 2001.

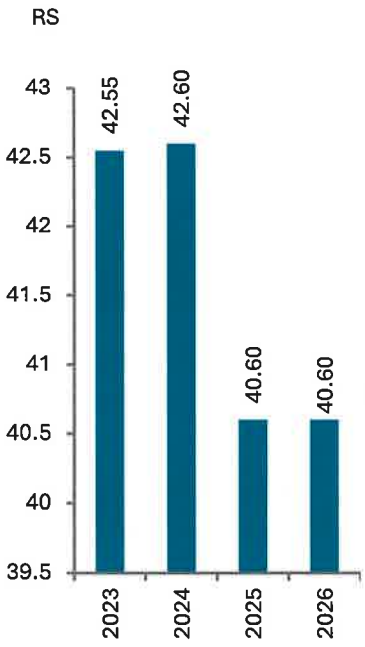
M S E Haji Adam FCCA
Secretary

30 SEP 2026

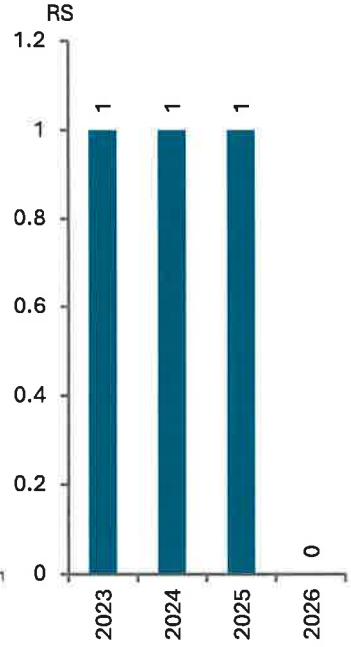
Financial Highlights of the Group



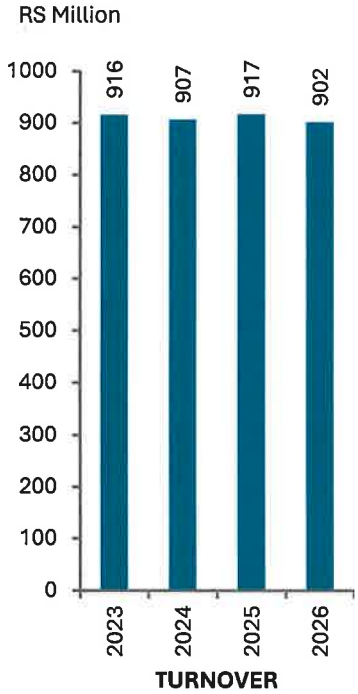
EARNINGS PER SHARE



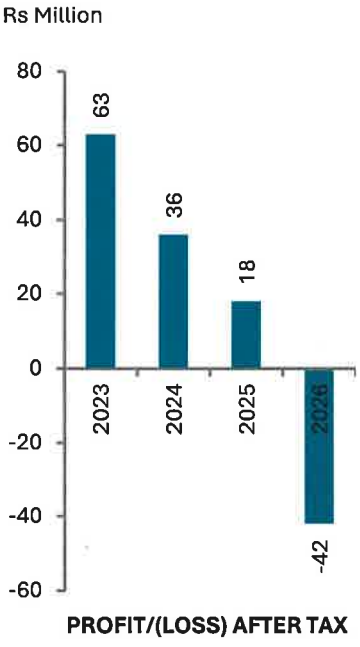
MARKET VALUE OF ORDINARY SHARES



DIVIDEND PAID /SHARE



TURNOVER



PROFIT/(LOSS) AFTER TAX

Suite 207-2nd Floor NG Tower
Cybercity, Ebene.
Tel:- 460 5589
BRN: F11000012

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Bus Service Limited

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") which comprise the consolidated and separate statements of financial position as at 30 June 2026, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, comprising a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements on pages 9 to 50 gives a true and fair view of the financial position of the Group and the Company as at 30 June 2026, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group and the Company in accordance with *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.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Bus Service Limited

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

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 contest 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.

The key audit matter	***How the matter was addressed in our audit***
Recoverability of loan receivable from group entities The Company has loans receivables from one of its subsidiaries amounting to **Rs 18,672,076.** The Company uses an Expected Credit Loss (ECL) model to determine the size of the impairment allowance for trade and other receivables. The ECL methodology incorporates the expected future credit losses due to forward looking macro-economic variables. The Company's ECL model uses certain judgements and assumptions such as: • The probability of trade and other receivables becoming past due and subsequently defaulting (probability of default 'PD'), • The magnitude of the likely loss if there is default (loss given default 'LGD'); • The expected exposure in the event of a default (exposure at default 'EAD') • The determination of the Company's definition of default; • The criteria for assessing significant increase in credit risk (SICR); • The rate of recovery on trade and other receivables that are past due and in default; • The incorporation of forward-looking information used in determining the expected credit losses on the amount receivable. Due to the significance of trade and other receivables to the financial position of the Company and the level of judgement applied in determining the ECL, the expected credit loss allowance was considered a key audit matter.	Our audit procedures included the following: • Assessing and testing the design and operating effectiveness of the controls over credit origination and monitoring; • 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; • Assessing whether the Company's credit policies are aligned with IFRS 9, Financial Instruments; • Using available external and independent information to challenge management's assumptions and judgements in determining expected credit losses; • Verified the computation of the ECL for accuracy; • Assessing the adequacy of the disclosures in respect of ECL as required in terms of IFRS 9, Financial Instruments.

ECOVIS (MAURITIUS) is a member firm of ECOVIS International. ECOVIS International is a Swiss association. Each member firm is an independent legal entity in its own country and is only liable for its own acts or omissions, not those of any other entity.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Bus Service Limited

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key audit matters (Continued)

The key audit matter	***How the matter was addressed in our audit***
Retirement benefit obligation The Group has recognised retirement benefit obligations of **Rs 593,698,172** as at 30 June 2026. Management has estimated the retirement benefit obligations arising and has not involved an actuary to calculate the obligations at reporting date. Accordingly, the estimation of retirement benefit obligations is considered to be a key audit matter due to the significance of the balance in the financial statements as a whole. The significant assumptions used have been disclosed in Note 23.	Our audit procedures included the following: • Assessed and discussed the assumptions that management, considered 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, with the payroll report for completeness and accuracy.
Property, plant and equipment Property, plant and equipment are considered a key audit matter as measurement of depreciation and impairment of property, plant and equipment requires management to make judgements and assumptions and estimates related to determining the useful life and method of depreciation and perform a test for the impairment of property, plant and equipment (if any). As indicated in note 5, management reviews the residual values and useful lives of plant and equipment at each financial year end and adjusts them prospectively, if appropriate. The freehold land was fair valued at Rs 95,000,000 by an independent valuer during the year ended 30 June 2025 using the market comparable approach. Management assessed that the fair value of the freehold land remained unchanged as at 30 June 2026. Management also assessed the carrying amount of property, plant and equipment and concluded that no impairment had occurred as at 30 June 2026.	Our audit procedures included the following: • Examined and reviewed the internal controls related to financial operations in connection with property, plant and equipment. • Verified the physical existence and ownership of the Group of such property, plant and equipment. • Assessed and challenged management with regard to estimation of remaining useful life of assets and the process for approval of the change in key estimate. • Verified the correctness of the computation of depreciation expense. • Evaluated the presentation and disclosure of the change in key estimates in accordance with IAS 16 and IAS 8.

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Bus Service Limited

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Key audit matters (Continued)

The key audit matter	***How the matter was addressed in our audit***
The Company has applied IFRS 16 - Leases which requires the recognition of right-of-use assets of **Rs. 15,412,457** (2025: Rs. Nil) and lease liabilities amounting **Rs. 15,734,103** (2025: Rs.Nil) as at 30 June 2026. This was considered to be a matter of most significance to the current year's audit and identified as a key audit matter. This is due to the audit effort expended in assessing the judgements that were required of management in applying the requirements of the standard which has a material effect on the financial position and performance of the Company. The application of IFRS 16 required management to assess the contract to which the Company is party to identify whether it is, or it contains, a lease. Further, management was also required to make significant judgements in the initial accounting for, and subsequently measurement of, these leases, including: • determining the duration of the lease, by: - establishing the beneficial occupation date of the asset by assessing when initial access was granted; - establishing the lease term including any renewal options that are reasonably certain to be elected; and - the evaluation of subsequent contract modifications; • determining the incremental borrowing rate to be applied to historic leases. The disclosures required per IFRS 16-Leases are set out in the audited financial statements in Note 7 – Right of use assets and Note 31 - Lease liabilities.	Our audit procedures, amongst others, included the following: • assessed the appropriateness of the Company's accounting policies for the measurement of non-financial assets in line with the requirements of International Financial Reporting Standards (IFRS); • evaluated management's policies, processes and controls put in place to identify, capture and account for active leases across the Company by obtaining an understanding of the system through discussion with management and assessing it in light of the requirements of the accounting standard; • evaluated the completeness of the leases identified by management by comparing the right-of-use asset population within the lease management system; • assessed the historical discount rates determined by management with reference to entity-specific borrowing rates and external market data; • evaluated the appropriateness of the lease periods used in the valuation by agreeing lease terms and options to lease agreements, and assessed the expected lease period determined by management; • recalculated the lease liabilities, right-of-use assets, finance costs and depreciation based on the underlying contractual terms; and • evaluated key accounting policy decisions and the completeness and accuracy of disclosure made by management with reference to the requirements of IFRS 16.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Bus Service Limited

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Responsibilities of 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 IFRSs, and that comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company 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 the Company's financial reporting process.

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

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

As part of an audit in accordance with ISAs, we exercise professional 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 the 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Bus Service Limited

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the Group 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.

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 of corporate information, chairman's letter, board of directors, UBS Group structure, UBS Group Organigram, corporate governance report, statement of compliance, statement of directors' responsibilities, statutory disclosures, secretary's certificate and financial highlights of the Group.

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 interests in the Company or of its subsidiaries other than in our capacities as auditor and tax advisor of the Company and its subsidiaries.

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

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

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Bus Service Limited

Report on Other Legal and Regulatory Requirements (Continued)

Financial Reporting Act 2004

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

Other matters

Our report is made solely to the shareholders of the Company, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

Ecovis (Mauritius)

ECOVIS (MAURITIUS)

Date: 30 September 2016

Vivek Gujadhur, FCCA

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UNITED BUS SERVICE LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
ASSETS		Rs	Rs	Rs	Rs
NON-CURRENT ASSETS					
Property, plant and equipment	5	**297,898,241**	294,632,709	**95,000,000**	95,000,000
Right of use assets	7	**15,412,456**	-	-	-
Investment property	6	**884,451,640**	937,096,230	**77,500,000**	77,500,000
Investments in subsidiaries	8	-	-	**256,182,090**	256,182,090
Financial assets	9	**69,770,795**	68,892,564	**7,234,484**	5,233,046
Deferred tax assets	20(c)	**92,777,574**	104,278,947	-	-
Total non-current assets		**1,360,310,706**	1,404,900,450	**435,916,574**	433,915,136
CURRENT ASSETS					
Inventories	10	**16,016,579**	15,141,272	-	-
Deposit on shares	14	-	2,400,000	-	-
Trade and other receivables	11	**42,539,608**	42,478,697	**18,742,576**	18,510,425
Financial assets	9	**385,014,425**	346,867,610	-	-
Current tax assets	20(a)	**6,069,725**	2,029,594	-	-
Cash and bank balances	12	**12,314,269**	9,735,787	**274,949**	1,877,678
Total current assets		**461,954,606**	418,652,960	**19,017,525**	20,388,103
TOTAL ASSETS		**1,822,265,312**	1,823,553,410	**454,934,099**	454,303,239
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated capital	16	**49,737,832**	49,737,832	**49,737,832**	49,737,832
Revaluation reserves		**152,512,305**	152,512,305	**152,512,305**	152,512,305
Fair value reserves		**22,917,539**	24,439,308	**6,866,464**	4,865,026
Retained earnings		**436,188,244**	477,108,377	**189,909,965**	188,545,276
Total equity, attributable to owners of the Company		**661,355,920**	703,797,822	**399,026,566**	395,660,439
Non controlling interest		**188,902,066**	194,114,290	-	-
Total equity		**850,257,986**	897,912,112	**399,026,566**	395,660,439
NON-CURRENT LIABILITIES					
Borrowings	30	**76,125,750**	89,900,849	-	-
Lease liabilities	31	**14,144,712**	-	-	-
Retirement benefit obligations	23	**593,698,172**	564,254,180	-	-
Deferred tax liabilities	20(c)	**5,572,577**	5,441,753	-	-
Total non-current liabilities		**689,541,211**	659,596,782	-	-
CURRENT LIABILITIES					
Trade and other payables	15	**181,759,783**	168,072,621	**55,818,278**	56,804,479
Bank overdraft	12	-	12,567,635	-	1,745,049
Lease liabilities	31	**1,589,390**	-	-	-
Current tax liabilities	20(a)	**89,255**	1,763,669	**89,255**	93,272
Borrowings	30	**22,977,687**	9,300,376	-	-
Amounts due to related parties	13	**76,050,000**	74,340,215	-	-
Total current liabilities		**282,466,115**	266,044,516	**55,907,533**	58,642,800
Total liabilities		**972,007,326**	925,641,298	**55,907,533**	58,642,800
TOTAL EQUITY AND LIABILITIES		**1,822,265,312**	1,823,553,410	**454,934,099**	454,303,239

Approved by the Board of Directors and authorised for issue on.....30 SEP 2026.....

.....(DIRECTOR)

.....(DIRECTOR)

The notes on pages 14 to 50 form an integral part of these consolidated and separate financial statements.

UNITED BUS SERVICE LIMITED

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	GROUP		COMPANY	
		2026	2025	**2026**	2025
		Rs	Rs	**Rs**	Rs
REVENUE	26	**902,130,586**	917,393,015	**2,090,000**	1,391,312
DIRECT COSTS	17	**(819,983,439)**	(768,072,297)	**-**	-
OPERATING PROFIT		**82,147,147**	149,320,718	**2,090,000**	1,391,312
ADMINISTRATIVE EXPENSES	17	**(130,150,063)**	(127,152,607)	**(782,188)**	(656,026)
PROFIT FROM OPERATIONS		**(48,002,916)**	22,168,111	**1,307,812**	735,286
OTHER INCOME	18	**15,634,726**	8,868,491	**-**	-
FINANCE INCOME	18	**16,964,541**	8,729,004	**229,998**	384,966
FINANCE COSTS	19	**(8,939,327)**	(6,598,856)	**-**	-
PROFIT BEFORE TAX		**(24,342,976)**	33,166,750	**1,537,810**	1,120,252
TAX EXPENSE	20(b)	**(17,289,381)**	(14,838,435)	**(173,121)**	(196,407)
PROFIT FOR THE YEAR		**(41,632,357)**	18,328,315	**1,364,689**	923,845
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Gain on property revaluation		**-**	106,885,468	**-**	106,885,468
Fair value loss on investments designated at FVTOCI	9	**(1,521,769)**	20,329,636	**2,001,438**	755,354
Total other comprehensive loss for the year, net of income tax		**(1,521,769)**	127,215,104	**2,001,438**	107,640,822
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(43,154,126)**	145,543,419	**3,366,127**	108,564,667
Profit attributable to:					
Equity shareholders		**(40,920,133)**	15,897,256	**1,364,689**	923,845
Non-controlling interest		**(712,224)**	2,431,059	**-**	-
		(41,632,357)	18,328,315	**1,364,689**	923,845
Total comprehensive income attributable to:					
Equity shareholders		**(42,441,902)**	143,112,360	**3,366,127**	108,564,667
Non-controlling interest		**(712,224)**	2,431,059	**-**	-
		(43,154,126)	145,543,419	**3,366,127**	108,564,667
EARNINGS PER SHARE	22	**(8.38)**	3.69		

The notes on pages 14 to 50 form an integral part of these consolidated and separate financial statements.

UNITED BUS SERVICE LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

GROUP

	Stated capital Rs	Revaluation reserves Rs	Fair value reserve Rs	Retained earnings Rs	Total equity attributable to equity holders of the Company Rs	Non Controlling Interest Rs	Total Equity Rs
At 1 July 2024	49,737,832	45,626,837	4,109,672	466,180,610	565,654,951	201,183,231	766,838,182
Comprehensive income:							
Profit for the year	-	-	-	15,897,256	15,897,256	2,431,059	18,328,315
Other comprehensive income for the year	-	106,885,468	20,329,636	-	127,215,104	-	127,215,104
Total comprehensive income for the year	-	106,885,468	20,329,636	15,897,256	143,112,360	2,431,059	145,543,419
Transaction with owners							
Dividends	-	-	-	(4,969,489)	(4,969,489)	(9,500,000)	(14,469,489)
At 30 June 2025	49,737,832	152,512,305	24,439,308	477,108,377	703,797,822	194,114,290	897,912,112
At 1 July 2025	**49,737,832**	**152,512,305**	**24,439,308**	**477,108,377**	**703,797,822**	**194,114,290**	**897,912,112**
Comprehensive income:							
Profit for the year	-	-	-	**(40,920,133)**	**(40,920,133)**	**(712,224)**	**(41,632,357)**
Other comprehensive income for the year, net of income tax	-	-	**(1,521,769)**	-	**(1,521,769)**	-	**(1,521,769)**
Total comprehensive income for the year	-	-	**(1,521,769)**	**(40,920,133)**	**(42,441,902)**	**(712,224)**	**(43,154,126)**
Transaction with owners							
Dividends	-	-	-	-	-	**(4,500,000)**	**(4,500,000)**
At 30 June 2026	**49,737,832**	**152,512,305**	**22,917,539**	**436,188,244**	**661,355,920**	**188,902,066**	**850,257,986**

*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.

UNITED BUS SERVICE LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2026

COMPANY

	Stated capital Rs	Revaluation reserves Rs	Fair value reserve* Rs	Retained earnings Rs	Total Equity Rs
At 1 July 2024	49,737,832	45,626,837	4,109,672	192,590,920	292,065,261
Comprehensive income:					
Profit for the year	-	-	-	923,845	923,845
Fair value movement	-	106,885,468	755,354	-	107,640,822
Total comprehensive income for the year	-	106,885,468	755,354	923,845	108,564,667
Transaction with owners					
Dividends	-	-	-	(4,969,489)	(4,969,489)
At 30 June 2025	49,737,832	152,512,305	4,865,026	188,545,276	395,660,439
At 1 July 2025	49,737,832	152,512,305	4,865,026	188,545,276	395,660,439
Comprehensive income:					
Profit for the year	-	-	-	**1,364,689**	**1,364,689**
Fair value movement	-	-	**2,001,438**	-	**2,001,438**
Total comprehensive income for the year	-	-	**2,001,438**	**1,364,689**	**3,366,127**
Transaction with owners					
Dividends	-	-	-	-	-
At 30 June 2026	**49,737,832**	**152,512,305**	**6,866,464**	**189,909,965**	**399,026,566**

*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.

UNITED BUS SERVICE LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	GROUP		COMPANY	
		2026	2025	2026	2025
Cash flows from operating activities		Rs	Rs	Rs	Rs
Profit before taxation		**(24,342,976)**	33,166,750	**1,537,810**	1,120,252
Adjustments for:					
Interest expense	19	**8,677,356**	6,598,856	-	-
Interest income	18	**(16,964,541)**	(8,729,004)	-	(384,966)
Retirement benefits obligations	23	**80,377,639**	69,681,338	-	-
Depreciation of property, plant and equipment	5	**43,092,710**	39,473,337	-	-
Profit on disposal of plant and equipment	18	-	(413,043)	-	-
Depreciation of right fo use	7	**1,354,910**	-	-	-
Depreciation of investment property	6	**52,704,010**	52,704,009	-	-
Operating profit before working capital changes		**144,899,108**	192,482,243	**1,537,810**	735,286
(Increase) / decrease in trade and other receivables		**(14,989,711)**	(11,640,977)	**(232,151)**	221,710
(Increase) / decrease in inventories		**(875,307)**	18,975,673	-	-
Increase / (decrease) / in trade and other payables		**32,765,221**	31,212,935	**(986,201)**	(243,041)
Decrease in amount due by holding company		-	8,040,215	-	-
		16,900,203	46,587,846	**(1,218,352)**	(21,331)
Cash generated from operations		**161,799,311**	239,070,089	**319,458**	713,955
Net tax paid		**(10,845,189)**	(19,087,735)	**(177,138)**	(246,872)
Retirement benefits paid		**(50,933,647)**	(45,154,155)	-	-
Interest paid		**(7,893,620)**	(6,598,856)	-	-
Net cash from operating activities		**92,126,855**	168,229,343	**142,320**	467,083
Cash flows from investing activities					
Interest received		**3,051,569**	5,482,534	-	-
Deposit on shares		-	(2,400,000)	-	-
Repayment of loan from related party		-	-	-	9,500,000
Issue of fixed deposits		**(68,852,890)**	(63,703,759)	-	-
Investment in treasury bills		**(245,056,750)**	-	-	-
Purchase of financial assets	9	-	(250,156,500)	-	-
Proceeds from matured treasury bills	9	**285,000,000**	220,000,000	-	-
Purchase of plant and equipment	5	**(46,358,243)**	(95,745,114)	-	-
Proceeds from disposal of plant and equipment		-	413,043	-	-
Purchases of investment property	6	**(59,420)**	(1,382,130)	-	-
Net cash used in investing activities		**(72,275,734)**	(187,491,926)	-	9,500,000
Cash flows from financing activities					
Receipt of loan		**32,170,858**	65,759,789	-	-
Dividend paid	31	**(4,500,000)**	(19,438,978)	-	(9,938,978)
Repayment of finance lease		**(1,817,001)**	-	-	-
Loans repayment		**(30,558,861)**	(23,495,530)	-	-
Net cash (used in) / from financing activities		**(4,705,004)**	22,825,281	-	(9,938,978)
Net movement in cash and cash equivalents		**15,146,117**	3,562,698	**142,320**	28,105
Cash and cash equivalents at 1 July		**(2,831,848)**	(6,394,546)	**132,629**	104,524
Cash and cash equivalents at 30 June		**12,314,269**	(2,831,848)	**274,949**	132,629
Represented by:					
Cash and bank balances		**12,314,269**	9,735,787	**274,949**	1,877,678
Bank overdraft		-	(12,567,635)	-	(1,745,049)
Net cash and bank balances		**12,314,269**	(2,831,848)	**274,949**	132,629

The notes on pages 14 to 50 form an integral part of these consolidated and separate financial statements.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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 principal accounting policies adopted in the presentation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Changes in accounting policies

(i) New standards, interpretations and amendments adopted from 1 July 2025

Effective date	New standards or amendments
1 January 2025	Lack of Exchangeability (Amendments to IAS 21)

Lack of Exchangeability – Amendments to IAS 21

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction.

However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

(ii) New and revised Standards in issue but not yet effective for the reporting period

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group and the Company have decided not to adopt early.

Effective date	New standards or amendments
1 January 2026	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
	Annual Improvements to IFRS Accounting Standards – Amendments to: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its Accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
	IFRS 19 Subsidiaries without Public Accountability: Disclosures
To be determined	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures ***

*** The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors) . Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group and the Company are currently assessing the impact of these new accounting standards and amendments. The Group and the Company do not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the consolidated and separate financial statements.

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated and separate 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 consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

(b) Foreign currencies

(i) Functional and presentation currency

Items included in the consolidated and separate financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the Group and the Company operate ("functional currency"). The consolidated and separate 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.

(c) Basis of consolidation

The consolidated and separate 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.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent company and non-controlling interests based on their respective ownership interests.

(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) Non-Controlling Interest (NCI)

Non-controlling interests, if any, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) 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 represent receipts from the sale of tickets and hire of buses.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates and other similar allowances.

Traffic receipts and private hire revenue are recognised at a point in time upon performance of services and represents receipts from sale of tickets and hire of buses.
Amounts received from the Government under the free-fare scheme for eligible elderly persons and students are recognised as revenue in accordance with IFRS 15. The amounts represent consideration for passenger transportation services provided, with the Government effectively settling the applicable fare on behalf of eligible passengers. Accordingly, the receipts are not considered government grants within the scope of IAS 20.

Other revenues are recognised on the following bases:
- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable.
- Other income is recognized on accrual basis.

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 is 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 Group and the Company are recognised on an accrual basis.

(g) Government grants

Grants from the National Transport Authority are not recognised until there is reasonable assurance that the Group and the Company 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 and the Company recognise as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the Group and the Company should acquire non-current assets are deducted in the 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 and the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(h) Property, plant and equipment

Freehold land is stated at its revalued amounts in the consolidated and separate statements 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.

Buildings 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

Revaluation of freehold land

The Group and the Company measures freehold land of revalued amounts with changes in fair values being recognised in other comprehensive income. The freehold land is revalued at a reasonable frequency as determined by the bond of directors.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) 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 is stated at cost.

(j) 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.

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	25.00%
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%

(k) 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.

(l) 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.

(m) 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 consolidated and separate 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.

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

(m) Taxation (cont'd)

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 reflect the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of their 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.

(n) Cash and cash equivalents

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

(o) Financial instruments

Financial assets and liabilities are recognised on the consolidated and separate 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.

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

(o) Financial instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets (cont'd)

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 Group 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. 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 recognise 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).

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

(o) Financial instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets (cont'd)

(ii) Equity instruments designated as at FVTOCI (cont'd)

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 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 their 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.

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 the 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (cont'd)

Impairment of financial assets (cont'd)

(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.

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.

3. **MATERIAL ACCOUNTING POLICIES (CONT'D)**

(o) Financial instruments (cont'd)

Impairment of financial assets (cont'd)

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

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 contract, 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 a 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 the 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.

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 continue 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments (cont'd)

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 assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and 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 Group's and the Company's obligations are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(p) 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. The 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Leasing

Lease payments□
When the Group and the Company act as a lessee, the Group and the Company assess whether a contract is, or contains, a lease, i.e. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

At the commencement date, the Group and the Company recognise a right-of-use asset and a lease liability for the rights and obligations created by all leases, except for leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group and the Company recognise the lease payments associated with such short-term leases and leases for which the underlying asset is of low value as an expense on a straight-line basis over the lease term.

Except for the recognition exemptions, where applicable, right-of-use assets and lease liabilities are recognised for all contracts that are, or contain, leases of identified assets at the commencement date of the lease. Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Lease liabilities are initially measured at the present value of unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate, and are subsequently adjusted for lease modifications and other relevant changes in lease payments.□

Depreciation is calculated using the straight-line method to write off the depreciable amount of each right-of-use asset to profit or loss, unless it is included in the carrying amount of another asset. Depreciation is allocated over the shorter of the lease term and the estimated useful life of the right-of-use asset.□

(r) Retirement benefit obligations

Workers Rights Act 2019

The present value of retirement benefits in respect of Workers Rights Act 2019 gratuities is recognised in the statement of financial position as a non-current liability and is computed as stipulated in the Act.

State plan

Contributions to the National Pension Scheme are recognised in consolidated and separate statements of profit or loss and other comprehensive income in the year in which they fall due.□

(s) 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(t) 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. A related party can also arise if the entity is a post-employment benefit plan for the employees of the reporting entity.

(u) 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.

(v) 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 the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Company's and the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated and separate 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.

Useful lives of assets

As from 1 July 2022, the estimated total useful lives of certain items of plant and equipment used by the Group and the Company were revised. Following changes being made to grants applicable to transport companies for the purchase of new buses in the Finance Budget, management have approved to upgrade its current bus fleet and will replace it with the purchase of electrical buses in future. The estimated remaining useful life of existing bus fleet has been reassessed and considered to elapse within the next 4 years.

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.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (Cont'd)

Financial instruments

The Group and the Company hold financial instruments that are not quoted on active markets and investments in subsidiaries. Determining whether the investments in subsidiaries are impaired requires an 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 identified, 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 2026, the directors have concluded that none of the investments in subsidiaries are impaired.

With respect to the unquoted investments, the directors have considered the audited net asset value of the investee companies at 30 June 2026 for the fair value estimation. The directors consider these net asset values to be a reasonable estimate and appropriate.

Retirement benefit obligations

Retirement benefit obligations are determined by management on the basis detailed in note 23. Changes in assumptions considered by management about these factors could affect the provision to be made in the financial statements.

Calculation of loss allowance

When measuring ECL, the Group and the Company use 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 / liabilities

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 Company's and 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 Group and the Company are critical since recording of transactions and exchange differences arising are dependent on the selected functional currency. As described in the accounting policies, the directors have considered those factors therein and have determined that the functional currency of the Group and the Company is Rupees.

Impairment of investment in subsidiary

Investment in subsidiary is stated at cost less any impairment losses in the Group's financial statements. Determining whether investments are impaired requires an estimation of the value in use of the investments. The value in use calculation required the directors to estimate the future cashflows expected to arise from that investment and a suitable discount rate in order to calculate the present value.

The Company holds a 50% interest in Jolima Ltd, with the remaining 50% held by a director of the Company. Management has assessed the investment under IFRS 10 and concluded that the Company has control over Jolima based on its ability to direct the relevant activities and influence the returns from its

Accordingly. Jolima Ltd is considered a subsidiary and the investment has been accounted for as an investment in subsidiary in accordance with IFRS 10.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

5. **PROPERTY, PLANT AND EQUIPMENT**

GROUP	Freehold land	Buildings on leasehold land	Building in progress	Buses	Plant and machinery	Other vehicles	Furniture, fittings and equipment	Computer equipment	Ticket issue machines	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST OR VALUATION										
At 30 June 2024	29,614,532	67,304,257	71,798,529	513,820,996	18,379,976	28,980,848	23,678,685	12,564,238	7,248,226	773,390,287
Additions	-	-	20,449,969	63,900,000	607,607	9,615,468	1,024,078	147,992	-	95,745,114
Scrapped	-	-	-	(6,758,800)	-	-	-	-	-	(6,758,800)
Revaluation	65,385,468	-	-	-	-	-	-	-	-	65,385,468
At 30 June 2025	**95,000,000**	**67,304,257**	**92,248,498**	**570,962,196**	**18,987,583**	**38,596,316**	**24,702,763**	**12,712,230**	**7,248,226**	**927,762,069**
Additions	-	-	**12,808,567**	**23,960,000**	**1,818,587**	**3,406,075**	**4,058,951**	**306,062**	-	**46,358,242**
At 30 June 2026	**95,000,000**	**67,304,257**	**105,057,065**	**594,922,196**	**20,806,170**	**42,002,391**	**28,761,714**	**13,018,292**	**7,248,226**	**974,120,311**
ACCUMULATED DEPRECIATION										
At 1 July 2024	-	67,304,257	-	457,211,587	16,421,120	22,164,270	18,331,561	12,128,009	6,854,019	600,414,823
Charge for the year	-	-	-	34,783,300	621,420	2,444,990	1,034,722	273,613	315,292	39,473,337
Scrapped	-	-	-	(6,758,800)	-	-	-	-	-	(6,758,800)
At 30 June 2025	-	**67,304,257**	-	**485,236,087**	**17,042,540**	**24,609,260**	**19,366,283**	**12,401,622**	**7,169,311**	**633,129,360**
Charge for the year	-	-	-	**37,147,930**	**738,303**	**3,607,148**	**1,257,594**	**262,821**	**78,914**	**43,092,710**
At 30 June 2026	-	**67,304,257**	-	**522,384,017**	**17,780,843**	**28,216,408**	**20,623,877**	**12,664,443**	**7,248,225**	**676,222,070**
NET BOOK VALUE										
At 30 June 2026	**95,000,000**	-	**105,057,065**	**72,538,179**	**3,025,327**	**13,785,983**	**8,137,837**	**353,849**	**1**	**297,898,241**
At 30 June 2025	95,000,000	-	92,248,498	85,726,109	1,945,043	13,987,056	5,336,480	310,608	78,915	294,632,709

* Refer to note 7 for right of use assets

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY

	Freehold land	
	2026	2025
	Rs	Rs
At 1 July	**95,000,000**	29,614,532
Revaluation during the year	**-**	65,385,468
At 30 June	**95,000,000**	95,000,000

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:

	2026			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rs	**Rs**	**Rs**	**Rs**
Freehold land	**-**	**95,000,000**	**-**	**95,000,000**

	2025			
	Level 1	Level 2	Level 3	Total
	Rs	Rs	Rs	Rs
Freehold land	-	95,000,000	-	95,000,000

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

	GROUP		**COMPANY**	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Freehold land	**8,620,707**	8,620,707	**8,620,707**	8,620,707

The freehold land was fair valued at Rs 95,000,000 by an independent valuer, N. Jeetun, for the year ended 30 June 2025. 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 next valuation will be performed for the year ending 30 June 2030.

The Group's and the Company's property, plant and equipment have been pledged as security for bank facilities which is renewable annually. 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 2026.

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6. INVESTMENT PROPERTY

GROUP	Freehold land Rs	Freehold building Rs	Buildings in Progress Rs	Total Rs
COST				
At 30 June 2024	129,892,847	1,069,777,992	7,377,291	1,207,048,130
Additions	-	-	1,382,130	1,382,130
Revaluation gain	41,500,000	-	-	41,500,000
At 30 June 2025	171,392,847	1,069,777,992	8,759,421	1,249,930,260
Additions	-	-	**59,420**	**59,420**
At 30 June 2026	**171,392,847**	**1,069,777,992**	**8,818,841**	**1,249,989,680**
DEPRECIATION				
At 30 June 2024	-	260,130,021	-	260,130,021
Charge for the year	-	52,704,009	-	52,704,009
At 30 June 2025	-	312,834,030	-	312,834,030
Charge for the year	-	**52,704,010**	-	**52,704,010**
At 30 June 2026	-	**365,538,040**	-	**365,538,040**
NET BOOK VALUE				
At 30 June 2026	**171,392,847**	**704,239,952**	**8,818,841**	**884,451,640**
At 30 June 2025	171,392,847	756,943,962	8,759,421	937,096,230

COMPANY	Freehold land	
	2026 Rs	2025 Rs
At 1 July / 30 June	**77,500,000**	77,500,000

	GROUP		COMPANY	
(i) Amount disclosed in profit or loss for investment properties:	**2026 Rs**	2025 Rs	**2026 Rs**	2025 Rs
Rental and other income from operating leases	**119,157,955**	116,384,545	**2,090,000**	1,391,312
Direct expenses from property that generated rental income	**53,169,008**	50,625,483	-	-
Direct expenses from property that did not generate rental income	**3,170,114**	3,263,485	-	-

The fair value of the investment property at the reporting date was **Rs 1,850M** (2025: Rs 1,560M) and was determined by the directors based on income approach. The rental contracts are open and cancellable.

(ii) 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:

	2026 Rs	2025 Rs
Group		
Within 1 year	**119,157,955**	116,384,545
Between 2 and 5 years	**476,631,820**	465,538,180
	595,789,775	581,922,725
Company		
Within 1 year	**2,090,000**	1,391,312
Between 2 and 5 years	**8,360,000**	5,565,248
	10,450,000	6,956,560

7. RIGHT OF USE ASSETS

	GROUP 2026 Rs
Cost	
At beginning of the year	-
Addition	16,767,367
At 30 June 2026	16,767,367
Accumulated Depreciation	
At beginning of the year	-
Charge for the year	1,354,910
At 30 June 2026	1,354,910
Carrying amount	
At 30 June 2026	15,412,457

Refer to note 31 for right of use assets details.

8. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2026	2025
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 %	2026 & 2025 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	-
Jolima Ltd	Mauritius	Property development	-	50	-
					256,182,090

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

9. FINANCIAL ASSETS

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
At fair value through other comprehensive income (FVTOCI)	**69,770,795**	68,892,564	**7,234,484**	5,233,046
At amortised cost	**385,014,425**	346,867,610	**-**	-
	454,785,220	415,760,174	**7,234,484**	5,233,046
Included in the consolidated and seperate financial statements as:				
Non-currrent assets	**69,770,795**	68,892,564	**7,234,484**	5,233,046
Current assets	**385,014,425**	346,867,610	**-**	-
	454,785,220	415,760,174	**7,234,484**	5,233,046

Investment in equity instrument designated at FVTOCI

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
At 1 July	**68,892,564**	4,479,692	**5,233,046**	4,477,692
Additions	**2,400,000**	44,083,236	**-**	-
Fair value movement	**(1,521,769)**	20,329,636	**2,001,438**	755,354
At 30 June	**69,770,795**	68,892,564	**7,234,484**	5,233,046

The Group and the Company hold 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 investments has been based on the net asset value of the investee as at 30 June 2026.

Financial assets at amortised cost

	Treasury bills	**Fixed deposit**	**Total**
	Rs	**Rs**	**Rs**
At 1 July 2024	209,819,600	41,473,126	251,292,726
Additions	250,156,500	-	250,156,500
Interest	1,714,625	-	1,714,625
Issued	-	63,703,759	63,703,759
Repayments/disposals	(220,000,000)	-	- 220,000,000
At 30 June 2025	241,690,725	105,176,885	346,867,610
Additions	**245,056,750**	**-**	**245,056,750**
Interest	**9,237,175**	**-**	**9,237,175**
Issued	**-**	**68,852,890**	**68,852,890**
Repayments/disposals	**(285,000,000)**	**-**	**(285,000,000)**
At 30 June 2026	**210,984,650**	**174,029,775**	**385,014,425**

The treasury bills have a maturity dates ranging between 2 to 10 months and carry fixed rates of interest. The interest rates on these securities are 0.34%% to 0.73%% per annum. (2025: 0.34% - 0.73%) The treasury bills are held by the Group and the Company 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 month expected credit loss. The impairment loss is considered to be immaterial.

10. INVENTORIES

	GROUP	
	2026 Rs	2025 Rs
At cost		
Citadel Mall		
- Shops and Mezzanine	1,755,051	1,754,307
- Parking	-	-
	1,755,051	1,754,307
Spares and coach work materials	12,045,031	8,585,045
Tyres and tubes	130,282	1,950,161
Fuel, gas, uniforms, stationery and others	2,086,215	2,851,759
	14,261,528	13,386,965
Total	16,016,579	15,141,272

The cost of inventories recognised as an expense during the year was **Rs 232,892,290** (2025: Rs 230,279,983).

The Group's and the Company's inventories were pledged as security for bank facilities which is renewable annually.

11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2026 Rs	2025 Rs	2026 Rs	2025 Rs
Trade receivables	5,018,926	7,184,966	45,000	49,583
Provision for expected credit loss	(28,600)	(28,600)	-	-
	4,990,326	7,156,366	45,000	49,583
Other receivables and prepayments	37,549,282	35,322,331	18,697,576	18,460,842
	42,539,608	42,478,697	18,742,576	18,510,425

The Group's and Company's other receivables and prepayments include loan to staff amounting to **Rs 75,013** (2025: Rs 36,691) which carries interest at **7%** (2025: 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 2.5% per annum (2025: 2.5%). Interest due from subsidiary amounts to **Rs 9,472,076** (2025: Rs 9,242,078).

Before accepting any new customer, the Group and the Company 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 and the Company does not hold any collateral over the trade receivables balances.

Included under Company's other receivables and prepayments are amounts of **Rs 9,200,000** (2025: Rs 9,200,000) due by related company. These balances carry an interest rate of 2.5% and are repayable on demand.

Ageing of past due but not impaired

	GROUP		
2026	Gross Rs	Provision for credit losses Rs	Net Rs
Neither past due nor impaired	756,349	-	756,349
1-30 days	1,498,381	-	1,498,381
31-60 days	215,031	-	215,031
61-90 days	248,371	-	248,371
Over 90 days	2,300,794	(28,600)	2,272,194
	5,018,926	(28,600)	4,990,326
2025			
Neither past due nor impaired	5,779,144	-	5,779,144
1-30 days	-	-	-
31-60 days	17,739	-	17,739
61-90 days	260,977	-	260,977
Over 90 days	1,127,106	(28,600)	1,098,506
	7,184,966	(28,600)	7,156,366

11. TRADE AND OTHER RECEIVABLES (CONT'D)

The average credit period on sales is 30 days. No interest is charged on outstanding trade receivables.The Group and the Company 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 and the Company 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 and the Company's historical shows a recoverability of more than 80% of its trade receivables within 90 days. After the reporting date, **35%** (2025: 85%) of the trade receivables has been recovered. Therefore, no further provision for expected credit losses is required.

12. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Cash at bank	**12,278,623**	8,711,473	**274,949**	1,877,678
Cash in hand	**35,646**	1,024,314	-	-
Bank overdraft	-	(12,567,635)	-	(1,745,049)
	12,314,269	(2,831,848)	**274,949**	132,629

13. AMOUNTS DUE TO RELATED PARTIES

	GROUP	
	2026	2025
	Rs	Rs
Parties under common management	**76,050,000**	74,340,215

Amounts due to related parties under common management are unsecured, repayable on demand and bear an annual interest at the rate ranging between **1.25% - 5%** (2025: 1.25% - 2.25%) per annum.

14. Deposit on shares

	GROUP	
	2026	2025
	Rs	Rs
At 30 June	-	2,400,000

On 9 October 2023, the Company has deposited an amount of MUR 50,000,000 for the acquisition of Redeemable Convertible Non-Voting shares in The Union Sugar Estates Limited. This amount has since been transferred to financial assets upon issue of shares against the deposit amount of Rs 44,083,236.

On 31 March 2025, the Company further subscribed for 200 Ordinary Shares and 800 Preference Shares for which a deposit of MUR 1,000,000 was paid. In addition, a deposit of MUR 1,400,000 was made in respect of loan notes. Accordingly, as at 30 June 2025, deposits of MUR 2,400,000 are presented under deposit on shares in the consolidated financial statements.

The deposit of Rs 2,400,000 was converted into 200 Ordinary Shares and 800 Preference Shares of Le College De L'ouest Associe Ltee for Rs 1,000,000, with Rs 1,400,000 converted into loan notes.

No further subscription of ordinary and preference shares were made during the year 30 June 2026. According, as at 30 June 2026, there were no deposit of shares in the consolidated financial statement.

15. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Trade payables	**63,739,871**	42,579,465	**4,321**	4,321
Other payables and accruals	**118,019,912**	125,493,156	**12,504,111**	10,540,311
Current account with subsidiary (Note 20)	**-**	-	**43,309,846**	46,259,847
	181,759,783	168,072,621	**55,818,278**	56,804,479

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. The Group's and Company's and other payables includes deposits from clients of **Rs 6,010,903** (2025: Rs 5,985,378).

16. STATED CAPITAL

	GROUP AND COMPANY	
	2026	2025
Issued and fully paid	**Rs**	Rs
4,969,489 Ordinary shares of Rs 10 each	**49,694,890**	49,694,890
Share premium account	**42,942**	42,942
	49,737,832	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.

17. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging the following items:

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Included in operating expenses				
Cost of inventories expensed				
- Uniforms and footwears	**7,021,309**	5,758,393	**-**	-
- Fuel and lubrication	**119,438,886**	97,343,032	**-**	-
- Tyres and tubes	**16,608,331**	17,227,337	**-**	-
- Overhaul and spart parts	**84,638,713**	109,951,221	**-**	-
Staff cost	**469,165,086**	430,069,023	**-**	-
Depreciation of property, plant and equipment	**39,473,337**	17,051,927	**-**	-
Depreciation of investment property	**32,573,342**	52,704,009	**-**	-
Insurances	**14,805,282**	11,406,661	**-**	-
Cleaning, repairs, maintenance, fitness and other vehicles expenses	**14,804,900**	5,126,800	**-**	-
Legal and professional fees	**6,462,953**	6,018,813	**-**	-
Rent	**7,504,121**	7,689,342	**-**	-

17. PROFIT FROM OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Included in administrative expenses				
Staff cost	**57,618,056**	56,560,201	**-**	-
Directors' fees	**3,582,407**	3,734,758	**50,000**	-
Repairs and maintenance	**12,316,814**	10,776,280	**-**	-
Fuel and Lubricants	**154,152**	167,381	**-**	-
Electricity, water and telephone	**5,608,245**	5,822,124	**-**	-
Rent and rates	**4,148,605**	4,763,688	**-**	-
Municipality rates	**2,754,004**	2,667,838	**-**	-
Insurance	**3,127,993**	2,540,293	**-**	-
Legal and professional fees	**4,682,381**	2,689,719	**470,929**	474,100
Management and secretarial fees	**4,605,508**	3,811,584	**202,500**	120,000
Depreciation	**23,750,045**	22,421,410	**-**	-
Corporate Social Responsibility	**3,055**	5,658	**-**	-
Bad debt written off	**-**	2,282,609	**-**	-
Printing, postage & stationery	**-**	1,224,682	**-**	-
Amortisation	**1,354,910**	-	**-**	-
General Expenses	**6,106,568**	6,830,653	**38,239**	27,031

18. OTHER INCOME

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Finance income:				
Interest income	**16,964,541**	8,726,004	**229,998**	384,966
Other income:				
Insurance claims receivable	**2,167,605**	3,457,618	**-**	-
Profit on disposal of property, plant and equipment	**-**	413,043	**-**	-
Other receipts	**2,461,526**	4,248,578	**-**	-
Interest received	**-**	749,252	**-**	-
Reversal of interim allowance	**11,005,595**	-	**-**	-
	15,634,726	8,868,491	**-**	-
	32,599,267	8,868,491	**229,998**	384,966

19. FINANCE COSTS

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Interest on:				
- bank loans	**6,371,923**	5,121,249	**-**	-
- bank charges	**279,962**	24,101	**-**	-
- finance lease	**783,736**	-	**-**	-
- amount due to related companies	**1,503,706**	1,453,506	**-**	-
	8,939,327	6,598,856	**-**	-

20. TAXATION

(a) Income tax

Income tax is calculated at the rate of **15%** (2025: 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%** (2025: 2%) on the chargeable income of the preceding year. The Company generated on income of more than Rs 50M and therefore was subject to an additional tax of 2% on charges income as Climate Responsibility Levy. At 30 June 2026, the Group and the Company was liable to pay income tax of **Rs 5,980,470** and **Rs 89,255** respectively (2025: Group; Rs 265,295 and Company: Rs 93,272).

20. TAXATION (CONT'D)

(a) Income tax (cont'd)

	GROUP		COMPANY	
	2026	2025	2026	2025
Current tax (assets)/liabilities	Rs	Rs	Rs	Rs
At 1 July	**(265,925)**	1,547,173	**93,272**	143,737
Provision for the year	**5,345,790**	12,579,433	**203,071**	168,038
Under provision of income tax in prior year	**(1,933,104)**	1,510,195	**(46,196)**	56
Tax paid	**2,197,634**	(3,856,791)	**(47,076)**	(143,793)
Advance Payment System (APS)	**(4,057,141)**	(11,328,272)	-	-
Tax Deducted at Source	**(8,211,052)**	(2,821,797)	**(126,000)**	(96,000)
Additional provision	-	(125,285)	-	-
Corporate Social Responsibility provision for the year	**1,475,463**	2,170,348	**16,246**	28,313
Corporate Social Responsibility paid	**(774,630)**	(1,080,875)	**(4,062)**	(7,079)
Climate responsibility levy	**242,495**	1,139,946	-	-
At 30 June	**(5,980,470)**	(265,925)	**89,255**	93,272
Represented by:				
Current tax liabilities	**89,255**	1,763,669	**89,255**	93,272
Current tax assets	**(6,069,725)**	(2,029,594)	-	-
	(5,980,470)	(265,925)	**89,255**	93,272

(b) Tax expense

	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs	Rs	Rs	Rs
Provision for the year	**5,345,790**	12,579,433	**203,071**	168,038
Additional Provision	**526,540**	(125,285)	-	-
(Over)/under provision of income tax in prior year	**(1,933,104)**	1,510,195	**(46,196)**	56
Corporate Social Responsibility provision for the year	**1,475,463**	2,170,348	**16,246**	28,313
Climate responsibility levy	**242,495**	1,139,946	-	-
Deferred tax movement	**11,632,197**	(2,436,202)	-	-
Income tax expense recognised in profit or loss	**17,289,381**	14,838,435	**173,121**	196,407

(c) Deferred tax assets/(liabilities)

	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs	Rs	Rs	Rs
At 1 July	**98,837,194**	96,400,992	-	-
Deferred tax income				
- recognised in profit or loss:				
Movement during the year	**(11,632,197)**	2,436,202	-	-
- recognised in other comprehensive income	-	-	-	-
At 30 June	**87,204,997**	98,837,194	-	-
Represented by:				
Deferred tax assets	**92,777,574**	104,278,947	-	-
Deferred tax liabilities	**(5,572,577)**	(5,441,753)	-	-
At 30 June	**87,204,997**	98,837,194	-	-

20. TAXATION (CONT'D)

(c) Deferred tax assets/(liabilities) (cont'd)

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

Deferred tax assets/(liabilities) arise from:

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Retirement benefit obligations	**100,928,689**	107,208,294	**-**	-
Provision for credit losses	**4,119,467**	10,286,600	**-**	-
Temporary difference arising from tax base and carrying amount of qualifying assets	**(20,024,717)**	(18,657,700)	**-**	-
Tax losses carried forward	**2,181,558**	-	**-**	-
	87,204,997	98,837,194	**-**	-

(d) Tax reconciliation

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
(Loss) / profit before tax	**(24,342,976)**	33,166,750	**1,537,810**	1,120,252
Tax at the effective tax rate	**(3,651,446)**	4,975,013	**230,672**	168,038
Tax effect of:				
- Non-taxable income	**-**	(19,345,505)	**-**	-
- Expenses not deductible for tax purposes	**31,726,478**	22,546,286	**-**	-
- Exempt income	**(24,720,067)**	-	**(27,601)**	-
- Underprovision of income tax in prior year	**(1,933,104)**	1,510,195	**(46,196)**	56
- Corporate Social Responsibility	**1,476,858**	2,170,348	**16,246**	28,313
- Climate responsibility levy	**242,495**	1,139,946	**-**	-
- Deferred tax recognised	**11,632,197**	(2,436,202)	**-**	-
- Additional provision	**526,540**	(125,285)	**-**	-
- Tax loss brought forward	**1,989,430**	(6,200)	**-**	-
- Tax rate differential	**-**	4,409,839	**-**	-
Income tax expense recognised in profit or loss	**17,289,381**	14,838,435	**173,121**	196,407

21. RELATED PARTY TRANSACTIONS

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
(i) *Purchases of tyres and spare parts*				
- Significant shareholder	**102,454,643**	197,614,485	**-**	-
(ii) *Purchases of services*				
- Significant shareholder	**3,110,192**	3,440,597	**-**	-

21. RELATED PARTY TRANSACTIONS (CONT'D)

		GROUP		COMPANY	
		2026	2025	**2026**	2025
		Rs	Rs	**Rs**	Rs
(iii)	*Investment income*				
	- Interest income from subsidiary	**-**	-	**229,998**	384,966
(iv)	*Interest expense*				
	- Company under common management	**1,246,049**	1,236,006	**-**	-
(v)	*Management fees*				
	- Company under common management	**4,605,508**	3,811,584	**202,500**	120,000
(vi)	*Outstanding balances*				
	Receivables from related parties:				
	- Subsidiary	**-**	-	**9,200,000**	9,200,000
	Payables to related parties:				
	- Significant shareholder	**4,150,000**	8,040,215	-	-
	- Company under common management	**57,100,000**	66,300,000	-	-
	- Subsidiary	**-**	-	**43,309,847**	46,259,847
	Interest receivable				
	- Subsidiary	**-**	-	**9,472,076**	9,242,078

The terms and conditions of the above outstanding balances have been disclosed in the respective notes (11, 13 and 15).

(vii)	*Compensation of key management personnel*	**29,319,776**	28,719,595	**50,000**	-

Key management personnel received short-term employee benefits and did not receive any other benefits.

(viii)	*Contribution in welfare fund*	**514,200**	517,400	**-**	-

22. EARNINGS PER SHARE

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

	GROUP	
	2026	2025
	Rs	Rs
Profit for the year	**(41,632,357)**	18,328,315
Number of ordinary shares	**4,969,489**	4,969,489
Earnings per share	**(8.38)**	3.69

23. RETIREMENT BENEFIT OBLIGATIONS

GROUP

Amounts recognised in statement of financial position

	2026 Rs	2025 Rs
Defined benefit plan (Note (a))	**12,572,052**	12,572,052
Other retirement benefits (Note (b))	**581,126,120**	551,682,128
	593,698,172	564,254,180

(a) Defined benefit plan

The Group and the Company 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 and the Company have stopped providing pension benefits to the employees as from 1 July 2012.

For the year ended 30 June 2026 and 30 June 2025, the pension liability estimation were performed by management.

The pension plans typically expose the Group and the Company 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:

	2026 %	2025 %
Discount rate	**7%**	7%
Post retirement mortality		20 years bond yield

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

	2026 Rs	2025 Rs
Total market value of assets	**(5,607,704)**	(5,607,704)
Present value of plan liability	**18,179,756**	18,179,756
	12,572,052	12,572,052

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:

	2026 Rs	2025 Rs
Net interest cost	-	-

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (cont'd)

Movement in liability recognised in statement of financial position:

	2026 Rs	2025 Rs
At 1 July	**12,572,052**	12,572,052
Actuarial losses recognised in other comprehensive income	-	-
Total expense - net interest cost	-	-
At 30 June	**12,572,052**	12,572,052
Change in defined benefit obligation:		
Present value of defined benefit obligation at 1 July	**18,179,756**	18,179,756
Interest cost	-	-
Actuarial losses	-	-
Benefits paid	-	-
Present value of defined benefit obligation at 30 June	**18,179,756**	18,179,756
Change in plan assets:		
Fair value of plan assets at 1 July	**(5,607,704)**	(5,607,704)
Interest income	-	-
Actuarial losses/(gains)	-	-
Benefits paid	-	-
Fair value of plan assets at 30 June	**(5,607,704)**	(5,607,704)
Analysis of amount recognised in other comprehensive income:		
Losses on pension scheme assets	-	-
Experience gains on the liabilities	-	-
Changes in assumptions underlying the present value of the scheme	-	-
Actuarial loss recognised in other comprehensive income	-	-
Cumulative actuarial at 1 July	**1,479,234**	1,479,234
Actuarial losses recognised this year	-	-
Cumulative actuarial gains at 30 June	**1,479,234**	1,479,234

	2026 Rs	2025 Rs
Defined benefit obligation	-	-
Plan assets	-	-
Deficit	-	-
Actuarial losses on plan liabilities	-	-
Actuarial gains/(losses) on plan assets	-	-

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (cont'd)

The Company 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 the sensibly possible changes of the discount rate or salary increase rate occurring at the end of reporting if all other assumption remained unchanged:

- If the discount rate is 1% higher/lower, the defined benefit obligation would decrease/increase by **Rs 33,239,433** (2025: Rs 58,341,908).
- If the discount rate is 1% lower/higher, the defined benefit obligation would increase/decrease by **Rs 100,077,162** (2025: Rs 70,518,615).

The weighted average duration of the liabilities as at 30 June 2026 is 7 years.

(b) Other retirement benefits

The liability relates to Retirement Gratuities payable under the Workers Rights Act 2019 (WRA). The latter provides for a lump sum at retirement based on final salary and years of service. The figures are based on the management estimation for the year ended 30 June 2026.

The main actuarial assumptions used for accounting purposes:

	2026	2025
	%	%
Discount rate	**6.50**	7.00
Future long-term salary increase	**5.00**	5.00

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

	2026	2025
	Rs	Rs
Present value of unfunded defined benefit obligation	**581,126,120**	551,682,128
Amount recognised in consolidated and separate statement of profit or loss:		
Service cost	**80,377,639**	69,681,338
Net interest cost	**-**	-
	80,377,639	69,681,338
Movement in liability recognised in consolidated and separate statement of financial position:		
At 1 July	**551,682,128**	527,154,945
Total expense as above	**80,377,639**	69,681,338
Portable retirement gratuity fund contribution	**(20,623,100)**	(20,724,739)
Benefit paid	**(30,310,547)**	(24,429,416)
At 30 June	**581,126,120**	551,682,128

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other retirement benefits (cont'd)

Analysis of amount recognised in other comprehensive income:

	2026 Rs	2025 Rs
Experience losses on the liabilities	-	-
Changes in assumptions underlying the present value of the scheme	-	-
Actuarial loss recognised in other comprehensive income	-	-
Cumulative actuarial losses at 1 July	**162,222,751**	162,222,751
Actuarial losses recognised this year	-	-
Cumulative actuarial losses at 30 June	**162,222,751**	162,222,751
Unfunded defined benefit obligation	**581,126,120**	551,682,128
Actuarial losses on plan liabilities	-	-

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.

The defined benefit obligation is dependent on factors such as age, years of service and compensation and is calculated using the projections till the retirement age of the employees. Management has made the assessment for the financial year ended 30 June 2025 and all gains and losses have been recognised in full in the consolidated and separate statements of profit or loss and other comprehensive income in the year in which they occur.

Sensitivity analysis showing how the defined benefit obligation would affect reasonably changes in line with assumptions considered in projecting the obligation.

The weighted average duration of the defined benefit obligation as at 30 June 2026 is 7 years.

The Group and the Company are expected to contribute around **Rs 21m** (2025: RS 21m) to the PRGF for the year ended 30 June 2026.

(c) State pension plan

	GROUP		COMPANY	
	2026 Rs	2025 Rs	2026 Rs	2025 Rs
National pension scheme contributions charge	**20,623,100**	20,724,739	-	-

24. FINANCIAL INSTRUMENTS

Capital risk management

The Group and the Company manage their capital to ensure that they 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 and 29, net off by cash and bank balances) and equity comprising issued capital and reserves.

Material accounting policies

Details of the material 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(o) to the financial statements.

24. FINANCIAL INSTRUMENTS (CONT'D)

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 were as follows:

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Debt (i)	**99,103,437**	111,768,860	**-**	1,745,049
Cash and bank balances	**12,314,269**	9,735,787	**274,949**	1,877,678
Net debt	**86,789,168**	102,033,073	**(274,949)**	(132,629)
Equity (ii)	**850,257,986**	897,912,112	**399,026,566**	395,660,439
Net debt to equity ratio	**10%**	11%	**0%**	0%

(i) Debt is defined as long and short term borrowings, as detailed in note 29.
(ii) Equity includes all capital and reserves of the Group and the Company.

Categories of financial instruments

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Financial assets				
Investments at FVTOCI	**69,770,795**	68,892,564	**7,234,484**	5,233,046
Amortised cost:				
Cash and bank balances	**12,314,269**	9,735,787	**274,949**	1,877,678
Trade and other receivables	**26,555,447**	30,559,521	**18,723,076**	18,485,661
Financial assets	**385,014,425**	346,867,610	**-**	-
	493,654,936	456,055,482	**26,232,509**	25,596,385
Financial liabilities				
Amortised cost:				
Borrowings	**99,103,437**	99,201,225	**-**	-
Trade and other payables	**173,365,475**	159,641,217	**55,818,278**	56,804,479
Bank overdraft	**-**	12,567,635	**-**	1,745,049
Amounts due to related parties	**76,050,000**	74,340,215	**-**	-
Dividend payable	**-**	-	**-**	-
Lease liabilities	**15,734,102**		**-**	
	364,253,014	345,750,292	**55,818,278**	58,549,528

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

	GROUP		COMPANY	
	2026	2025	**2026**	2024
	Rs	Rs	**Rs**	Rs
Financial assets				
Prepayments	**1,581,354**	3,192,192	**19,500**	12,765
Deposits and advances	**9,249,091**	2,508,217	**-**	-
VAT	**3,600,051**	3,794,501	**-**	-
TDS	**1,553,664**	2,424,266	**-**	-
	15,984,160	11,919,176	**19,500**	12,765
Financial liabilities				
VAT	**1,254,326**	1,505,651	**-**	-
PAYE	**1,010,065**	870,095	**-**	-
TDS	**119,015**	70,280	**-**	-
Deposits and advances	**6,010,902**	5,985,378	**-**	-
	8,394,308	8,431,404	**-**	-

24. **FINANCIAL INSTRUMENTS (CONT'D)**

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 exposed 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	
	2026	2025	**2026**	2025
	% p.a.	% p.a.	**% p.a.**	% p.a.
Financial assets				
Treasury bills (fixed)	**4.3-4.92**	4.3-4.92	-	-
Loans to staff (fixed)	**7.00**	7.00	-	-
Loans to related parties	**1.25 - 2.50**	1.25 - 2.50	**1.25 - 2.50**	2.50
Financial liabilities				
Amount due to related and other parties (fixed)	**1.25 - 5.00**	1.25 - 2.50	-	-
Loan from SBM	**8.00**	8.00	-	-
Loan from Afrasia (fixed)	**6.50**	5.50	-	-

Interest rate sensitivity analysis

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates from banks.

	GROUP	
	Increase/ (decrease) basis points	**Increase/ (decrease) on profit before tax**
	Rs	**Rs**
2026	**50**	**139,800**
Interest-bearing loans and borrowing	**(50)**	**(139,800)**
2025	50	199,122
Interest-bearing loans and borrowing	(50)	(199,122)

The floating interest-bearing loans and borrowings is summarised as follows :

	GROUP	
	2026	2025
	Rs	Rs
SBM Bank loan (Note 30)	**27,959,972**	39,824,319
	27,959,972	39,824,319

The Group is exposed to interest rate risk arising from its long-term borrowing with banks, which is subject to a variable interest rate. The Company's other borrowings and lease liabilities are not exposed to significant interest rate risk as they are subject to fixed interest rates. A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased/decreased profit before tax by approximately **Rs 139,800** (2025: Rs 199,122), assuming all other variables remain constant.

24. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk management

The Group's and the Company's credit risk are primarily attributable to their trade receivables and cash and 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 consolidated and separate statements 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.

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		
2026	Less than 1 year Rs	More than 1 year Rs	Total Rs
Financial liabilities			
Borrowings	22,977,687	76,125,750	99,103,437
Trade and other payables	173,365,475	-	173,365,475
Bank overdraft	-	-	-
Amounts due to related and other parties	76,050,000	-	76,050,000
Obligations under finance lease	-	-	-
Dividend payable	-	-	-
Lease liability	1,589,390	14,144,712	15,734,102
	273,982,552	90,270,462	364,253,014
2025			
Financial liabilities			
Borrowings	9,300,376	89,900,849	99,201,225
Trade and other payables	159,641,217	-	159,641,217
Bank overdraft	12,567,635	-	12,567,635
Amounts due to related and other parties	74,340,215	-	74,340,215
Obligations under finance lease	-	-	-
Dividend payable	-	-	-
	255,849,443	41,482,744	345,750,292

	COMPANY		
2026	Less than 1 year Rs	More than 1 year Rs	Total Rs
Financial liabilities			
Trade and other payables	55,818,278	-	55,818,278
Bank overdraft	-	-	-
Dividend payable	-	-	-
	55,818,278	-	55,818,278
2025			
Financial liabilities			
Trade and other payables	56,804,479	-	56,804,479
Bank overdraft	1,745,049	-	1,745,049
Dividend payable	-	-	-
	58,549,528	-	58,549,528

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Liquidity risk management (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 2026 and 30 June 2025 would have been unaffected as the quoted equity investments are classified as FVTOCI; and
- Other comprehensive income would increase/decrease by **Rs 3,488,540** (2025: Rs 3,444,628) for the Group and **Rs 361,724** (2025: Rs 261,652) for 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 consolidated and separate financial statements approximate their fair values.

Fair value of the Group's and the Company'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 2026 Rs	Fair values as at 2025 Rs
GROUP						
Unquoted investments	Level 3	Net asset value	N/A	N/A	**7,234,484**	5,235,046
Quoted investments on DEM	Level 2	Net asset value	N/A	N/A	**62,534,311**	63,657,518
COMPANY						
Unquoted investments	Level 3	Net asset value	N/A	N/A	**7,232,484**	5,233,046

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.

25. CONTINGENT LIABILITIES

There are contingent liabilities not provided for in the consolidated and separate financial statements in respect of bank guarantees amounting to **Rs 10,000** (2025: 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	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Revenue from traffic receipts	**661,383,593**	568,223,829	-	-
Revenue from private hire	**6,824,435**	12,778,970	-	-
Support grant	**201,000,000**	201,000,000	-	-
Rental income	**119,157,955**	116,384,545	**2,090,000**	-
Other receipts	**680,884**	355,736	-	1,391,312
Syndic fees	**10,048,226**	9,664,442	-	-
Sales of shops, apartments and parkings	-	1,150,000	-	-
Cleaning Services	-	4,800,000	-	-
Dividend income	**3,035,493**	3,035,493	-	-
	902,130,586	917,393,015	**2,090,000**	1,391,312

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Timing of revenue recognition:				
- At a point in time	**772,924,405**	787,935,340	-	-
- Over time	**129,206,181**	124,657,675	**2,090,000**	-
	902,130,586	912,593,015	**2,090,000**	-

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.
Government support - Free fare	Revenue is recognised at a point in time when the free-fare service is rendered, based on the amount of government support receivable in respect of eligible free-fare passengers.	The Company provides free-fare transportation services to eligible passengers in accordance with the applicable Government scheme. Government support is received/receivable in respect of the services provided and revenue is recognised when the transportation
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.

26. REVENUE (CONT'D)

Assets and liabilities related to revenue contracts

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

	GROUP		COMPANY	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Current contract assets				
Trade receivables	**4,990,326**	7,184,966	**-**	-
Less allowance	**(28,600)**	(28,600)	**-**	-
Total contract assets	**4,961,726**	7,156,366	**-**	-

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.

Liabilities related to revenue contracts

	GROUP	
	2026	2025
	Rs	Rs
Contract liabilities		
Deposits	**5,866,929**	5,841,404
Total contract liabilities	**5,866,929**	5,841,404

There are no unsatisfied performance obligation at the reporting date.

27. SEGMENTAL REPORTING

Group

The Directors of the Group and the Company have chosen to organise the Group and the Company into different types of services and products delivered and provided. Specifically, the main Group's and Company'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 and Company's assets and liabilities by reportable segment:

	Segment assets		Segment liabilities	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Bus transport services to the public	**489,215,327**	676,460,565	**747,566,112**	833,829,184
Property development	**896,766,898**	967,413,776	**211,822,465**	79,429,161
Investment holding	**436,262,023**	179,679,071	**12,597,687**	12,382,953
Consolidated total assets/liabilities	**1,822,244,248**	1,823,553,412	**971,986,264**	925,641,298

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 and Company's revenue and results by reportable segment:

	Segment revenue		Segment results	
	2026	2025	**2026**	2025
	Rs	Rs	**Rs**	Rs
Bus transport services to the public	**768,978,030**	782,002,799	**(18,443,572)**	874,470
Property development	**130,832,558**	133,998,904	**(27,846,683)**	36,104,282
Investment holding	**2,319,998**	1,391,312	**3,136,129**	108,564,667
	902,130,586	917,393,015	**(43,154,126)**	145,543,419

27. SEGMENTAL REPORTING (CONT'D)

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales in the current year (2025: Rs Nil). The accounting policies of the reportable segments are the same as the accounting policies described in note 3(u). Segment profit represents profit after taxation earned by each segment.

Other segmental reporting

	Bus transport services	Property development	Investment holding	Total
	Rs	Rs	Rs	Rs
2026				
Interest income	**16,512,731**	**451,810**	**-**	**16,964,541**
Interest expense	**3,571,496**	**5,087,870**	**-**	**8,659,366**
Depreciation and amortisation	**43,488,972**	**55,668,657**	**-**	**99,157,629**
Income tax expense	**10,272,760**	**6,843,500**	**173,121**	**17,289,381**
Additions to investment property	**-**	**59,420**	**-**	**59,420**
Additions to property, plant and equipment	**41,393,068**	**4,965,174**	**-**	**46,358,242**
2025				
Interest income	8,344,038	-	-	8,344,038
Interest expense	5,190,003	1,408,853	-	6,598,856
Depreciation and amortisation	37,951,625	54,225,721	-	92,177,346
Income tax expense	6,030,054	8,611,974	196,407	14,838,435
Additions to investment property	-	1,382,130	-	1,382,130
Additions to property, plant and equipment	85,140,665	10,604,449	-	95,745,114

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 and Company's revenue in either 2026 or 2025.

28. NON-CASH TRANSACTION

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

	GROUP		COMPANY	
	2026	2025	2026	2025
	Rs	Rs	Rs	Rs
Investment in entity listed on DEM	-	44,083,236	-	-

A deposit of Rs 50,000,000 was converted into 1,011,831 ordinary shares of an entity listed on the DEM for Rs 44,083,236, with the balance Rs 5,916,764 recognised as a loan receivable.

The deposit of Rs 2,400,000 was converted into 200 Ordinary Shares and 800 Preference Shares of Le College De L'ouest Associe Ltee for Rs 1,000,000, with Rs 1,400,000 converted into loan notes.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 30 June 2024	Financing cash flows	At 30 June 2025	Financing cash flows	At 30 June 2026
	Rs	Rs	Rs	Rs	Rs
Loans	56,936,966	42,264,259	99,201,225	**(97,788)**	**99,103,437**
Amounts due to related parties	108,392,000	(34,051,785)	74,340,215	**1,709,785**	**76,050,000**
	165,328,966	8,212,474	173,541,440	**1,611,997**	**175,153,437**

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. BORROWINGS

	2026 Rs	2025 Rs
Bank loan	**99,103,437**	99,201,225
Repayable as follows:		
- Within one year	**22,977,687**	9,300,376
- Between one and four years	**76,125,750**	89,900,849
	99,103,437	99,201,225

The SBM bank loan carries a floating minimum interest rate of 8% for a period of 60 months. The loan is secured by a floating charge of the Bank by UBS Transport Ltd on all its assets for MUR 27,959,972 (2025: MUR 39,824,319).

The AfrAsia bank loan has an aoutstanding blanace of MUR 71,143,465 (2025: MUR 59,376,906). The AfrAsia Bank loan comprises a Vehicle Loan Line Facility of MUR 60 million, bearing a fixed interest rate of 5.30% per annum, and an additioanl Vehicle loan line Facility of MUR 40 million, bearing interest at 0.45% below AfrAsia Bank's Prime Lending Rate (PLR) equivalent to 6.50% per annum at inception. The facilities were granted for the acquisition of buses and are repayable in monthly instalments of capital and interest.

31. Lease liabilities

	2026 Rs
Current portion of lease liabilities	**1,589,390**
Non-current portion of lease liabilities	**14,144,713**
	15,734,103

The maturity analysis of the lease liability as at reporting date was as follows:

	Within 1 year Rs	After 1 year Rs	Total Rs
Gross lease liability	**2,340,000**	**20,663,000**	**23,003,000**
Less future interest costs	**(750,610)**	**(6,518,287)**	**(7,268,897)**
	1,589,390	**14,144,713**	**15,734,103**

	2026 Rs
At 01 July	-
Additions	**16,767,367**
Interest charge	**783,736**
Lease payments during the year	**(1,817,000)**
At 30 June	**15,734,103**

The interest rate used for discounting the lease liabilities is 5%, based on the Company's estimated incremental borrowing rate.

The leased assets relates to staff accomodation and office premises used in the ordinary course of the Company's operations.

The lease agreements relate to premises situated at Pointe aux Sables, Flacq, Terre Rouge (First Floor) and Vallée des Prêtres. The lease terms are 225 months, 16 months, 36 months and 16 months, respectively.

32. DIVIDEND

No dividend per share declared in June 2026 (2025:Rs 1 per share).

2026 Rs	2025 Rs
-	4,969,489

33. CONTROLLING PARTY

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

34. EVENTS AFTER REPORTING DATE

The Board of Directors of the Group and the Company are not aware of any events occurring between the reporting date and the date of approval of the consolidated and seperate financial statements that may require any adjustment or disclosure in the consolidated and seperate financial statements.