

ENL Investment Annual Report 2010





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## Contents

Notice of Meeting	2
Corporate Information	3
Financial Highlights	4-5
Group Structure	6
Share Analysis	7
Director's Report	8-9
Corporate Governance Report	10-14
Statement of Directors' Responsibilities	15
Company Secretary's Certificate	16
Other Statutory Disclosures	17
Independent Auditors' Report	18
Statements of Financial Position	19
Statements of Comprehensive Income	20
Statement of Changes in Equity	21
Statements of Cash Flow	22
Notes to the Financial Statements	23-40
Proxy Form	43

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of ENL Investment Limited for the year ended June 30, 2010.

This report was approved by the Board of Directors on September 16, 2010.

Guy RIVALLAND  
*Chairman*

Hector ESPITALIER-NOËL  
*Director*

# Notice of Meeting

Notice is hereby given that the Annual Meeting of Shareholders of ENL Investment Limited will be held at the Company's registered office, 7<sup>th</sup> Floor, Swan Group Centre, Intendance Street, Port Louis on November 24, 2010 at 16.00. hours to transact the following business:

- 1 To consider the Annual Report for the year ended June 30, 2010.
- 2 To receive the report of the auditors of the Company.
- 3 To consider and approve the audited financial statements of the Company for the year ended June 30, 2010.

#### Ordinary Resolution

"Resolved that the audited financial statements of the Company for the year ended June 30, 2010 be hereby approved."

- 4 To take note of the automatic reappointment of BDO & Co as auditors under Section 200 of the Companies Act 2001 and to authorise the Board to fix their remuneration.

#### Ordinary Resolution

"Resolved that the automatic reappointment of the auditors under Section 200 of the Companies Act 2001 be noted and that the Board be authorised to fix their remuneration."

- 5 To transact such other business, if any, as may be transacted at an Annual Meeting.

By order of the Board

ENL Limited  
Company Secretary

November 3, 2010

#### Notes

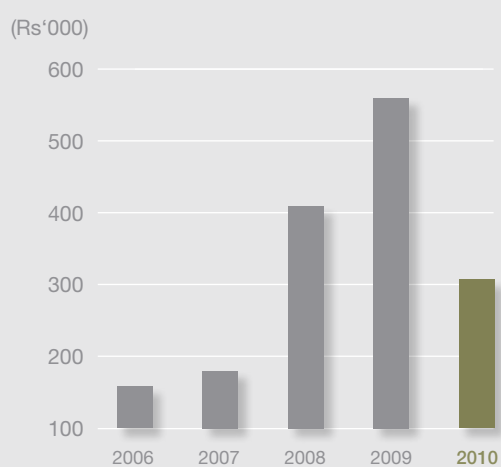
*A member of the Company entitled to attend and vote at this meeting may appoint a proxy, whether a member or not, to attend and vote on his/her behalf. Any such appointment must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer office of the Company, MCB Registry and Securities Ltd, Raymond Lamusse Building, 9-11 Sir William Newton Street, Port Louis, Mauritius not less than twenty-four hours before the meeting is due to take place.*

*For the purpose of this annual meeting the directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at October 26, 2010.*

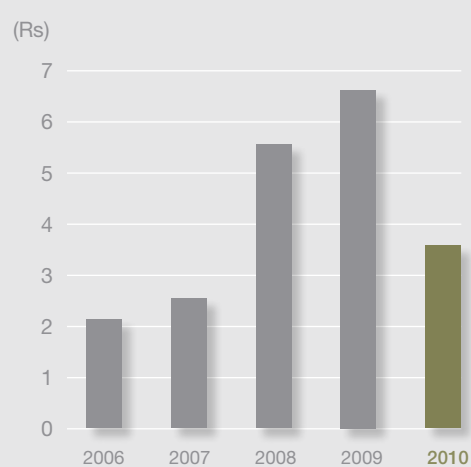


## Financial Highlights

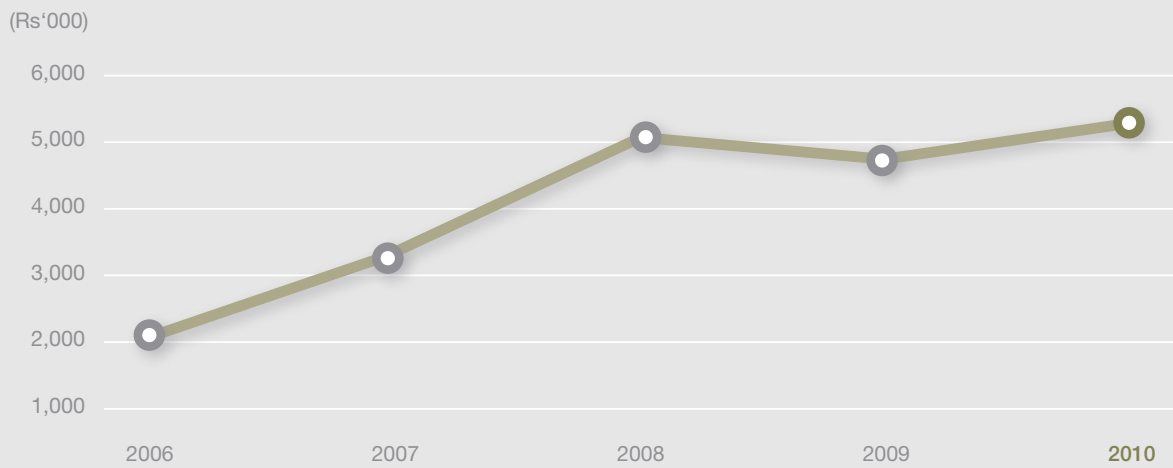
	30 June 2006	30 June 2007	30 June 2008	30 June 2009	30 June 2010
Profit for the year (Rs'000)	155,393	183,160	404,013	564,351	304,086
Earnings per Share (Rs)	2.11	2.49	5.50	6.64	3.58
Dividend per Share (Rs)	1.00	1.20	1.30	1.30	1.20
Shareholders' Interest (Rs'000)	2,135,014	3,317,416	5,167,338	4,755,989	5,419,868
Net Asset Value per Share (Rs)	29.05	45.13	70.30	55.93	63.74



Profit for the year



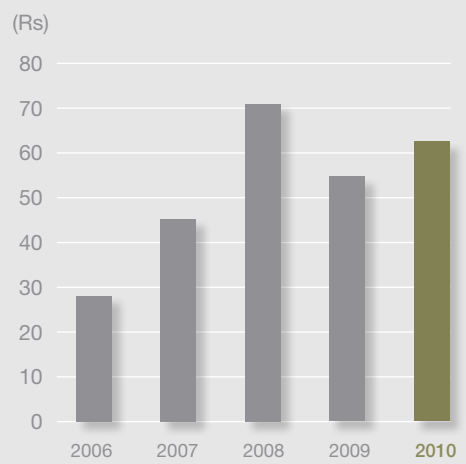
Earnings per Share



Shareholders' Interest



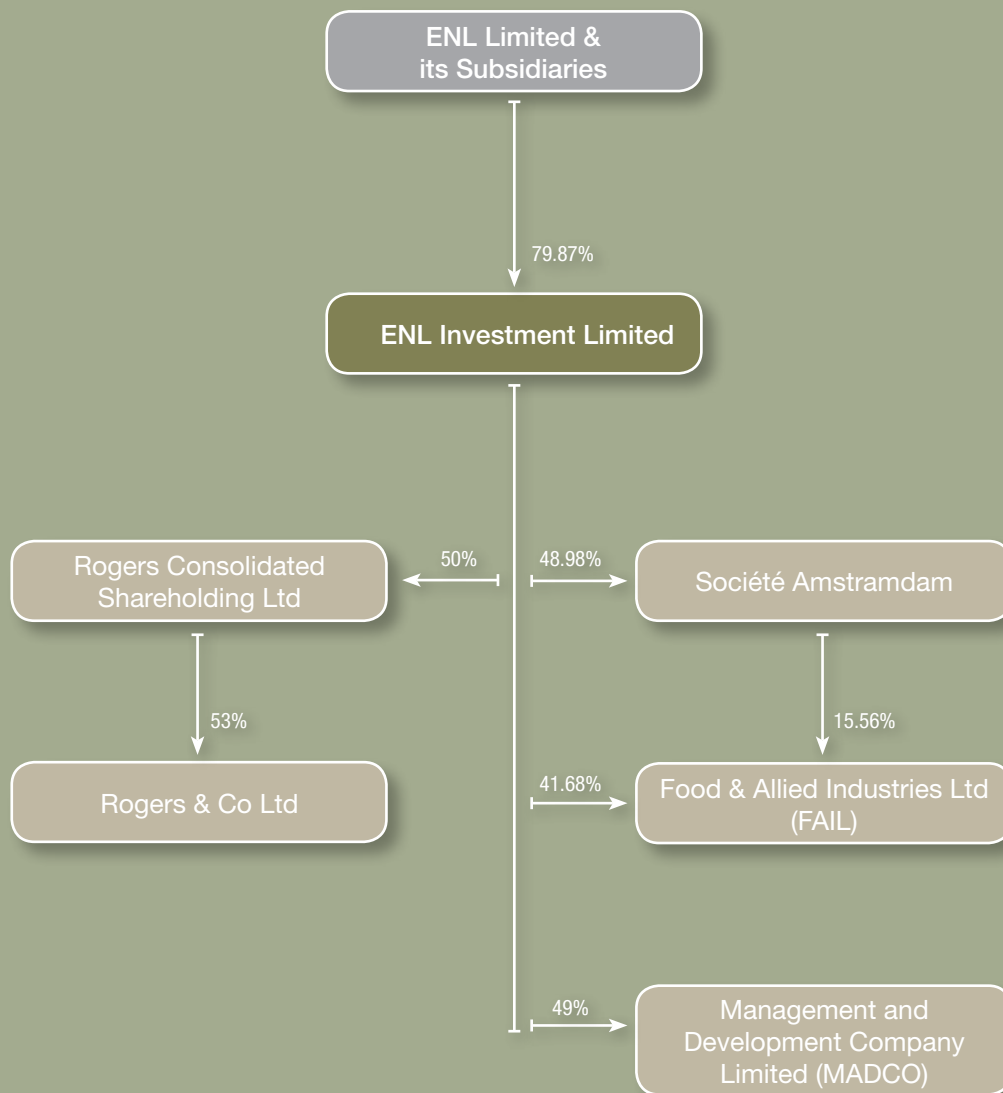
Dividend per Share



Net Asset Value per Share

# Group Structure

as at June 30, 2010



# Share Analysis

## Distribution of Shareholders at June 30, 2010

Range of shareholding	Shareholder Count	Quantity shares Owned	% Shares owned
1-500	658	130,631	0.15
501-1000	215	162,544	0.19
1001-5000	521	1,278,899	1.48
5001-10000	127	938,640	1.09
10001-50000	180	4,045,387	4.69
50001-100000	28	1,863,589	2.16
100001-250000	26	3,719,506	4.31
250001-500000	6	1,911,653	2.22
Over 500,000-	8	72,238,290	83.72
Total	1,769	86,289,139	100.00

## Spread of Shareholders

To the best knowledge of the directors, the spread of shareholders at June 30, 2010 was as follows:

	No of Shareholders	Shares held	%
Individuals	1,534	13,949,833	16.17
Insurance & Assurance Cos	4	995,679	1.15
Pension & Provident Funds	22	777,219	0.90
Investment & Trust Cos	13	1,014,210	1.18
Other Corporate Bodies	196	69,552,198	80.60
Total	1,769	86,289,139	100.00



## Directors' Report

The directors have pleasure in submitting their report together with the audited financial statements for the year under review.

### General

ENL Investment holds a number of strategic investments in its associates namely Food and Allied Industries Ltd, Management and Development Company Ltd and Rogers Consolidated Shareholding Ltd. In addition it has important stakes in New Mauritius hotels and Intendance Holding, the holding company of Swan Insurance.

The global slow-down which started last year has continued to drag on by fits and starts and is now having a significant impact on several of our main export and tourism markets. Moreover, the strength of the rupee relative to other major currencies has been a cause for concern adversely affecting companies significantly dependent on exports, including those engaged in sugar.

In this context Government has implemented a new financial package called the 'Economic Restructuring and Competitiveness Programme' to help local enterprises weather the difficulties they face as a result of adverse circumstances beyond their control.

### Results

Excluding the associated companies, the principal investment, namely New Mauritius Hotels Ltd, from which the ENL Investment Ltd derives a substantial part of its income, was affected by the crisis and this was reflected by the lower dividends paid by that company, hence the decrease in the investment income of Rs 5m for the year.

The results realised by the associated companies were mixed, those having a significant foreign exposure being affected by the crisis whilst those whose activities are concentrated on the local market performing relatively well. In view of the much lower profits realised by Rogers Consolidated Shareholding Ltd, the share of profits from associates decreased by 46% with a corresponding decrease in profit before taxation.

### **Associated Companies**

#### **Food and Allied Industries Ltd (FAIL)**

Founded in the sixties, it was a pioneer in the poultry industry and has since become the leading agro-industrial group in Mauritius by diversifying into other related businesses. FAIL realised a profit before taxation of Rs 222m for the current year as compared with Rs 81m last year.

#### **Management and Development Co Ltd (MADCO)**

MADCO is a well diversified group with investments spanning a wide range of activities. It's main investments are in Tropical Paradise Ltd, which owns Le Labourdonnais and Suffren hotels, Livestock Feed Ltd, the largest producer of animal feed in Mauritius, Panagora Marketing Ltd, the marketing arm of the FAIL group and Pick 'N' Eat Ltd which operates the 'Kentucky Fried Chicken' franchise in Mauritius. The profits before taxation for the year amounted to Rs 304m as against Rs 327m last year.

#### **Rogers Consolidated Shareholding Ltd (RCSL)**

RCSL is the holding company of the Rogers group (Rogers), one of the leading conglomerates in Mauritius. Its main lines of business are financial services, hospitality, logistics and property development. Though it is exposed to the vagaries of the world economies, the diversity of the activities of Rogers has enabled it to weather the crisis up to now. Profits after taxation for the year to 31 March 2010 amounted to Rs 350m compared with Rs 1,993m for last year which included an exceptional profit of Rs 979m realised on the sale of financial assets.

### **Stock Markets**

Starting at the beginning of the financial year, the prices of the companies listed on the Stock Exchange of Mauritius rose steadily up to December 2009 but since then the Stock Market has given up all the gains realised during that period. The value of the Company's portfolio excluding the associated companies was little changed over last year but the increase in the net assets of the associated companies resulted in the Company's own net assets to increase by Rs 660m to Rs 5.4bn.

### **Dividends**

The Company has declared a dividend of Rs 1.20 for the year under review.

By order of the Board

**ENL Limited**  
*Company Secretary*

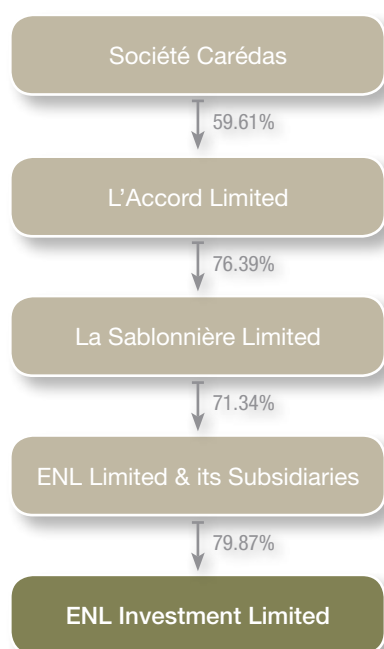
# Corporate Governance

The Board takes great pleasure in submitting to shareholders its statement on corporate governance.

## Holding Structure

The Company's holding structure as at June 30, 2010 was as follows:

*(The % disclosed relates to voting rights)*



## Common Directors

Five directors of the Company for the year ended June 30, 2010 were also directors of other companies within the Company's holding structure, namely:

	L'Accord Limited	La Sablonnière Limited	ENL Limited
Guy Rivalland			•
Hector Espitalier-Noël	•	•	•
Eric Espitalier-Noël	•	•	•
Gilbert Espitalier-Noël			•
Roger Espitalier-Noël	•	•	•

## Corporate Governance

(continued)

### Substantial Shareholders

As at June 30, 2010, the shareholders holding more than 5% of the ordinary shares of the Company were as follows:

	Ordinary %
ENL Commercial Limited	11.68
The Savannah Sugar Estates Company Limited	28.35
ENL Limited	39.84

### Directors' Profile

The names and profiles of the Company's directors are as follows:

#### Guy Rivalland (66)

*Non-Executive Director, Chairman*

Guy Rivalland is a senior attorney and has been practicing since 1966. He was first appointed to the Board of the Company in 1995.

Directorships in other listed companies

- ENL Commercial Limited
- The Savannah Sugar Estates Company Limited
- ENL Limited

#### Hector Espitalier-Noël (52)

*Executive Director*

Hector Espitalier-Noël is a member of the Institute of Chartered Accountants in England and Wales. He is the Chief Executive Officer of ENL group and was first appointed to the Board of the Company in 1995.

Directorships in other listed companies

- ENL Commercial Limited
- The Savannah Sugar Estates Company Limited
- ENL Limited
- New Mauritius Hotels Ltd
- Rogers & Co Ltd
- Caudan Development Ltd
- Promotion & Development Ltd
- Tropical Paradise Co Ltd

#### Gilbert Espitalier-Noël (46)

*Director*

Gilbert Espitalier-Noël holds a BSc (Hons) degree in Food Science and Engineering, a BSc in Biochemistry, Microbiology and Biotechnology, and an MBA from INSEAD.

He was first appointed to the Board in 2004 and is currently the Chief Executive Officer of ENL Property.

Directorships in other listed companies

- ENL Commercial Limited
- The Savannah Sugar Estates Company Limited
- ENL Limited
- Rogers & Co Ltd
- Livestock Feed Limited
- Tropical Paradise Co Ltd

## Corporate Governance

(continued)

### Directors' Profile (continued)

#### Eric Espitalier-Noël (51)

*Director*

Eric Espitalier-Noël holds a Bachelor's degree in Social Science and an MBA. He was first appointed to the Board of the Company in 1995 and is currently the Chief Executive Officer of ENL Commercial Limited.

Directorships in other listed companies

- ENL Commercial Limited
- The Savannah Sugar Estates Company Limited
- Livestock Feed Limited
- Les Moulins de la Concorde Ltée
- Swan Insurance Co Ltd
- The Anglo-Mauritius Assurance Society Ltd
- Tropical Paradise Co Ltd (Alternate Director)
- ENL Limited
- Automatic Systems Limited
- Rogers & Co. Ltd

#### Roger Espitalier-Noël (55)

*Director*

Roger Espitalier-Noël holds a Certificate in Textile and Knitwear Technology from the City of Leicester Polytechnic. He was nominated General Manager of Floreal Knitwear Ltd in 1998 and retired in June 2010 after 36 years of service. He is now acting as Consultant for Ciel Textile Ltd. He was first appointed to the Board of the Company in 2006.

Directorships in other listed companies

- Deep River Investment Limited (Alternate Director)
- ENL Limited
- The Savannah Sugar Estates Company Limited

### Directors' Interests in the Shares of the Company

The directors' interests in the shares of the Company as at June 30, 2010 were as follows:

	Ordinary Shares	
	Direct (%)	Indirect (%)
Guy Rivalland	-	-
Hector Espitalier-Noël	0.261	5.909
Eric Espitalier-Noël	0.198	5.724
Gilbert Espitalier-Noël	-	5.746
Roger Espitalier-Noël	-	0.529

### Board of Directors

ENL Investment Limited is governed by a Board of Directors consisting of five directors. It is the supreme governing body of the Company and has full power over its affairs.

## Corporate Governance

(continued)

### Board Attendance

	16/09/09	12/11/09	24/11/09	10/02/10	13/05/10	24/06/10
Guy Rivalland	•	•	•	•	•	
Hector Espitalier-Noël	•	•	•	•	•	•
Eric Espitalier-Noël	•	•	•	•	•	•
Roger Espitalier-Noël	•	•	•	•	•	•
Gilbert Espitalier-Noël	•	•	•	•	•	•

### Share Option Plans

ENL Investment Limited has no share option plans.

### Shareholders' Calendar

End of financial year	June 30
Publication of quarterly financial statements/abridged audited financial statements	Mid February/ Mid May/ Mid September/ Mid November
Annual Report issued	Early November
Annual Meeting of Shareholders	End November
Declaration of dividend	End November/End June
Payment of dividend	End December/End July

### Share Dealings by Directors

The Board adheres to the principles of the rules for Development and Enterprise Market companies issued by the Stock Exchange of Mauritius Limited in respect of share dealings. In this regard, directors are kept apprised of closed periods and of their responsibilities in respect to the above rules.

During the financial year under review, none of the directors of ENL Investment, except for Gilbert Espitalier Noël who sold 99,273 shares, have traded in the Company's shares.

## Corporate Governance

(continued)

### Dividend Policy

ENL Investment declares dividends in November (interim) and June (final) for every financial year.

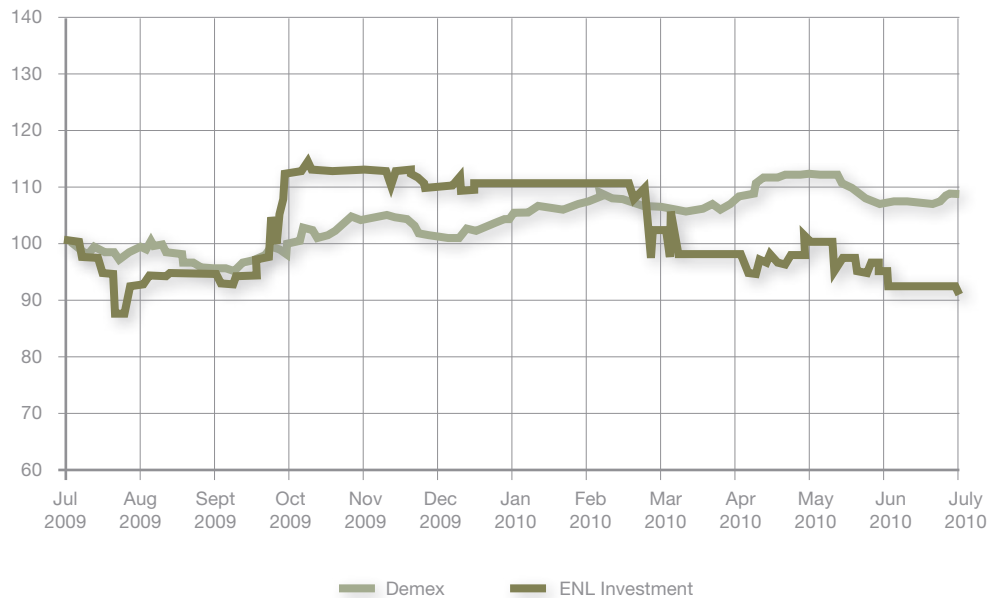
Payment of dividends is subject to the profitability and the free cash flow of the Company.

### Stock Market Information

The Company's Ordinary shares are listed on the Development and Enterprise Market of the Stock Exchange of Mauritius Limited; accordingly, the Company is governed by the rules for Development and Enterprise Market companies issued by the Stock Exchange of Mauritius Limited.

Hereunder is the graphical representation of the price movement of the Company's Ordinary shares from July 1, 2009 to July 1, 2010.

### ENL Investment Limited - Share Price Movement



ENL Limited  
Company Secretary

September 16, 2010

# Statement of Directors' Responsibilities

## In Respect of Financial Statements

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financing Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the Company's Financial Statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and enable them to ensure that the Financial Statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Guy RIVALLAND  
*Chairman*

Hector ESPITALIER-NOËL  
*Director*

# Company Secretary's Certificate

(Pursuant to Section 166 (d) of the Companies Act 2001) - June 30, 2010

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

ENL Limited  
*Company Secretary*

7<sup>th</sup> Floor, Swan Group Centre  
Intendance Street  
Port Louis

September 16, 2010

# Statutory Disclosures

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of The Securities Act 2005)  
June 30, 2010

## Principal Activity

The main activity of the Company is that of investment holding.

## Directors

The directors of the Company are listed on pages 11 to 12.

## Directors' Service Contracts

None of the directors proposed for re-election at the forthcoming annual meeting have unexpired service contracts.

## Directors' Remuneration and Benefits

Remuneration and benefits received or due and receivable from the Company were as follows:

	2010 Rs'000	2009 Rs'000
Executive directors		
Full-time	-	-
Part-time	-	-
Non-executive directors	-	-

## Directors' and Senior Officers' Interests in Shares

The direct and indirect interest of the directors and senior officers in the securities of the Company as at June 30, 2010 were:

Directors	Direct Interest		Indirect Interest
	No. of Shares	%	%
Guy Rivalland	-	-	-
Hector Espitalier-Noël	225,033	0.261	5.909
Eric Espitalier-Noël	170,790	0.198	5.724
Roger Espitalier-Noël	-	-	0.529
Gilbert Espitalier-Noël	-	-	5.746

## Donations

The company did not make any donations during the year (2009: nil).

## Auditors

The fees payable to the auditors, BDO & Co (formerly BDO De Chazal Du Mée & Co), for audit and other services were:

	2010 Rs'000	2009 Rs'000
Audit services	110	120
Other services	22	10
	132	130

Other services relate to taxation services provided by BDO & Co (formerly BDO De Chazal Du Mée & Co) to the Company.

# Independent Auditors' Report to the Members

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

## Report on the Financial Statements

We have audited the financial statements of ENL Investment Limited on pages 19 to 40 which comprise the statement of financial position at June 30, 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements on pages 19 to 40 give a true and fair view of the financial position of the company at June 30, 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

## Report on Other Legal and Regulatory Requirements

### Companies Act 2001

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

We have obtained all information and explanations we have required.

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

**BDO & Co**  
(Formerly BDO De Chazal Du Mee & Co)  
*Chartered Accountants*

**Yacoob Ramtoola**  
*Signing Partner*

September 16, 2010  
Port Louis, Mauritius.

# Statement of Financial Position

June 30, 2010

	Notes	2010 Rs'000	2009 Rs'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Available-for-sale securities:			
- Investments in associates	5(a)	3,709,574	3,008,098
- Investments in financial assets	5(b)	1,863,687	1,901,103
		<b>5,573,261</b>	<b>4,909,201</b>
<b>Current assets</b>			
Trade and other receivables	6	299	5,466
Amounts receivable from group companies	7	4,635	2,362
Held-for-trading securities	8	43,437	30,715
Cash and cash equivalents		10	2,134
		<b>48,381</b>	<b>40,677</b>
<b>Total assets</b>		<b>5,621,642</b>	<b>4,949,878</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	9	1,612,984	1,612,984
Fair value and other reserves		2,578,089	2,043,819
Retained earnings		1,228,795	1,099,186
Shareholders' interests		<b>5,419,868</b>	<b>4,755,989</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	10	98,929	123,687
<b>Current liabilities</b>			
Trade and other payables	11	2,500	2,850
Amounts payable to group companies	12	26,360	9,026
Current tax liabilities	13	173	359
Current borrowings	10	39,296	23,451
Proposed dividends	14	34,516	34,516
		<b>102,845</b>	<b>70,202</b>
<b>Total liabilities</b>		<b>201,774</b>	<b>193,889</b>
<b>Total equity and liabilities</b>		<b>5,621,642</b>	<b>4,949,878</b>

These financial statements were approved for issue by the Board of Directors on September 16, 2010.

Guy RIVALLAND  
Chairman

Hector ESPITALIER-NOËL  
Director

The notes on pages 23 to 40 form an integral part of these financial statements.  
Auditors' report on page 18.

## Statement of Comprehensive Income

Year ended June 30, 2010

	Notes	2010 Rs'000	2009 Rs'000
Dividends receivable		46,939	52,055
Interest receivable		-	3,874
		46,939	55,929
Administrative expenses		7,517	6,271
Management fees		22,222	23,500
		29,739	29,771
		17,200	26,158
Fair value gain/(loss) on held-for-trading securities	8	9,560	(3,194)
Share of profit of associates		292,758	541,180
Finance costs	15	(15,187)	(19,866)
(Loss)/gain on disposal of securities		(245)	20,476
Profit before taxation	16	304,086	564,754
Income tax expense	13	-	(403)
Profit for the year		304,086	564,351
<b>Other comprehensive income:</b>			
Transfer to income on disposal of investments in financial assets		-	(15,134)
Movement in net assets of associated companies		500,756	(906,973)
Fair value adjustments on available for sale securities		(37,416)	58,583
Other comprehensive income for the year	17	463,340	(863,524)
<b>Total comprehensive income for the year</b>		<b>767,426</b>	<b>(299,173)</b>
Earnings per share	18	Rs 3.58	6.64

The notes on pages 23 to 40 form an integral part of these financial statements.  
Auditors' report on page 18.

## Statements of Changes in Equity

Year ended June 30, 2010

	Notes	Share capital Rs'000	Application monies Rs'000	Fair value reserves Rs'000	Reserves of associated companies Rs'000	Retained earnings Holding company Rs'000	Associated companies Rs'000	Total Rs'000
Balance at July 1, 2009		1,612,984	-	1,395,344	648,475	371,490	727,696	4,755,989
Total comprehensive income for the year		-	-	(37,416)	571,686	103,367	129,789	767,426
Dividends	14	-	-	-	-	(103,547)	-	(103,547)
<b>Balance at June 30, 2010</b>		<b>1,612,984</b>	<b>-</b>	<b>1,357,928</b>	<b>1,220,161</b>	<b>371,310</b>	<b>857,485</b>	<b>5,419,868</b>
Balance at July 1, 2008		967,608	645,376	1,351,895	1,433,710	360,731	408,018	5,167,338
Issue of share capital		645,376	(645,376)	-	-	-	-	-
Transfer		-	-	-	-	(206)	206	-
Total comprehensive income for the year		-	-	43,449	(785,235)	123,141	319,472	(299,173)
Dividends	14	-	-	-	-	(112,176)	-	(112,176)
<b>Balance at June 30, 2009</b>		<b>1,612,984</b>	<b>-</b>	<b>1,395,344</b>	<b>648,475</b>	<b>371,490</b>	<b>727,696</b>	<b>4,755,989</b>

*Note 1: The proceeds from application monies related to shares to be issued by the company following the acquisition of available-for-sale securities from fellow subsidiaries under a restructuring scheme in 2008. The shares were issued during the year ended June 30, 2009.*

*The notes on pages 23 to 40 form an integral part of these financial statements.*

*Auditors' report on page 18.*

## Statement of Cash Flow

Year ended June 30, 2010

	Notes	2010 Rs'000	2009 Rs'000
<b>Cash flows from operating activities</b>			
Cash absorbed in operations	19 (a)	(33,505)	(28,944)
Dividends received		137,557	154,929
Interest paid		(15,075)	(19,840)
Interest received		-	3,874
Income tax paid		(287)	(562)
Net cash generated from operating activities		88,690	109,457
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		1,238	29,029
Proceeds from liquidation of investment		4,414	-
Purchase of investments		(4,006)	(212,670)
Net loans refunded by group companies		-	87,000
Net cash generated from/(used in) investing activities		1,646	(96,641)
<b>Cash flows from financing activities</b>			
Proceeds from long term borrowings		-	145,000
Payments on long-term borrowings		(23,449)	(46,362)
Loans repaid to group companies		(12,000)	-
Loans received from group companies		32,000	-
Dividends paid		(103,547)	(107,062)
Net cash used in financing activities		(106,996)	(8,424)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(16,660)</b>	<b>4,392</b>
Cash and cash equivalents at July 1,		2,134	(2,258)
Cash and cash equivalents at June 30,	19 (b)	(14,526)	2,134

The notes on pages 23 to 40 form an integral part of these financial statements.

Auditors' report on page 18.

# Notes to the Financial Statements

Year ended June 30, 2010

## 1 GENERAL INFORMATION

ENL Investment Limited is a limited liability company incorporated and domiciled in Mauritius. The holding company is ENL Limited. The registered office of both companies is at 7th Floor, Swan company Centre, Intendance Street, Port Louis. The ultimate holding entity is Société Careadas, a 'Société Civile' registered in Mauritius.

These financial statements will be submitted for consideration and approval at the forthcoming annual general meeting of shareholders.

## 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

The financial statements of ENL Investment Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

The financial statements are prepared under the historical cost convention, except that held for trading and available-for-sale securities are stated at their fair values as disclosed in the accounting policies hereafter.

#### *Standards, Amendments to published Standards and Interpretations effective in the reporting period*

IFRIC 16, 'Hedges of a Net Investment in a Foreign Operation', clarifies that the net investment hedging relates to differences in functional currency, not presentation currency and hedging instruments may be held anywhere in the company. This IFRIC will not have any impact on the company's financial statements.

IAS 1, 'Presentation of Financial Statements' (Revised 2007), prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in either one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

IAS 23, 'Borrowing Costs' (Revised 2007), requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. This IAS is currently not applicable to the company as there are no qualifying assets.

IFRS 8, 'Operating Segments', requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker.

Amendments to IAS 32 and IAS 1, 'Puttable financial instruments and obligations arising on liquidation', requires entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The amendment is not expected to have any impact on the company's financial statements.

Amendments to IFRS 2, 'Vesting Conditions and Cancellations', clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date at fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment is not expected to have any impact on the company's financial statements.

# Notes to the Financial Statements

Year ended June 30, 2010

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (a) Basis of preparation (continued)

Amendments to IFRS 7, 'Improving Disclosures about Financial Instruments', requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

IFRIC 15, 'Agreements for the Construction of Real Estate', clarifies whether IAS 18, 'Revenue', or IAS 11, 'Construction contracts', should be applied to particular transactions. IFRIC 15 is not relevant to the company's operations as all revenue transactions are accounted for under IAS 18 and not IAS 11.

Amendments to IFRIC 9 and IAS 39, 'Embedded Derivatives', clarifies the accounting for embedded derivatives when a financial asset is reclassified out of the 'fair value through profit or loss' category. The amendment is not expected to have any impact on the company's financial statements.

IAS 27, 'Consolidated and Separate Financial Statements' (Revised 2008), requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The revised standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This IAS will not have any impact on the company's financial statements.

IFRS 3, 'Business combinations' (Revised 2008), continues to apply the acquisition method to business combinations with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. This IFRS will not have any impact on the company's financial statements.

Amendments to IAS 39, 'Eligible hedged items', prohibits designating inflation as a hedgeable component of a fixed rate debt. In a hedge of one-sided risk with options, it prohibits including time value in the hedged risk. The amendment is not expected to have any impact on the company's financial statements.

Amendments to IFRS 1 and IAS 27, 'Cost of an Investment in a Subsidiary', clarifies that the cost of a subsidiary, jointly controlled entity or associate in a parent's separate financial statements, on transition to IFRS, is determined under IAS 27 or as a deemed cost. Dividends from a subsidiary, jointly controlled entity or associate are recognised as income. There is no longer a distinction between pre-acquisition and post-acquisition dividends. The cost of the investment of a new parent in a company (in a reorganisation meeting certain criteria) is measured at the carrying amount of its share of equity as shown in the separate financial statements of the previous parent. The amendment is not expected to have any impact on the company's financial statements.

IFRIC 17, 'Distributions of Non-cash Assets to Owners', clarifies that a dividend payable is recognised when appropriately authorised and no longer at the entity's discretion. An entity measures distributions of assets other than cash when it pays dividends to its owners, at the fair value of the net assets to be distributed. The difference between fair value of the dividend paid and the carrying amount of the net assets distributed is recognised in profit or loss. This IFRIC will not have any impact on the company's financial statements.

IFRIC 18, 'Transfers of Assets from Customers', addresses the treatment for assets transferred from a customer in return for connection to a network or ongoing access to goods or services, or both. It requires the transferred assets to be recognised initially at fair value and the related revenue to be recognised immediately; or, if there is a future service obligation, revenue is deferred and recognised over the relevant service period. This IFRIC will not have any impact on the company's financial statements.

### Improvements to IFRSs (issued May 22, 2008)

IAS 1 (Amendment), 'Presentation of Financial Statements', clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. This amendment is not expected to have any impact on the company's financial statements.

## Notes to the Financial Statements

Year ended June 30, 2010

### (a) Basis of preparation (continued)

IAS 8 (Amendment), 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies that application of the guidance issued with IFRSs that is not an integral part of the Standard is not mandatory in selecting and applying accounting policies. This amendment is unlikely to have an impact on the company's financial statements.

IAS 10 (Amendment), 'Events after the Reporting Period', reinforces the clarification of the explanation as to why a dividend declared after the reporting period does not result in the recognition of a liability.

IAS 16 (Amendment), 'Property, Plant and Equipment', requires entities whose ordinary activities comprise renting and subsequently selling assets to present proceeds from the sale of those assets as revenue and transfer the carrying amount of the asset to inventories when the asset becomes held for sale. Consequential amendment to IAS 7 requires that cash flows arising from purchase, rental and sale of those assets to be classified as cash flows from operating activities. The amendment will not have an impact on the company's operations.

IAS 18 (Amendment), 'Revenue', removes the inconsistency between IAS 39 and the guidance in IAS 18 relating to the definition of costs incurred in originating a financial asset that should be deferred and recognised as an adjustment to the effective interest rate.

IAS 19 (Amendment), 'Employee Benefits', clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.

IAS 20 (Amendment), 'Government Grants and Disclosure of Government Assistance', clarifies that the benefit of a below market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39, 'Financial instruments: Recognition and measurement', and the proceeds received with the benefit accounted for in accordance with IAS 20. This amendment will not have an impact on the company's operations.

IAS 23 (Amendment), 'Borrowing Costs', has amended the definition of borrowing costs so that interest expense is calculated using the effective interest method defined in IAS 39 'Financial instruments: Recognition and measurement'. This amendment is currently not applicable to the company as there are no qualifying assets.

IAS 27 (Amendment), 'Consolidated and Separate Financial Statements', requires an investment in a subsidiary that is accounted for under IAS 39, 'Financial instruments: recognition and measurement', and is classified as held for sale under IFRS 5, 'Non-current assets held-for-sale and discontinued operations', to continue to apply IAS 39. The amendment will not have an impact on the company's operations.

IAS 28 (Amendment), 'Investments in Associates', clarifies that an investment in associate is treated as a single asset for the purposes of impairment testing. Any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. Where an investment in an associate that is accounted for under IAS 39, 'Financial instruments: Recognition and Measurement', only certain rather than all disclosure requirements in IAS 28 need to be made. This amendment will not have an impact on the company's operations.

IAS 29 (Amendment), 'Financial Reporting in Hyperinflationary Economies', has amended the guidance to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the company's operations.

IAS 31 (Amendment), 'Interests in Joint Ventures', requires where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made. The amendment will not have an impact on the company's operations.

IAS 34 (Amendment), 'Interim Financial Reporting', clarifies that the presentation of basic and diluted earnings per share in interim financial reports is required only when the entity is within the scope of IAS 33.

IAS 36 (Amendment), 'Impairment of Assets', clarifies that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made.

# Notes to the Financial Statements

Year ended June 30, 2010

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (a) Basis of preparation (continued)

IAS 38 (Amendment), 'Intangible Assets', clarifies that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. Advertising and promotional activities includes mail order catalogues.

IAS 39 (Amendment), 'Financial Instruments: Recognition and Measurement', clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. When remeasuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used. The amendment is not expected to have an impact on the company's statement of comprehensive income.

IAS 40 (Amendment), 'Investment Property', clarifies that property under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not have an impact on the company's operations, as there are no investment properties held by the company.

IAS 41 (Amendment), 'Agriculture', requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment replaces the terms 'point-of sale costs' and 'estimated point-of-sale costs' with 'costs to sell'. The amendment will not have an impact on the company's operations, as no agricultural activities are undertaken.

IFRS 5 (Amendment), 'Non-current Assets Held for Sale and Discontinued Operations', clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. The amendment will not have an impact on the company's operations.

IFRS 7 (Amendment), 'Financial Instruments: Disclosures', clarifies that interest income is not a component of finance costs.

#### Improvements to IFRSs (issued 16 April 2009)

IFRS 2 (Amendment), 'Share-based Payment', confirms that transactions in which the entity acquires goods as part of the net assets acquired in a business combination as defined by IFRS 3 (2008) Business Combinations, contribution of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2 Share-based Payment. The amendment will not have an impact on the company's operations.

IAS 38 (Amendment), 'Intangible Assets', clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the cumulation of intangible assets as a single asset if each asset has similar useful economic life. This amendment is unlikely to have an impact on the company's financial statements.

IFRIC 9 (Amendment), 'Reassessment of Embedded Derivatives', clarifies that embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation of a joint venture are outside the scope of IFRIC 9. This amendment is unlikely to have an impact on the company's financial statements.

IFRIC 16 (Amendment), 'Hedges of a Net Investment in a Foreign Operation', clarifies that hedging instruments may be held by any entity or entities within the company. This includes a foreign operation that itself is being hedged. This amendment is unlikely to have an impact on the company's financial statements.

#### *Standards, Amendments to published Standards and Interpretations issued but not yet effective*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2010 or later periods, but which the company has not early adopted.

# Notes to the Financial Statements

Year ended June 30, 2010

## (a) Basis of preparation (continued)

At the reporting date of these financial statements, the following were in issue but not yet effective:

Amendments to IFRS 1 Additional Exemptions for First-time Adopters

Amendments to IFRS 2 company Cash-settled Share-based Payment Transactions

Classification of Rights Issues (Amendment to IAS 32)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement

IAS 24 Related Party Disclosures (Revised 2009) IFRS 9 Financial Instruments

Amendment to IFRS 1 Limited Exemption from Comparatives IFRS 7 Disclosures for First-time Adopters

### Improvements to IFRSs (issued 16 April 2009)

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

IFRS 8 Operating Segments

IAS 1 Presentation of Financial Statements

IAS 7 Statement of Cash Flows

IAS 17 Leases

IAS 18 Revenue

IAS 36 Impairment of Assets

IAS 38 Intangible Assets

IAS 39 Financial Instruments: Recognition and Measurement

### Improvements to IFRSs (issued 6 May 2010)

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 3 Business Combinations

IFRS 7 Financial Instruments: Disclosures

IAS 1 Presentation of Financial Statements

IAS 27 Consolidated and Separate Financial Statements

IAS 34 Interim Financial Reporting

IFRIC 13 Customer Loyalty Programmes

Where relevant, the company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

## (b) Revenue recognition

Dividend income is accounted for when the shareholder's right to receive payment is established. Interest income is accounted for on a time proportion basis using the effective interest method.

## (c) Investments in associates

An associate is an entity over which the company has significant influence but not control, or joint control. Investments in associated companies are accounted for under the equity method.

The company's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the company's share of the net assets of the associates less any impairment in the value of individual investments.

The results of associated companies acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of their acquisition or up to the date of their disposal.

When the company's share of losses exceeds its interest in an associate, the group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the company's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the company.

# Notes to the Financial Statements

Year ended June 30, 2010

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Goodwill

Goodwill represents the excess of cost of acquisition over the company's interests in the fair value of the net identifiable assets of the acquired associate at the date of acquisition. Goodwill on acquisition of associate is included in investments in associates. Any net excess of the company's interests in the net fair value of associates net identifiable assets over cost is recognised on the statement of comprehensive income.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses, if any. On disposal of the associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

### (e) Financial instruments

#### (i) Financial assets

##### *Categories of financial assets*

The company classifies its financial assets in the following categories: Held for trading and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

#### (a) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

#### (b) Held-for-trading securities

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the end of the reporting period.

##### *Initial measurement*

Purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Investments are initially measured at cost plus transaction costs.

##### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

##### *Subsequent measurement*

Available-for-sale and held-for-trading financial assets are subsequently carried at their fair values.

Realised and unrealised gains and losses arising from changes in the fair value of the held-for-trading financial assets are included on the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale securities are recognised in other comprehensive income. When financial assets classified as available-for-sale securities are sold or impaired, the accumulated fair value adjustments are included on the statement of comprehensive income as gains and losses on financial assets.

The company establishes fair value of financial assets by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, net asset value and market prices refined to reflect the issuer's specific circumstances.

# Notes to the Financial Statements

Year ended June 30, 2010

## (e) Financial instruments (continued)

### (i) Financial assets (continued)

#### *Impairment of financial assets*

The company assesses at each end of reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity - is removed from profit or loss and recognised on the statement of comprehensive income.

### (ii) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised costs less provision for impairment. A provision for impairment of loans receivable is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of provision is recognised on the statement of comprehensive income.

### (iii) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded net of direct issue costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after end of reporting period.

### (iv) Trade payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

### (v) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction from proceeds.

### (vi) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

## (f) Impairment of assets

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

## (g) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events which will probably result in an outflow of resources that can be reliably estimated.

## (h) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability on the group's financial statements in the period in which the dividends are declared.

# Notes to the Financial Statements

Year ended June 30, 2010

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The company's objective is to provide long term capital growth and regular appreciation in dividend income distribution for investors. This objective is being fulfilled through investing in a diversified portfolio of equity and equity related investments.

The company's activities expose it to a variety of financial risks including the effects of changes in equity market prices, interest rate risk and liquidity risk.

#### (a) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the company. The company's credit risk concentration is spread between interest rate and equity securities. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

#### (b) Market price risk

The company is exposed to equity securities price risk because of investments held by the company and classified on the statement of financial position as available-for-sale and held-for-trading. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio.

#### (i) Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments in financial assets and held-for-trading securities on the company's post-tax profit for the year and on equity.

The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	Impact on post-tax profit		Impact on other comprehensive income	
	2010	2009	2010	2009
	Rs'000	Rs'000	Rs'000	Rs'000
Categories of investments:				
Available-for-sale investments in financial assets	-	-	42,405	45,030
Held for trading securities	1,953	1,420	-	-

#### (c) Cash flow and fair value interest rate risk

The company lends and borrows at variable rates. In respect of the latter, it is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The risk is managed by maintaining an appropriate mix between fixed and floating interest charges on loans receivable and payable.

At June 30, 2010, if interest rates on lending and borrowings had been 50 basis points higher/lower with all other variables held constant, post tax profits for the year would have been Rs.60,683 (2009: Rs.82,905) lower/higher.

#### (d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The company aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flows.

The company's financial liabilities analysed into relevant maturity groupings based on the remaining period to the contractual maturity date has been disclosed in note 10. All trade and other payables are due within one year.

# Notes to the Financial Statements

Year ended June 30, 2010

## 3 FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (e) Currency risk

The company is not exposed to foreign exchange risk. It has no financial assets and liabilities denominated in foreign currency.

### 3.2 Fair value estimation

The fair value of investment in financial assets traded on active markets is based on quoted market prices at the end of the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. Instruments included in level 1 comprise primarily of quoted equity instruments classified as trading securities or available for sale. The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. The group uses a variety of methods namely capitalised earnings, adjusted net asset basis and dividend yield where applicable and makes assumptions that are based on market conditions existing at end of each reporting period. These instruments are included in level 3. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The carrying amount of available-for-sale and held for trading financial assets would be an estimated Rs.50.8 million (2009: Rs.50.1 million) lower/higher in the event the fair values were increased/decreased by 5%.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of those financial assets and liabilities not presented on the company's statement of financial position at their fair values are not materially different from their carrying amounts.

### 3.3 Capital risk management

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown on the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (ie share capital, retained earnings and fair value and other reserves).

The debt-to-adjusted capital ratios at June 30, 2010 and at June 30, 2009 were as follows:

	2010 Rs'000	2009 Rs'000
Total debt	138,225	147,138
Less: cash and cash equivalents	10	(2,134)
Net debt	138,235	145,004
Total equity	5,419,868	4,755,989
Gearing ratio	2.55%	3.05%

# Notes to the Financial Statements

Year ended June 30, 2010

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates 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 are discussed below.

#### (a) Impairment of available-for-sale financial assets

The company follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired and this determination requires significant judgement. In making this judgement, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

#### (b) Estimated impairment of goodwill

The company tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2(d).

## Notes to the Financial Statements

Year ended June 30, 2010

### 5 AVAILABLE FOR SALE SECURITIES

#### (a) Investments in associates

	2010 Rs'000	2009 Rs'000
Valuation		
At July 1,	3,008,098	3,473,655
Additions	-	206
Movement in reserves in associated companies	500,757	(906,973)
Share of retained earnings	200,719	441,210
<b>At June 30,</b>	<b>3,709,574</b>	<b>3,008,098</b>
Made up as follows:		
Share of net assets	3,603,017	2,901,541
Goodwill	106,557	106,557
	<b>3,709,574</b>	<b>3,008,098</b>

The company's interests in its principal associates, all of which are unlisted, is as follows:

2010	Year end	Country of incorporation/ registration	Assets Rs'000	Liabilities Rs'000	Revenues Rs'000	Profit Rs'000	% held
Food and Allied Industries Limited Management and Development Company Limited	June	Mauritius	1,780,912	538,887	1,655,735	201,256	41.68
Rogers Consolidated Shareholding Limited*	June	Mauritius	3,634,041	1,503,849	4,920,651	150,119	49.00
Société Amstramdram	September	Mauritius	23,103,000	11,127,300	8,301,300	253,500	50.00
	June	Mauritius	8,711	-	1,568	1,567	48.98
2009	Year end	Country of incorporation	Assets Rs'000	Liabilities Rs'000	Revenues Rs'000	Profit Rs'000	% held
Food and Allied Industries Limited Management and Development Company Limited	June	Mauritius	1,599,457	610,282	1,535,370	71,530	41.68
Rogers Consolidated Shareholding Limited*	June	Mauritius	3,500,477	1,704,615	4,807,560	117,130	49.00
Société Amstramdram	September	Mauritius	21,005,600	10,457,200	8,770,900	904,300	50.00
	June	Mauritius	8,711	-	1,568	1,567	48.98

\* For companies with September 30, non coterminous year end, accounts for the twelve month period ended March 31, 2010 have been taken. (2009: twelve months period ended March 31, 2009).

#### (b) Investments in financial assets

	2010 Rs'000	2009 Rs'000
Fair value		
At July 1,	1,901,103	1,861,184
Additions	-	9,394
Disposals	-	(28,058)
Fair value adjustments	(37,416)	58,583
<b>At June 30,</b>	<b>1,863,687</b>	<b>1,901,103</b>

## Notes to the Financial Statements

Year ended June 30, 2010

### 5 AVAILABLE FOR SALE SECURITIES (continued)

(c) At June 30, 2010	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available for sale financial assets	848,110	-	1,015,577	1,863,687

The fair value of these securities at June 30, 2010 has been determined by Ernst & Young using various bases of valuation and assumptions based on adjusted earnings and on their adjusted net assets. Some of the quoted securities have been valued at their closing market price.

Investments included in level 1 comprise of some quoted equity investments valued at their closing market prices. If all significant inputs required to fair value an instrument are observable, the investment is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3. Further information is presented in note 3.2.

(d) Available-for-sale financial assets include the following:

	2010 Rs'000	2009 Rs'000
Securities at fair value		
- listed	1,733,890	1,768,735
- Dem quoted	53,478	83,041
- unquoted	76,319	49,327
	<u>1,863,687</u>	<u>1,901,103</u>

(e) Investments in financial assets are denominated in Mauritian rupees.

(f) The table below shows the changes in level 3 instruments for the year ended June 30, 2010.

	2010 Rs'000
Opening balance	1,000,508
Gains recognised in other comprehensive income	15,069
Closing balance	<u>1,015,577</u>

(g) The carrying amount of available for sale financial assets would be an estimated Rs.101.6m lower/higher were the valuation analysis to differ by 10% from management estimates.

(h) Bank borrowings are secured by floating charges on the assets of the company.

### 6 TRADE AND OTHER RECEIVABLES

	2010 Rs'000	2009 Rs'000
Investment income receivable	299	5,466

The carrying amount of trade and other receivables approximate their fair values. At June 30, 2010 there was no investment income which was impaired or past due but not impaired.

Trade and other receivables are denominated in Mauritian rupees.

The company does not hold any collateral as security.

## Notes to the Financial Statements

Year ended June 30, 2010

### 7 AMOUNTS RECEIVABLE FROM GROUP COMPANIES

	2010			2009
	Loans Rs'000	Others Rs'000	Total Rs'000	Total Rs'000
Fellow subsidiaries	-	4,635	4,635	2,362

As of June 30, 2010, no amount receivable from group companies was impaired or past due.

Amounts receivable from group companies are denominated in Mauritian rupees and their carrying amounts approximate their fair values.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

### 8 HELD-FOR-TRADING SECURITIES

#### (a) Fair value

	2010 Rs'000	2009 Rs'000
At July 1,	30,715	33,953
Additions	4,645	-
Disposal	(1,483)	(44)
Fair value adjustments	9,560	(3,194)
<b>At June 30,</b>	<b>43,437</b>	<b>30,715</b>

#### (b) At June 30, 2010

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available for sale financial assets	43,271	-	166	43,437

Instruments included in level 1 comprise of quoted equity investments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. Further information is presented in note 3.2.

#### (c) The table below shows the changes in level 3 instruments for the year ended June 30, 2010.

	2010 Rs'000
Opening balance	1,649
Disposal	(1,483)
<b>Closing balance</b>	<b>166</b>

(d) Held for trading securities, comprising of official market, DEM quoted and unquoted investments, were valued by Ernst & Young at end of the reporting period. The official market and DEM quoted investments were revalued based on the quotations on the 'Official Market' and the DEM as at June 30, 2010. Unquoted investments were revalued on a dividend yield basis.

(e) Held for trading securities are denominated in Mauritian rupees.

(f) Bank borrowings are secured by floating charges on the assets of the company.

(g) Changes in fair values of held for trading securities are recorded on the statement of comprehensive income.

## Notes to the Financial Statements

Year ended June 30, 2010

### 9 SHARE CAPITAL

	Number of shares	Ordinary shares Rs'000	Share Premium Rs'000	Total Rs'000
At June 30, 2010	86,289,139	862,891	750,093	1,612,984

The total authorised number of ordinary shares is 150m with a par value of Rs.10 per share.

### 10 BORROWINGS

	2010 Rs'000	2009 Rs'000
Borrowings comprise of:		
<b>Current</b>		
Bank loans	24,760	23,451
Bank overdrafts	14,536	-
	<b>39,296</b>	<b>23,451</b>
<b>Non-current</b>		
Bank loans	98,929	123,687
<b>Total borrowings</b>	<b>138,225</b>	<b>147,138</b>

	2010 Rs'000	2009 Rs'000
<u>Bank loans</u>		
The maturity of non current borrowings is as follows:		
Repayable by instalments:		
- after one year and before two years	26,191	24,760
- after two years before three years	27,753	26,191
- after three years and before five years	44,985	37,039
- after 5 years	-	35,697
	<b>98,929</b>	<b>123,687</b>

	2010 Rs'000	2009 Rs'000
Non current borrowings can be analysed as follows:		
- After 1 year before 5 years	98,929	87,990
- After 2 years before 5 years	72,738	63,230
- After 5 years	-	35,697

- The bank borrowings are secured by a pledge on certain investments and floating charges on the assets of the company.
- The bank borrowings are denominated in Mauritian rupees and the effective interest rates at the end of the reporting period were between 8.625% and 8.875% (2009: 8.75% to 8.875%).
- The carrying amounts of short-term borrowings approximate their fair values.
- The exposure of the company's borrowings to interest rate changes are less than six months.

### 11 TRADE AND OTHER PAYABLES

	2010 Rs'000	2009 Rs'000
Accrued expenses	100	100
Other payables	2,400	2,750
	<b>2,500</b>	<b>2,850</b>

Trade and other payables are denominated in Mauritian rupees and their carrying amounts approximate their fair values.

## Notes to the Financial Statements

Year ended June 30, 2010

### 12 AMOUNTS PAYABLE TO GROUP COMPANIES

	2010			2009
	Loans Rs'000	Others Rs'000	Total Rs'000	Total Rs'000
Holding company	25,000	138	25,138	5,026
Fellow subsidiaries	-	1,222	1,222	4,000
	25,000	1,360	26,360	9,026

The loan is payable at call and bears interest at the rate of 6.5% per annum.

Amounts payable to group companies are denominated in Mauritian rupees and their carrying amounts approximate their fair values.

### 13 INCOME TAX

(a) CHARGE	2010 Rs'000	2009 Rs'000
Current tax on the adjusted profit at 15% (2009 - 15%)	-	359
Under provision in previous year	-	44
	-	403

#### (b) LIABILITY

	2010 Rs'000	2009 Rs'000
At July, 1	359	518
Paid during the year	(285)	(562)
Under provision in previous year	-	44
Charge for the year	-	359
APS overpaid	101	-
At June, 30	173	359

#### (c) The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

	2010 Rs'000	2009 Rs'000
Profit before taxation	304,086	564,754
Tax calculated at a tax rate of 15%	45,613	84,713
Tax effect on:		
Income not subject to tax	(22,281)	(25,397)
Expenses not deductible for tax purposes	6,776	7,224
Share of retained profits from associated companies	(30,108)	(66,181)
Under provision in previous year	-	44
Tax charge	-	403

### 14 DIVIDENDS

	2010 Rs'000	2009 Rs'000
Interim dividend paid - Rs 0.80 per share - (2009: Rs.0.90)	69,031	77,660
Final dividend proposed - Rs 0.40 per share - (2009: Rs 0.40 per share)	34,516	34,516
	103,547	112,176

The final dividends proposed of Rs.0.40 per share were paid on July 30, 2010.

## Notes to the Financial Statements

Year ended June 30, 2010

### 15 FINANCE COSTS

	2010 Rs'000	2009 Rs'000
Interest expense:		
- Secured bank loans repaid during the year	-	385
- Secured bank loans repayable by instalments the last of which falls due for repayment after three before five years	11,851	-
- Secured bank loans repayable by instalments the last of which falls due for repayment after five years	-	14,873
- Bank overdrafts	2,427	4,249
- Loan at call	909	359
	<b>15,187</b>	<b>19,866</b>

### 16 PROFIT BEFORE TAXATION

	2010 Rs'000	2009 Rs'000
Profit before taxation is arrived at after:		
<b>Crediting:</b>		
Investment income:		
- Listed	42,570	45,902
- DEM quoted	1,169	3,542
- Unquoted	3,200	2,611
Interest receivable	-	3,874
(Loss)/Gain on disposal of securities	(245)	20,476
Fair value gains on held for trading securities	9,561	-
<b>and charging:</b>		
Fair value loss on held for trading securities	-	3,194
Staff costs	-	-

### 17 OTHER COMPREHENSIVE INCOME

	Fair value and other reserves Rs'000	Reserves of associated companies Rs'000	Revenue reserves Rs'000	Total Rs'000
<b>2010</b>				
Movement in net assets of associated companies	-	571,686	(70,930)	500,756
Fair value adjustments on available for sale securities	(37,416)	-	-	(37,416)
	<b>(37,416)</b>	<b>571,686</b>	<b>(70,930)</b>	<b>463,340</b>
<b>2009</b>				
Transfer to income on disposal of investments in financial assets	(15,134)	-	-	(15,134)
Movement in net assets of associated companies	-	(785,235)	(121,738)	(906,973)
Fair value adjustments on available for sale securities	58,583	-	-	58,583
	<b>43,449</b>	<b>(785,235)</b>	<b>(121,738)</b>	<b>(863,524)</b>

## Notes to the Financial Statements

Year ended June 30, 2010

### 18 EARNINGS PER SHARE

		2010 Rs'000	2009 Rs'000
Net profit attributable to shareholders	Rs'000	304,086	564,351
Number of ordinary shares in issue	'000	85,028	85,028
Earnings per share	Rs.	3.58	6.64

### 19 NOTES TO STATEMENTS OF CASH FLOWS

	2010 Rs'000	2009 Rs'000
(a) <b>Cash absorbed in operations</b>		
Reconciliation of profit before taxation to cash absorbed in operations		
Profit before taxation	304,086	564,754
Adjustment for:		
Fair value (gain)/loss on held-for-trading securities	(9,560)	3,194
Dividend income	(46,939)	(52,055)
Interest income	-	(3,874)
Share of profit of associates	(292,758)	(541,180)
Interest expense	15,187	19,866
Loss/(gain) on disposal of securities	245	(20,476)
	(29,739)	(29,771)
Changes in working capital:		
- Trade and other payables	(989)	1,232
- Amounts payable to group companies	(2,777)	(405)
Cash absorbed in operations	(33,505)	(28,944)
(b) <b>Cash and cash equivalents</b>		
Cash at bank and in hand	10	2,134
Bank overdraft	(14,536)	-
	(14,526)	2,134

### 20 RELATED PARTY TRANSACTIONS

(a)	Purchase of investments Rs'000	Management fees Rs'000	Interest expense Rs'000	Interest income Rs'000	Amount owed to related party Rs'000	Amount owed by related party Rs'000
<u>2010</u>						
Holding company	-	-	909	-	25,138	-
Fellow subsidiaries	-	22,222	-	-	1,222	4,635
<u>2009</u>						
Holding company	-	-	359	3,874	5,026	-
Fellow subsidiaries	2,798	23,500	-	-	4,000	2,362

The transactions with related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash.

For the year ended June 30, 2010, the company did not record any impairment of receivables relating to amounts owed by related parties (2009: nil) This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

## Notes to the Financial Statements

Year ended June 30, 2010

### 20 RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

	2010 Rs'000	2009 Rs'000
Salaries and short-term employee benefits	-	-
Post-employment benefits	-	-
	-	-

## Notes



# PROXY FORM

ENL Investment Limited

I/We

[Redacted]

of

[Redacted]

being a member/s of ENL Investment Limited, do hereby appoint

[Redacted]

of

[Redacted]

as my/our proxy or failing him/her

[Redacted]

of

[Redacted]

to vote for me/us on my/our behalf at the Annual Meeting of the Company to be held at **16.00 hours on November 24, 2010** and at any adjournment thereof. The proxy will vote on the under-mentioned resolution, as indicated:

## RESOLUTIONS

*(Please indicate with an X in the spaces below how you wish your votes to be cast)*

	For	Against	Abstain
3 Resolved that the audited financial statements of the Company for the year ended June 30, 2010 be hereby approved.			
4 Resolved that the automatic reappointment of the auditors under Section 200 of the Companies Act 2001 be noted and that the Board be authorised to fix their remuneration.			

Signed this [Redacted] day of [Redacted] 2010

Signature [Redacted]

## Notes

- 1 A member may appoint a proxy of his own choice. Insert the name of the person appointed proxy in the space provided.
- 2 If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
- 3 In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
- 4 If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
- 5 To be valid, this form must be completed and deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Raymond Lamusse Building, 9-11 Sir William Newton Street, Port Louis, Mauritius not less not less than 24 hours before the time fixed for holding the meeting or adjourned meeting.





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