

United Bus Service Limited

Consolidated and Separate Financial Statements

For the year ended

30 June 2025

UNITED BUS SERVICE LIMITED

Table of contents

• Corporate Information	ii
• Chairman's letter	iii
• Board of Directors	iv
• UBS Group structure	v
• UBS Group Organigram	vi
• Corporate Governance report	vii - xxvi
o Principle 1: Governance structure	
o Principle 2: Structure of the Board and its Committees	
o Principle 3: Directors' Appointment procedures	
o Principle 4: Directors' Duties, Remuneration and Performance	
o Principle 5: Risk Governance & Internal Control	
o Principle 6: Reporting with Integrity	
o Principle 7: Audit	
o Principle 8: Relations with other shareholders and other key stakeholders	
• Statement of Compliance	xxvii
• Statement of Director's Responsibilities	xxviii
• Statutory Disclosures	xxix
• Secretary's Certificate	xxx
• Financial Highlights of the Group	1
• Independent Auditor's report	2 - 7
• Consolidated and Separate Statements of Financial Position	8
• Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income	9
• Consolidated and Separate Statements of changes in equity (Group)	10
• Consolidated and Separate Statements of changes in equity (Company)	11
• Consolidated and Separate Statements of cash flows	12
• Notes to the Consolidated and Separate Financial Statements	13 - 49

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

ABSA BANK (MAURITIUS) LIMITED

ABSA HOUSE,

68 WALL STREET CYBERCITY 72201

AFRASIA BANK LIMITED

BOWEN SQUARE

10 DR FERRIERE STREET

PORT LOUIS

MAURITIUS

UNITED BUS SERVICE LIMITED**Chairman's Letter**

On behalf of the board I am pleased to submit the annual report of the United Bus Service Ltd (UBS Ltd or the Company) for the year ended 30 June 2025.

The Group's turnover has slightly increased and the profit from operations has also marginally improved. The operations of the transport segment continues to be impacted with the metro and illegal operators. We have also ordered 10 new buses for the financial year 30 June 2026 and we are confident this will help us in improving our bus services

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
Chairman

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 of the Group 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**

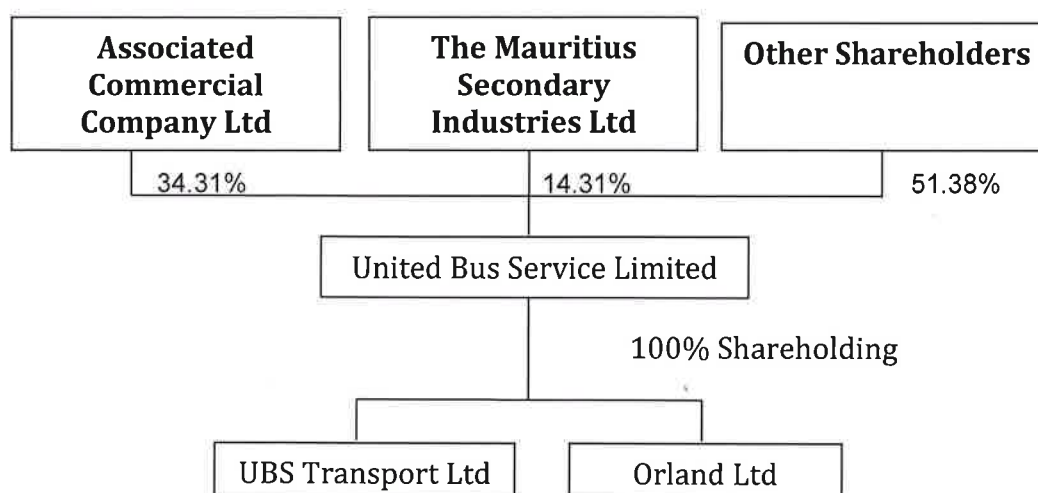
Mrs Sabina Moraby is an experienced IT professional with more than 30 years of experience, she also has experience in Management and Administrative functions.

- **Other current appointments**

Director of Associated Commercial Co Ltd, Mauritius Secondary Industries Ltd.

UBS Group Structure

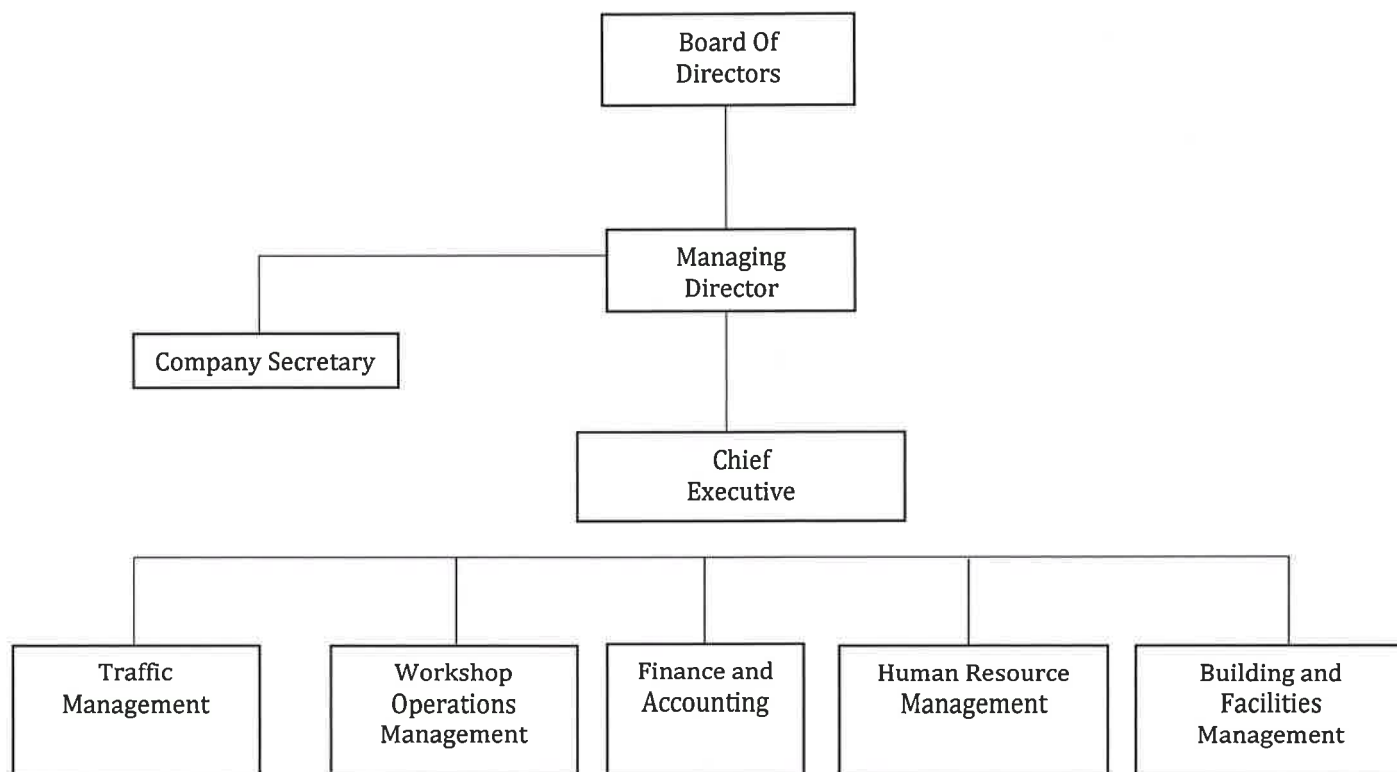
Holding Structure



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.

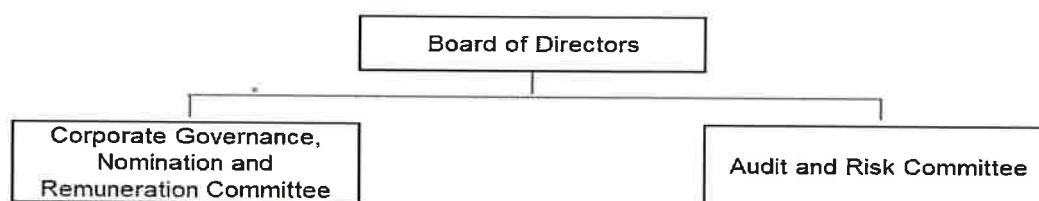
The Company is listed on the Development and Enterprise Market ("DEM") of the Stock exchange of Mauritius ("SEM") and is registered with the FSC as a reporting issuer. It is an investment company holding interests in UBS Transport Ltd and Orland Ltd. Orland Ltd is engaged in property development whereas 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 2024 to 30 June 2025 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.

UNITED BUS SERVICE LIMITED

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 GFD 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 2025 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 2025.

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	5/6	-	3/4

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 2025
- 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 20 of the notes to the accounts and are at arm's length and in the normal course of business.

UNITED BUS SERVICE LIMITED

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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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. As regards to the gender balance, the board is working towards achieving same.

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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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 2025 were as follows:

	Fees
	Rs 000
Executive Director (Full Time)	
Swaleh Ramjane	17,549
M S E Haji Adam	7,816
Non-Executive Directors (Part Time)	
Yacoob Ramtoola	3,060
Massood Ramtoola	-
Ahmad Fouad Mallam Hassam	529
Sabina Moraby	145

	Group		Company	
Directors	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Executive directors	25,365	24,141	-	-
Non-executive directors	3,735	3,771	-	-

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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 20 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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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 of 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.

UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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 2025. 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 2025.

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 2024 and 2025 are as follows:

	Group	Company	Group	Company
	2025		2024	
External Audit Services	Rs 606,165	Rs 202,860	Rs 577,300	Rs 193,200
Tax compliance services	Rs 79,915	Rs 34,402	Rs 77,855	Rs 24,150

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 2025 are as follows:

Shareholders	No of shares	% shareholding
Associated Commercial Co Ltd	1,704,842	34.31
The Mauritius Secondary Industries Ltd	711,109	14.30
Lintrabis Investment Company Ltd	435,956	8.77

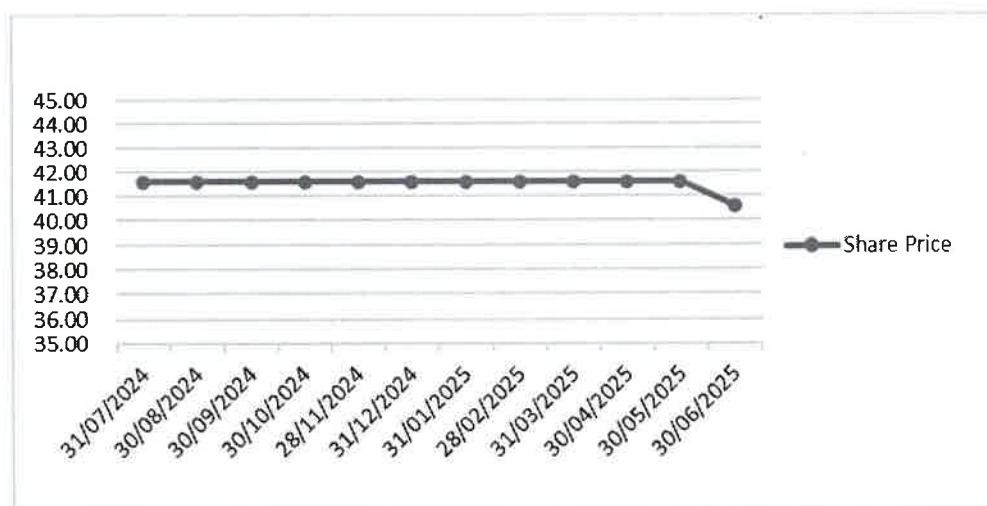
Distribution of shareholding at 30 June 2025

Defined brackets	No of shareholders	No of shares owned	% Holding
1-500	1,062	170,275	3.43
501-1,000	224	155,669	3.13
1001-5,000	293	619,874	12.47
5,001-10,000	36	257,963	5.19
10,001-50,000	43	690,763	13.90
50,001-100,000	1	79,439	1.60
Over 100,000	4	2,995,506	60.28
Total	1,663	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:



UNITED BUS SERVICE LIMITED

Corporate Governance Report (Continued)

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 declared a dividend of Rs 1.00 per share payable in June 2025 (2024 Rs 1.00).

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 2025. 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	
	2025	2024	2025	2024
Other donations	-	-	-	-

In line with current legislation the Group has made contribution of **Rs 2,170,348** (2024: Rs 2,227,142) to the approved CSR organization. No contribution has been made to any political parties in 2025 and 2024.

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

Name of Public Interest Entity: United Bus Service Limited

Reporting period: 30 June 2025

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 2025**


.....

M Yacoob Ramtools
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 2025



.....
M S E Haji Adam
Director

UNITED BUS SERVICE LIMITED

Statutory Disclosures Year ended 30 June 2025

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 2025 is set on page 9.

2. Directors' Remuneration

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

	2025		2024	
	Group	Company	Group	Company
Executive Directors	Rs 25,365,009	-	Rs 24,141,486	-
Non-Executive Directors	Rs 3,734,758	-	Rs 3,771,538	-

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
	2025		2024	
External Audit Services	Rs 606,165	Rs 202,860	Rs 577,300	Rs 193,200
Tax compliance services	Rs 79,915	Rs 34,402	Rs 77,855	Rs 24,150

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

On behalf of the Board



M Yacoob Ramtooia
Chairman

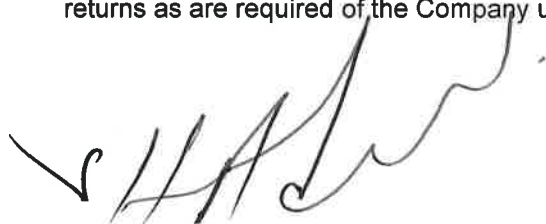
30 SEP 2025



M S E Haji Adam
Director

UNITED BUS SERVICE LIMITED**Secretary's Certificate**

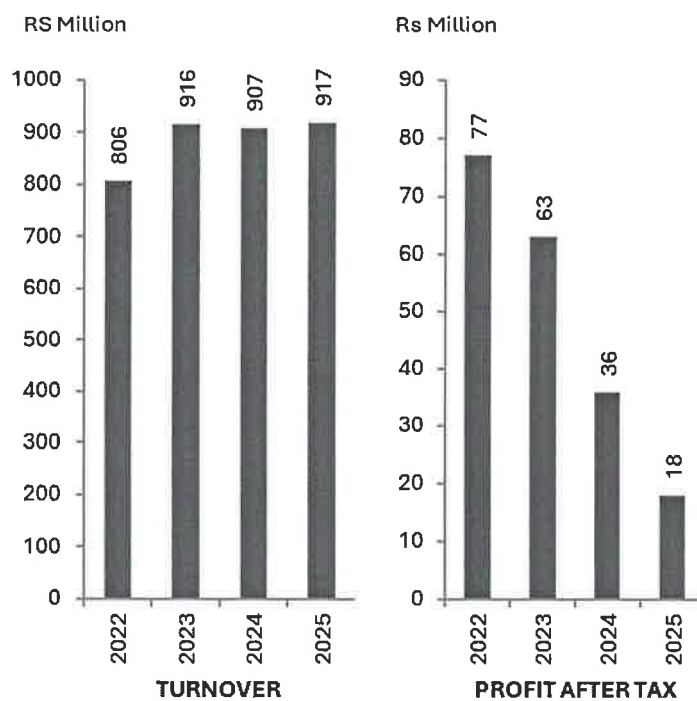
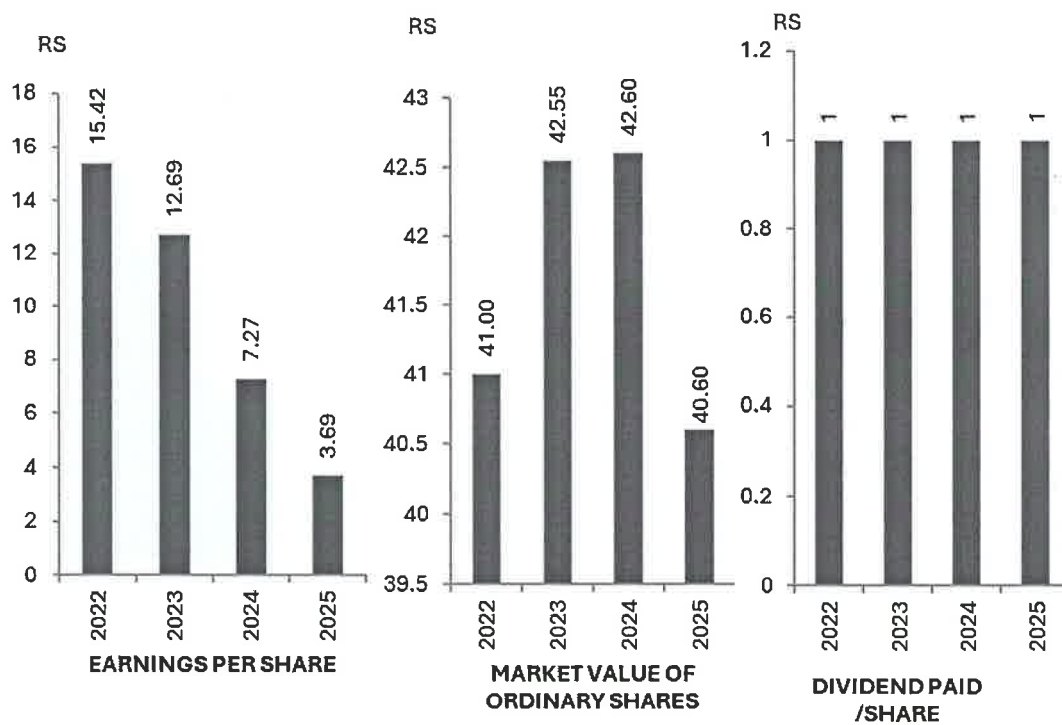
In my capacity as Company Secretary, I hereby confirm that, to the best of my knowledge and belief the Company has filed with Registrar of Companies, as at 30 June 2025 all such returns as are required of the Company under the Mauritius Companies Act 2001.

A handwritten signature in black ink, appearing to read 'Haji Adam', with a checkmark to its left.

M S E Haji Adam FCCA
Secretary

30 SEP 2025

Financial Highlights of the Group



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 2025, 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 significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements on pages 8 to 49 gives a true and fair view of the financial position of the Group and the Company as at 30 June 2025, 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 context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<i>Recoverability of loan receivable from group entities</i> The Company has loans receivables from one of its subsidiaries amounting to Rs 18,442,078. 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.

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)

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<i>Retirement benefit obligation</i> The Group has recognised retirement benefit obligations of Rs 564,254,180 as at 30 June 2025. 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 22.	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.
<i>Property, plant and equipment</i> 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 had revised the remaining useful life of buses as from 1 July 2021 due to changes made to grants applicable to transport companies.	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.

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.

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, 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.

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)****Date: 30 September 2025****Vivek Gujadhur, FCCA***Licensed by FRC*

UNITED BUS SERVICE LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		GROUP		COMPANY	
	Notes	2025 Rs	2024 Rs	2025 Rs	2024 Rs
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	294,632,709	172,975,465	95,000,000	29,614,532
Investment property	6	937,096,230	946,918,109	77,500,000	36,000,000
Investments in subsidiaries	7	-	-	256,182,090	256,182,090
Financial assets	8	68,892,564	4,479,692	5,233,046	4,477,692
Deferred tax assets	19(c)	104,278,947	103,248,483	-	-
Total non-current assets		1,404,900,450	1,227,621,749	433,915,136	326,274,314
CURRENT ASSETS					
Inventories	9	15,141,272	34,116,945	-	-
Deposit on shares	13	2,400,000	50,000,000	-	-
Trade and other receivables	10	42,478,697	23,389,110	18,510,425	27,847,169
Financial assets	8	346,867,610	251,292,726	-	-
Current tax assets	19(a)	2,029,594	-	-	-
Cash and bank balances	11	9,735,787	7,591,271	1,877,678	987,026
Total current assets		418,652,960	366,390,052	20,388,103	28,834,195
TOTAL ASSETS		1,823,553,410	1,594,011,801	454,303,239	355,108,509
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated capital	15	49,737,832	49,737,832	49,737,832	49,737,832
Revaluation and replacement reserves		152,512,305	45,626,837	152,512,305	45,626,837
Fair value reserves		24,439,308	4,109,672	4,865,026	4,109,672
Retained earnings		477,108,377	466,180,610	188,545,276	192,590,920
Total equity, attributable to owners of the Company		703,797,822	565,654,951	395,660,439	292,065,261
Non controlling interest		194,114,290	201,183,231	-	-
Total equity		897,912,112	766,838,182	395,660,439	292,065,261
NON-CURRENT LIABILITIES					
Borrowings	29	89,900,849	41,482,744	-	-
Retirement benefit obligations	22	564,254,180	539,726,997	-	-
Deferred tax liabilities	19(c)	5,441,753	6,847,491	-	-
Total non-current liabilities		659,596,782	588,057,232	-	-
CURRENT LIABILITIES					
Trade and other payables	14	168,072,621	136,859,686	56,804,479	57,047,520
Bank overdraft	11	12,567,635	13,985,817	1,745,049	882,502
Current tax liabilities	19(a)	1,763,669	1,547,173	93,272	143,737
Borrowings	29	9,300,376	15,454,222	-	-
Amounts due to related parties	12	74,340,215	66,300,000	-	-
Dividend payable		-	4,969,489	-	4,969,489
Total current liabilities		266,044,516	239,116,387	58,642,800	63,043,248
Total liabilities		925,641,298	827,173,619	58,642,800	63,043,248
TOTAL EQUITY AND LIABILITIES		1,823,553,410	1,594,011,801	454,303,239	355,108,509

Approved by the Board of Directors and authorised for issue on **30 SEP 2025**


 (DIRECTOR)


 (DIRECTOR)

The notes on pages 13 to 49 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 2025

	Notes	GROUP		COMPANY	
		2025 Rs	2024 Rs	2025 Rs	2024 Rs
REVENUE	25	917,393,015	906,864,884	1,391,312	2,415,864
DIRECT COSTS	16	(768,072,297)	(761,844,990)	-	-
OPERATING PROFIT		149,320,718	145,019,894	1,391,312	2,415,864
ADMINISTRATIVE EXPENSES		(127,152,607)	(123,612,665)	(656,026)	(727,624)
PROFIT FROM OPERATIONS	16	22,168,111	21,407,229	735,286	1,688,240
OTHER INCOME	17	8,868,491	11,841,758	-	-
FINANCE INCOME	17	8,729,004	7,315,032	384,966	-
FINANCE COSTS	18	(6,598,856)	(6,250,308)	-	-
PROFIT BEFORE TAX		33,166,750	34,313,711	1,120,252	1,688,240
TAX EXPENSE	19(b)	(14,838,435)	1,795,892	(196,407)	(287,556)
PROFIT FOR THE YEAR		18,328,315	36,109,603	923,845	1,400,684
Other comprehensive income:					
<u>Items that will not be reclassified subsequently to profit or loss:</u>					
Gain on property revaluation		106,885,468	-	106,885,468	-
Fair value loss on investments designated at FVTOCI	8	20,329,636	848,181	755,354	848,181
Total other comprehensive loss for the year, net of income tax		127,215,104	848,181	107,640,822	848,181
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		145,543,419	36,957,784	108,564,667	2,248,865
Profit attributable to:					
Equity shareholders		15,897,256	32,965,865	923,845	1,400,684
Non-controlling interest		2,431,059	3,143,738	-	-
		18,328,315	36,109,603	923,845	1,400,684
Total comprehensive income attributable to:					
Equity shareholders		143,112,360	33,814,046	108,564,667	2,248,865
Non-controlling interest		2,431,059	3,143,738	-	-
		145,543,419	36,957,784	108,564,667	2,248,865
EARNINGS PER SHARE	21	3.69	7.27		

The notes on pages 13 to 49 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 2025

GROUP

	Stated capital Rs	Properties revaluation reserve 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 2023	49,737,832	45,626,837	3,261,491	438,104,234	536,810,394	212,538,493	749,349,887
<i>Comprehensive income:</i>							
Profit for the year				32,965,865	32,965,865	3,143,738	36,109,603
Other comprehensive income for the year			848,181	-	848,181	-	848,181
Total comprehensive income for the year			848,181	32,965,865	33,814,046	3,143,738	36,957,784
<i>Transaction with owners</i>							
Dividends				(4,969,489)	(4,969,489)	(14,500,000)	(19,469,489)
At 30 June 2024	49,737,832	45,626,837	4,109,672	466,180,610	565,654,951	201,183,231	766,838,182
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
<i>Comprehensive income:</i>							
Profit for the year				15,897,256	15,897,256	2,431,059	18,328,315
Other comprehensive income for the year, net of income tax		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
<i>Transaction with owners</i>							
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

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

The notes on pages 13 to 49 form an integral part of these consolidated and separate financial statements.

UNITED BUS SERVICE LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2025

COMPANY

	Stated capital Rs	Properties revaluation reserve Rs	Fair value reserve* Rs	Retained earnings Rs	Total Equity Rs
At 1 July 2023	49,737,832	45,626,837	3,261,491	196,159,725	294,785,885
<i>Comprehensive income:</i>					
Profit for the year	-	-	-	1,400,684	1,400,684
Other comprehensive income for the year	-	-	848,181	-	848,181
Total comprehensive income for the year	-	-	848,181	1,400,684	2,248,865
<i>Transaction with owners</i>					
Dividends	-	-	-	(4,969,489)	(4,969,489)
At 30 June 2024	49,737,832	45,626,837	4,109,672	192,590,920	292,065,261
At 1 July 2024	49,737,832	45,626,837	4,109,672	192,590,920	292,065,261
<i>Comprehensive income:</i>					
Profit for the year	-	-	-	923,845	923,845
Revaluation reserve for the year	-	106,885,468	755,354	-	107,640,822
Total comprehensive income for the year	-	106,885,468	755,354	923,845	108,564,667
<i>Transaction with owners</i>					
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

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

The notes on pages 13 to 49 form an integral part of these consolidated and separate financial statements.

UNITED BUS SERVICE LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	GROUP		COMPANY	
		2025 Rs	2024 Rs	2025 Rs	2024 Rs
Cash flows from operating activities					
Profit before taxation*		33,166,750	34,313,711	1,120,252	1,688,240
Adjustments for:					
Interest expense	18	6,598,856	6,228,445	-	-
Interest income	17	(8,729,004)	(7,315,032)	(384,966)	-
Retirement benefits obligations	22	69,681,338	67,242,184	-	-
Depreciation of property, plant and equipment	5	39,473,337	31,288,261	-	-
Profit on disposal of plant and equipment	17	(413,043)	(4,545,217)	-	-
Profit on disposal of investment property		-	-	-	-
Depreciation of investment property	6	52,704,009	52,704,009	-	-
Operating profit before working capital changes		192,482,243	179,916,361	735,286	1,688,240
(Increase) / Decrease in trade and other receivables		(11,640,977)	33,033,655	221,710	2,292,482
Decrease in inventories		18,975,673	1,614,569	-	-
Increase / (Decrease) / in trade and other payables		31,212,935	(65,433,260)	(243,041)	667,512
Decrease / (Increase) in amount due by holding company		8,040,215	(42,092,000)	-	-
		46,587,846	(72,877,036)	(21,331)	2,959,994
Cash generated from operations		239,070,089	107,039,325	713,955	4,648,234
Net tax paid		(19,087,735)	(20,213,759)	(246,872)	(315,669)
Retirement benefits paid		(45,154,155)	(40,209,086)	-	-
Interest paid		(6,598,856)	(6,228,445)	-	-
Net cash from operating activities		168,229,343	40,388,035	467,083	4,332,565
Cash flows from investing activities					
Interest received		5,482,534	4,768,880	-	-
Deposit on shares		(2,400,000)	(50,000,000)	-	-
Repayment of loan from related party		-	-	9,500,000	-
Issue of fixed deposits		(63,703,759)	-	-	-
Purchase of financial assets	8	(250,156,500)	(249,959,226)	-	-
Proceeds from matured treasury bills	8	220,000,000	245,000,000	-	-
Purchase of plant and equipment	5	(95,745,114)	(13,571,372)	-	-
Proceeds from disposal of plant and equipment		413,043	4,545,217	-	-
Purchases of investment property	6	(1,382,130)	(4,817,959)	-	-
Net cash used in investing activities		(187,491,926)	(64,034,460)	9,500,000	-
Cash flows from financing activities					
Receipt of loan		65,759,789	60,083,496	-	-
Dividend paid	30	(19,438,978)	(19,469,489)	(9,938,978)	(4,969,489)
Loans repayment		(23,495,530)	(21,608,068)	-	-
Net cash from financing activities		22,825,281	19,005,939	(9,938,978)	(4,969,489)
Net movement in cash and cash equivalents		3,562,698	(4,640,486)	28,105	(636,924)
Cash and cash equivalents at 1 July		(6,394,546)	(1,754,060)	104,524	741,448
Cash balance on acquisition of subsidiary		-	-	-	-
Cash and cash equivalents at 30 June		(2,831,848)	(6,394,546)	132,629	104,524
Represented by:					
Cash and bank balances		9,735,787	7,591,271	1,877,678	987,026
Bank overdraft		(12,567,635)	(13,985,817)	(1,745,049)	(882,502)
Net cash and bank balances		(2,831,848)	(6,394,546)	132,629	104,524

The notes on pages 13 to 49 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 2025

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

There have been amendments and interpretations that have become effective for the current year. The Group and the Company have adopted the following new and amended IFRS.

New standards, interpretations and amendments adopted from 1 July 2024

• ☐ **Amendment to IAS 1 – Classification of liabilities as current or non-current liabilities with covenants**

These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these amendments.

These amendments had no effect on the consolidated and separate financial statements of the Group and the Company as at reporting date.

• ☐ **Amendment to IFRS 16 - Leases on sale and leaseback**

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

These amendments had no effect on the consolidated and separate financial statements of the Group and the Company as at reporting date.

• ☐ **Amendment to IAS 7 and IFRS 7 - Supplier finance**

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

These amendments had no effect on the consolidated and separate financial statements of the Group and the Company as at reporting date.

• ☐ **IFRS S1 General requirements for disclosure of sustainability-related financial information**

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. This standard had no effect on the consolidated and separate financial statements of the Group and the Company as at reporting date.

• ☐ **IFRS S2 Climate-related disclosures**

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that are useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. This standard had no effect on the consolidated and separate financial statements of the Group and the Company as at reporting date.

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 Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 1 First time adoption of IFRS, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows)
- 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
- IFRS 18, 'Presentation and Disclosure in Financial Statements'
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

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

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 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 profit or loss.

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 board of directors.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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%	(2024: 10.00%)
Buses	25.00%	(2024: 25.00%)
Plant and machinery	10.00%	(2024: 10.00%)
Other vehicles	20.00%	(2024: 20.00%)
Furniture, fittings and equipment	10.00%	(2024: 10.00%)
Computer equipment	20% - 33.33%	(2024: 20%- 33.33%)
Ticket issue machines	33.33%	(2024: 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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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).

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Leasing

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

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

(r) Retirement benefit obligations

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

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

Defined benefit costs are categorised as follows:

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

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

Other retirement benefits

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

State plan

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

(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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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 2025, 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 2025 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 22. 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

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land Rs	Buildings on leasehold land Rs	Buses Rs	Plant and machinery Rs	Other vehicles Rs	Right-of-use assets Rs	Furniture, fittings and equipment Rs	Computer equipment Rs	Ticket issue machines Rs	Total Rs
COST OR VALUATION										
At 30 June 2023	29,614,532	156,985,469	586,610,826	18,280,124	22,016,828	10,455,500	22,974,630	12,099,699	7,248,226	866,285,834
Write off	-	(24,782,509)	(30,844,780)	-	(213,280)	-	-	-	-	(55,840,669)
Additions	-	6,999,926	-	99,852	5,403,000	-	704,055	464,539	-	13,571,372
Disposal	-	-	(41,945,050)	-	(235,200)	(8,446,000)	-	-	-	(50,626,250)
At 30 June 2024	29,614,532	139,102,786	513,820,996	18,379,976	26,971,348	2,009,500	23,678,685	12,564,238	7,248,226	773,390,287
Additions	-	20,446,969	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	159,552,755	570,962,196	18,987,583	36,586,816	2,009,500	24,702,763	12,712,230	7,248,226	927,762,069
ACCUMULATED DEPRECIATION										
At 1 July 2023	-	67,304,257	503,530,613	15,638,371	18,371,821	10,455,498	16,928,697	11,842,883	6,538,728	650,810,868
Charge for the year	-	-	26,470,800	582,749	2,231,429	2	1,402,864	285,126	315,291	31,288,261
Write off	-	-	(30,944,776)	-	(213,280)	-	-	-	-	(31,058,056)
Disposal	-	-	(41,945,050)	-	(235,200)	(8,446,000)	-	-	-	(50,626,250)
At 30 June 2024	-	67,304,257	457,211,587	16,421,120	20,154,770	2,009,500	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	22,599,760	2,009,500	19,366,283	12,401,622	7,169,311	633,129,360
NET BOOK VALUE										
At 30 June 2023	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
At 30 June 2024	29,614,532	71,798,529	56,609,409	1,958,656	6,816,578	-	5,347,124	436,229	394,207	172,975,465

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

COMPANY

	Freehold land	
	<u>2025</u>	<u>2024</u>
	Rs	Rs
At 1 July	29,614,532	29,614,532
Revaluation during the year	65,385,468	-
At 30 June	95,000,000	29,614,532

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:

	2025			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	Rs	Rs	Rs	Rs
Freehold land	-	95,000,000	-	95,000,000

	2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	Rs	Rs	Rs	Rs
Freehold land	-	29,614,532	-	29,614,532

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

	GROUP		COMPANY	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	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 2025.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

6. INVESTMENT PROPERTY

<u>GROUP</u>	<u>Freehold land</u> <u>Rs</u>	<u>Freehold building</u> <u>Rs</u>	<u>Buildings in Progress</u> <u>Rs</u>	<u>Total</u> <u>Rs</u>
<u>COST</u>				
At 1 July 2023	129,892,847	1,064,960,033	7,377,291	1,202,230,171
Additions	-	4,817,959	-	4,817,959
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
Disposal during the year	-	-	-	-
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
<u>DEPRECIATION</u>				
At 30 June 2023	-	207,426,012	-	207,426,012
Charge for the year	-	52,704,009	-	52,704,009
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
<u>NET BOOK VALUE</u>				
At 30 June 2025	171,392,847	756,943,962	8,759,421	937,096,230
At 30 June 2024	129,892,847	809,647,971	7,377,291	946,918,109

<u>COMPANY</u>	<u>Freehold land</u>	
	<u>2025</u> <u>Rs</u>	<u>2024</u> <u>Rs</u>
At 1 July / 30 June	77,500,000	36,000,000

	<u>GROUP</u>		<u>COMPANY</u>	
(i) Amount disclosed in profit or loss for investment properties:	<u>2025</u> <u>Rs</u>	<u>2024</u> <u>Rs</u>	<u>2025</u> <u>Rs</u>	<u>2024</u> <u>Rs</u>
Rental and other income from operating leases	116,384,545	116,843,097	1,391,312	1,931,458
Direct expenses from property that generated rental income	50,625,483	50,208,462	-	-
Direct expenses from property that did not generate rental income	3,263,485	3,680,506	-	-

The fair value of the investment property at the reporting date was **Rs 1,560M** (2024: Rs 1,640.2M) and was determined by the directors based on income approach. The rental contracts are open and cancellable.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

6. INVESTMENT PROPERTY (CONT'D)

(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:

	<u>2025</u>	<u>2024</u>
	<u>Rs</u>	<u>Rs</u>
Group		
Within 1 year	116,384,545	136,881,414
Between 2 and 5 years	465,538,180	547,525,654
	<u>581,922,725</u>	<u>684,407,068</u>
Company		
Within 1 year	1,391,312	2,390,000
Between 2 and 5 years	5,565,248	9,560,000
	<u>6,956,560</u>	<u>11,950,000</u>

7. INVESTMENTS IN SUBSIDIARIES

	<u>COMPANY</u>	
	<u>2025</u>	<u>2024</u>
	<u>Rs</u>	<u>Rs</u>
At cost		
At 30 June	<u>256,182,090</u>	<u>256,182,090</u>

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

<u>Name of subsidiary</u>	<u>Country of incorporation and operation</u>	<u>Principal activity</u>	<u>Direct %</u>	<u>Ownership Indirect %</u>	<u>2025 & 2024 Rs</u>
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	-
					<u>256,182,090</u>

* Pasteur Management and Corporate Services Ltd, Naz Management and Corporate 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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

8. FINANCIAL ASSETS

	GROUP		COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
At fair value through other comprehensive income (FVTOCI)	68,892,564	4,479,692	5,233,046	4,477,692
At amortised cost	346,867,610	251,292,726	-	-
	415,760,174	255,772,418	5,233,046	4,477,692
Included in the consolidated and separate financial statements as:				
Non-current assets	68,892,564	4,479,692	5,233,046	4,477,692
Current assets	346,867,610	251,292,726	-	-
	415,760,174	255,772,418	5,233,046	4,477,692

Investment in equity instrument designated at FVTOCI

	GROUP		COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
At 1 July	4,479,692	3,631,511	4,477,692	3,629,511
Additions	44,083,236	-	-	-
Fair value movement	20,329,636	848,181	755,354	848,181
At 30 June	68,892,564	4,479,692	5,233,046	4,477,692

The Group and the Company hold unquoted equity investment which were stated at cost less impairment. With the application of IFRS 9, the equity instruments have been classified as fair value through other comprehensive income (FVTOCI). The fair value of the unquoted investments has been based on the net asset value of the investee as at 30 June 2025.

Financial assets at amortised cost

	Treasury bills Rs	Fixed deposit Rs	Total Rs
At 1 July 2023	243,787,350	-	243,787,350
Additions	208,486,100	41,473,126	249,959,226
Interest	2,546,150	-	2,546,150
Repayments/disposals	(245,000,000)	-	(245,000,000)
At 30 June 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

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. (2024: 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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

9. INVENTORIES

	GROUP	
	2025 Rs	2024 Rs
<u>At cost</u>		
Citadel Mall		
- Shops and Mezzanine	1,754,307	1,754,310
- Parking	-	960,311
- Apartments	-	-
	1,754,307	2,714,621
Loose tools	-	-
Spares and coach work materials	8,585,045	28,224,759
Tyres and tubes	1,950,161	2,064,778
Fuel, gas, uniforms, stationery and others	2,851,759	1,112,787
	13,386,965	31,402,324
Total	15,141,272	34,116,945

The cost of inventories recognised as an expense during the year was Rs 230,279,983 (2024: Rs 220,271,826).

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

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025 Rs	2024 Rs	2025 Rs	2024 Rs
Trade receivables	7,184,966	5,988,792	49,583	277,292
Provision for expected credit loss	(28,600)	(28,600)	-	-
	7,156,366	5,960,192	49,583	277,292
Other receivables and prepayments	35,322,331	17,428,918	18,460,842	27,569,877
	42,478,697	23,389,110	18,510,425	27,847,169

Included under Group's and Company's other receivables and prepayments are amounts of Rs 3,192,192 (2024: Rs 3,136,131) due by related companies. These balances are interest free and are repayable within one year.

The Group's and Company's other receivables and prepayments include loan to staff amounting to Rs 36,691 (2024: Rs 73,638) which carries interest at 7% (2024: 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 (2024: 2.5%). Interest due from subsidiary amounts to Rs 9,242,078 (2024: Rs 8,857,112).

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 (2024: Rs 18,700,000) 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		
	Gross Rs	Provision for credit losses Rs	Net Rs
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
2024			
Neither past due nor impaired	2,514,198	-	2,514,198
1-30 days	100,545	-	100,545
31-60 days	180,243	-	180,243
61-90 days	209,038	-	209,038
Over 90 days	2,984,768	(28,600)	2,956,168
	5,988,792	(28,600)	5,960,192

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

10. 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, 86% (2024: 85%) of the trade receivables has been recovered. Therefore, no further provision for expected credit losses is required.

11. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Cash at bank	8,711,473	7,580,810	1,877,678	987,026
Cash in hand	1,024,314	10,461	-	-
Bank overdraft	(12,567,635)	(13,985,817)	(1,745,049)	(882,502)
	(2,831,848)	(6,394,546)	132,629	104,524

12. AMOUNTS DUE TO RELATED PARTIES

	GROUP	
	2025	2024
	Rs	Rs
Parties under common management	74,340,215	66,300,000

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% - 2.25% (2024: 1.25% - 2.25%) per annum.

13. Deposit on shares

	GROUP	
	2025	2024
	Rs	Rs
At 30 June	2,400,000	50,000,000

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

14. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Trade payables	42,579,465	-	4,321	-
Other payables and accruals	125,493,156	136,859,686	10,540,311	9,817,673
Current account with subsidiary (Note 20)	-	-	46,259,847	47,229,847
	168,072,621	136,859,686	56,804,479	57,047,520

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 5,985,378** (2024: Rs 7,343,853).

15. STATED CAPITAL

	GROUP AND COMPANY	
	2025	2024
	Rs	Rs
Issued and fully paid		
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.

16. PROFIT FROM OPERATIONS

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Included in operating expenses				
Cost of inventories expensed	-	4,528,845	-	-
- Uniforms and footwears	5,758,393	5,785,360	-	-
- Fuel and lubrication	97,343,032	106,634,865	-	-
- Tyres and tubes	17,227,337	13,980,919	-	-
- Overhauls and spart parts	109,951,221	93,870,682	-	-
Staff cost	430,069,023	447,721,778	-	-
Depreciation of property, plant and equipment	17,051,927	8,286,497	-	-
Depreciation of investment property	52,704,009	52,704,009	-	-
Commission on rental apartment	508,966	636,353	-	-
Insurances	11,406,661	6,937,310	-	-
General expenses	1,007,705	-	-	-
Cleaning, repairs, maintenance, fitness and other vehicles expenses	5,126,800	1,130,391	-	-
Telephone, electricity and water	4,515,807	4,349,042	-	-
Legal and professional fees	6,018,813	6,483,903	-	-
Rent	7,689,342	7,411,023	-	-
Security service	1,693,261	1,384,013	-	-

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

16. PROFIT FROM OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
<u>Included in administrative expenses</u>				
Staff cost	58,324,369	33,682,594	-	-
Directors' fees	1,970,590	26,531,477	-	-
Repairs and maintenance	10,776,280	14,480,828	-	-
Fuel and Lubricants	167,381	179,832	-	-
Motor vehicle expense	425,617	73,184	-	-
Electricity, water and telephone	5,822,124	5,816,889	-	-
Rent and rates	4,763,688	3,062,732	-	-
Municipality rates	2,667,838	2,204,747	-	-
Insurance	2,540,293	1,792,981	-	-
Legal and professional fees	2,689,719	3,818,348	474,100	447,940
Land Transfer Tax	-	362,200	-	-
Management and secretarial fees	3,811,584	3,811,584	120,000	120,000
Depreciation	22,421,410	23,001,764	-	-
Corporate Social Responsibility	5,658	-	-	-
Bad debt written off	2,282,609	-	-	-
Printing, postage & stationery	1,224,682	-	-	6,169
Bank charges	428,112	-	34,895	29,860
General Expenses	6,830,653	4,793,505	27,031	123,655

17. OTHER INCOME

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
<i>Finance income:</i>				
Interest income	8,729,004	7,315,032	384,966	-
<i>Other income:</i>				
Insurance claims receivable	3,457,618	2,656,226	-	-
Profit on disposal of property, plant and equipment	413,043	4,545,217	-	-
Bargain on purchase of subsidiary	-	-	-	-
Other receipts	3,797,112	4,640,315	-	-
Interest received	749,252	-	-	-
Other income	451,466	-	-	-
Reversal of ECL and inventory provision	-	-	-	-
	8,868,491	11,841,758	-	-
	17,597,495	19,156,790	384,966	-

18. FINANCE COSTS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Interest on:				
- bank loans	5,121,249	4,374,770	-	-
- bank overdrafts	-	503,176	-	-
- bank charges	24,101	21,863	-	-
- amount due to related companies	1,453,506	1,350,499	-	-
	6,598,856	6,250,308	-	-

19. TAXATION

(a) Income tax

Income tax is calculated at the rate of 15% (2024: 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% (2024: 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 2025, the Group and the Company was liable to pay income tax of Rs 265,295 and Rs 93,272 respectively (2024: Group; Rs 1,547,173 and Company; Rs 143,737).

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

19. TAXATION (CONT'D)

(a) Income tax (cont'd)

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Current tax (assets)/liabilities				
At 1 July	1,547,173	2,134,661	143,737	216,520
Provision on business combination	-	-	-	-
Provision for the year	12,579,433	16,060,542	168,038	212,291
Under provision of income tax in prior year	1,510,195	532,784	56	-
Tax paid	(3,856,791)	(2,667,444)	(143,793)	(216,520)
Advance Payment System (APS)	(11,328,272)	(9,833,607)	-	-
Tax Deducted at Source	(2,821,797)	(6,185,861)	(96,000)	(96,000)
Additional provision	(125,285)	-	-	-
Corporate Social Responsibility provision for the year	2,170,348	2,227,113	28,313	36,595
Corporate Social Responsibility paid	(1,080,875)	(1,540,115)	(7,079)	(9,149)
Climate responsibility levy	1,139,946	819,100	-	-
At 30 June	(265,925)	1,547,173	93,272	143,737
Represented by:				
Current tax liabilities	1,763,669	1,547,173	93,272	143,737
Current tax assets	(2,029,594)	-	-	-
	(265,925)	1,547,173	93,272	143,737

(b) Tax expense

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Provision for the year	12,579,433	16,060,542	168,038	212,291
Additional Provision	(125,285)	(13,267)	-	(6,000)
Under provision of income tax in prior year	1,510,195	532,784	56	-
Corporate Social Responsibility provision for the year	2,170,348	2,227,113	28,313	36,595
Climate responsibility levy	1,139,946	819,100	-	-
Deferred tax movement	(2,436,202)	(21,422,164)	-	44,670
Income tax expense recognised in profit or loss	14,838,435	(1,795,892)	196,407	287,556

(c) Deferred tax assets/(liabilities)

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
At 1 July	96,400,992	74,978,828	-	44,670
Deferred tax income				
- recognised in profit or loss:				
Release for the year	2,436,202	21,422,164	-	(44,670)
- recognised in other comprehensive income	-	-	-	-
At 30 June	98,837,194	96,400,992	-	-
Represented by:				
Deferred tax assets	104,278,947	103,248,483	-	-
Deferred tax liabilities	(5,441,753)	(6,847,491)	-	-
At 30 June	98,837,194	96,400,992	-	-

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

19. 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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Retirement benefit obligations	107,208,294	102,548,129	-	-
Provision for credit losses	10,286,600	10,604,116	-	-
Temporary difference arising from tax base and carrying amount of qualifying assets	(18,657,700)	(16,751,253)	-	-
	98,837,194	96,400,992	-	-

(d) Tax reconciliation

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Profit before tax	33,166,750	34,313,711	1,120,252	1,688,240
Tax at the rate of 15% (2024: 15%)	4,975,013	5,147,057	168,038	253,236
Tax effect of:				
- Non-taxable income	(19,345,505)	(11,326,029)	-	(58,511)
- Expenses not deductible for tax purposes	22,546,286	22,225,050	-	17,566
- Underprovision of income tax in prior year	1,510,195	532,784	56	-
- Corporate Social Responsibility	2,170,348	2,227,113	28,313	36,595
- Climate responsibility levy	1,139,946	819,100	-	-
- Deferred tax recognised	(2,436,202)	(21,422,164)	-	44,670
- Additional provision	(125,285)	(13,267)	-	(6,000)
- Tax loss brought forward	(6,200)	14,464	-	-
- Tax rate differential	4,409,839	-	-	-
Income tax expense recognised in profit or loss	14,838,435	(1,795,892)	196,407	287,556

20. RELATED PARTY TRANSACTIONS

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
(i) <i>Purchases of tyres and spare parts</i>				
- Significant shareholder	197,614,485	115,006,517	-	-
(ii) <i>Purchases of services</i>				
- Significant shareholder	3,440,597	180,000	-	-

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

20. RELATED PARTY TRANSACTIONS (CONT'D)

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
(iii) <i>Investment income</i>				
- Interest income from subsidiary	-	-	384,966	471,656
(iv) <i>Interest expense</i>				
- Company under common management	1,236,006	1,234,358	-	-
(v) <i>Management fees</i>				
- Company under common management	3,811,584	3,811,584	120,000	120,000
(vi) <i>Outstanding balances</i>				
Receivables from related parties:				
- Subsidiary	-	-	9,200,000	18,700,000
Payables to related parties:				
- Significant shareholder	8,040,215	-	-	-
- Company under common management	66,300,000	66,300,000	-	-
- Subsidiary	-	-	46,259,847	47,229,847
<i>Interest receivable</i>				
- Subsidiary	-	-	9,242,078	8,857,112
The terms and conditions of the above outstanding balances have been disclosed in the respective notes (10, 12 and 14).				
(vii) <i>Compensation of key management personnel</i>	28,719,595	27,435,589	-	-
Key management personnel received short-term employee benefits and did not receive any other benefits.				
(viii) <i>Contribution in welfare fund</i>	517,400	542,950	-	-

21. EARNINGS PER SHARE

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

	GROUP	
	2025	2024
	Rs	Rs
Profit for the year	18,328,315	36,109,603
Number of ordinary shares	4,969,489	4,969,489
Earnings per share	3.69	7.27

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. RETIREMENT BENEFIT OBLIGATIONS

GROUP

Amounts recognised in statement of financial position

	<u>2025</u> Rs	<u>2024</u> Rs
Defined benefit plan (Note (a))	12,572,052	12,572,052
Other retirement benefits (Note (b))	551,682,128	527,154,945
	<u>564,254,180</u>	<u>539,726,997</u>

(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 2025 and 30 June 2024, 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:

	<u>2025</u> %	<u>2024</u> %
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:

	<u>2025</u> Rs	<u>2024</u> Rs
Total market value of assets	(5,607,704)	(5,607,704)
Present value of plan liability	18,179,756	18,179,756
	<u>12,572,052</u>	<u>12,572,052</u>

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:

	<u>2025</u> Rs	<u>2024</u> Rs
Net interest cost	<u>-</u>	<u>-</u>

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (cont'd)

Movement in liability recognised in statement of financial position:

	<u>2025</u> Rs	<u>2024</u> 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	<u>12,572,052</u>	<u>12,572,052</u>
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	<u>18,179,756</u>	<u>18,179,756</u>
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	<u>(5,607,704)</u>	<u>(5,607,704)</u>
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	<u>-</u>	<u>-</u>
Cumulative actuarial at 1 July	1,479,234	1,479,234
Actuarial losses recognised this year	-	-
Cumulative actuarial gains at 30 June	<u>1,479,234</u>	<u>1,479,234</u>
	<u>2025</u> Rs	<u>2024</u> Rs
Defined benefit obligation	-	-
Plan assets	-	-
Deficit	<u>-</u>	<u>-</u>
Actuarial losses on plan liabilities	<u>-</u>	<u>-</u>
Actuarial gains/(losses) on plan assets	<u>-</u>	<u>-</u>

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined benefit plan (cont'd)

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

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

- If the discount rate is 1% higher/lower, the defined benefit obligation would decrease/increase by **Rs 58,341,908** (2024: Rs 1,236,189).
- If the discount rate is 1% lower/higher, the defined benefit obligation would increase/decrease by **Rs 70,518,615** (2024: Rs 1,096,979).

The weighted average duration of the liabilities as at 30 June 2025 is 7 years.

(b) Other retirement benefits

The liability relates to Retirement Gratuities payable under the Workers Rights Act (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 2025.

The main actuarial assumptions used for accounting purposes:

	<u>2025</u>	<u>2024</u>
	%	%
Discount rate	7.00	7.00
Future long-term salary increase	5.00	10.00

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

	<u>2025</u>	<u>2024</u>
	Rs	Rs
Present value of unfunded defined benefit obligation	<u>551,682,128</u>	<u>527,154,945</u>
Amount recognised in consolidated and separate statement of profit or loss:		
Service cost	69,681,338	67,242,184
Net interest cost	-	-
	<u>69,681,338</u>	<u>67,242,184</u>
Movement in liability recognised in consolidated and separate statement of financial position:		
At 1 July	527,154,945	500,121,847
Total expense as above	69,681,338	67,242,184
Portable retirement gratuity fund contribution	(20,724,739)	(18,076,330)
Benefit paid	<u>(24,429,416)</u>	<u>(22,132,756)</u>
At 30 June	<u>551,682,128</u>	<u>527,154,945</u>

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other retirement benefits (cont'd)

Analysis of amount recognised in other comprehensive income:

	<u>2025</u> Rs	<u>2024</u> 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	551,682,128	527,154,945
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 2025 is 8 years.

The Group and the Company are expected to contribute around **Rs 21m** (2024: RS 18m) to the PRGF for the year ending 30 June 2025.

(c) State pension plan

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2025</u> Rs	<u>2024</u> Rs	<u>2025</u> Rs	<u>2024</u> Rs
National pension scheme contributions charged	20,724,739	18,076,330	20,724,739	18,076,330

23. 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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

23. 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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Debt (i)	111,768,860	70,922,783	1,745,049	882,502
Cash and bank balances	9,735,787	7,591,271	1,877,678	987,026
Net debt	102,033,073	63,331,512	(132,629)	(104,524)
Equity (ii)	897,912,112	766,838,182	395,660,439	292,065,261
Net debt to equity ratio	11%	8%	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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Financial assets				
Investments at FVTOCI	68,892,564	4,479,692	5,233,046	4,477,692
<i>Amortised cost:</i>				
Cash and bank balances	9,735,787	7,591,271	1,877,678	987,026
Trade and other receivables	30,559,521	15,115,860	18,485,661	27,834,404
Financial assets	346,867,610	251,292,726	-	-
	456,055,482	278,479,549	25,596,385	33,299,122
Financial liabilities				
<i>Amortised cost:</i>				
Borrowings	99,201,225	56,936,966	-	-
Trade and other payables	159,641,217	127,419,687	56,804,479	57,047,520
Bank overdraft	12,567,635	13,985,817	1,745,049	882,502
Amounts due to related parties	74,340,215	66,300,000	-	-
Dividend payable	-	4,969,489	-	4,969,489
	345,750,292	269,611,959	58,549,528	62,899,511

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Financial assets				
Prepayments	3,192,192	3,136,131	12,764	12,765
Deposits and advances	2,508,217	1,665,762	-	-
VAT	3,794,501	-	-	-
TDS	2,424,266	3,471,357	12,000	-
	11,919,176	8,273,250	24,764	12,765
Financial liabilities				
VAT	1,505,651	1,261,590	-	-
PAYE	870,095	566,667	-	-
Deferred income	-	-	-	-
TDS	70,280	138,357	-	-
Deposits and advances	5,985,378	7,473,385	-	-
	8,431,404	9,439,999	-	-

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

23. 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	
	<u>2025</u> % p.a.	<u>2024</u> % p.a.	<u>2025</u> % p.a.	<u>2024</u> % p.a.
Financial assets				
Treasury bills (fixed)	0.34 & 0.73	0.34 & 0.73	-	-
Loans to staff (fixed)	7.00	7.00	-	-
Loans to related parties	1.25 - 2.50	1.25 - 2.50	2.50	2.50
Financial liabilities				
Amount due to related and other parties (fixed)	1.25 - 2.50	1.25 - 2.50	-	-
Obligation under finance lease (fixed)	-	-	-	-

Interest rate sensitivity analysis

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

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

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

Equity price risk

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 2025 and 30 June 2024 would have been unaffected as the quoted equity investments are classified as FVTOCI; and
- Other comprehensive income would increase/decrease by **Rs 3,444,628** (2024: Rs 223,985) for the Group and **Rs 261,652** (2024: Rs 223,985) 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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

23. FINANCIAL INSTRUMENTS (CONT'D)

Fair value measurements (cont'd)

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	
					2025 Rs	2024 Rs
GROUP						
Unquoted investments	Level 3	Net asset value	N/A	N/A	5,235,046	4,479,692
Quoted investments on DEM	Level 2	Net asset value	N/A	N/A	63,657,518	-
COMPANY						
Unquoted investments	Level 3	Net asset value	N/A	N/A	5,233,046	4,477,692

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

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

24. 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** (2024: 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.

25. REVENUE

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

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Revenue from traffic receipts	568,223,829	549,299,982	-	-
Revenue from private hire	12,778,970	15,355,438	-	-
Support grant	201,000,000	201,000,000	-	-
Rental income	114,993,233	116,843,097	-	-
Other receipts	1,747,048	1,931,458	1,391,312	1,931,458
Syndic fees	9,664,442	9,412,563	-	-
Sales of shops, apartments and parkings	1,150,000	11,924,069	-	-
Cleaning Services	4,800,000	-	-	-
Interest income from subsidiaries	-	471,656	-	471,656
Expenses refund	-	613,871	-	-
Dividend income	3,035,493	12,750	-	12,750
	917,393,015	906,864,884	1,391,312	2,415,864

	GROUP		COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Timing of revenue recognition:				
- At a point in time	787,935,340	780,137,568	-	12,750
- Over time	124,657,675	126,727,316	1,391,312	2,403,114
	912,593,015	906,864,884	1,391,312	2,415,864

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

Performance obligations and revenue recognition policies

The following table provides information about the revenue recognition policies:

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

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

25. 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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
<i>Current contract assets</i>				
Trade receivables	7,184,966	5,988,792	-	-
Less allowance	(28,600)	(28,600)	-	-
Total contract assets	7,156,366	5,960,192	-	-

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.

There no contract liabilities in respect of the Group at 30 June 2025.

There are no unsatisfied performance obligation at the reporting date.

26. 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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Bus transport services to the public	676,460,565	541,621,190	833,829,184	730,988,183
Property development	967,413,776	981,021,304	79,429,161	80,372,035
Investment holding	179,679,071	71,369,307	12,382,953	15,813,401
Consolidated total assets/liabilities	1,823,553,412	1,594,011,801	925,641,298	827,173,619

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	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Bus transport services to the public	782,002,799	765,655,420	874,470	16,229,458
Property development	133,998,904	138,793,600	36,104,282	18,479,461
Investment holding	1,391,312	2,415,864	108,564,667	2,248,865
	917,393,015	906,864,884	145,543,419	36,957,784

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

26. SEGMENTAL REPORTING (CONT'D)

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales in the current year (2024: 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
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
2024				
Interest income	7,315,032	-	-	7,315,032
Interest expense	4,402,674	1,847,634	-	6,250,308
Depreciation and amortisation	29,248,350	1,867,016	-	31,115,366
Income tax expense	287,556	(12,853,824)	10,770,376	(1,795,892)
Additions to investment property	-	4,817,959	-	4,817,959
Additions to property, plant and equipment	13,309,046	262,326	-	13,571,372

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 2025 or 2024.

27. 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	
	2025	2024	2025	2024
	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.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 01 July 2023	Financing cash flows	At 30 June 2024	Financing cash flows	At 30 June 2025
	Rs	Rs	Rs	Rs	Rs
Loans	18,461,538	38,475,428	56,936,966	42,264,259	99,201,225
Amounts due to related parties	108,392,000	-	108,392,000	(34,051,785)	74,340,215
Obligations under finance lease	-	-	-	-	-
	126,853,538	38,475,428	165,328,966	8,212,474	173,541,440

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.

UNITED BUS SERVICE LIMITED
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

29. BORROWINGS

	<u>2025</u>	<u>2024</u>
	Rs	Rs
Bank loan	<u>99,201,225</u>	<u>56,936,966</u>
Repayable as follows:		
- Within one year	<u>9,300,376</u>	15,454,222
- Between one and four years	<u>89,900,849</u>	<u>41,482,744</u>
	<u>99,201,225</u>	<u>56,936,966</u>

The loan from The Mauritius Commercial Bank Ltd amounting to MUR 6,153,846 as at 30 June 2024 was fully repaid during the year.

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 39,824,319** (2024: MUR 50,783,120).

This bank loan carries a fixed interest rate of 5.30% over a term of 48 months. It is secured by UBS Transport Ltd against all of its assets for an amount of **MUR 59,376,906** (2024: MUR Nil).

30. DIVIDEND PER SHARE

Dividend of Rs 1 per share declared in June 2025 (2024:Rs 1).

<u>2025</u>	<u>2024</u>
Rs	Rs
<u>4,969,489</u>	<u>4,969,489</u>

31. CONTROLLING PARTY

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

32. 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 separate financial statements that may require any adjustment or disclosure in the consolidated and separate financial statements.