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Port Louis Fund Ltd
Annual Report **2009**

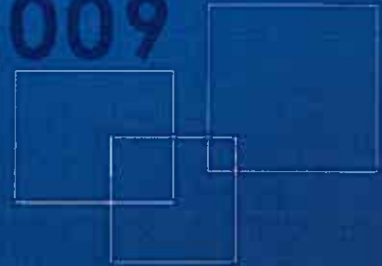


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Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Port Louis Fund Ltd for the year ended 30 June 2009.

This report was approved by the Board of Directors on 09 November 2009.



M.I. Mallam-Hasham
Chairman



V. Bhuguth
Director

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Notice of Annual Meeting

Notice is hereby given that the 12th Annual Meeting of Shareholders of Port Louis Fund Ltd will be held at Le Sirius, Labourdonnais Waterfront Hotel, Caudan Waterfront, Port Louis on Tuesday, 15 December 2009 at 14:00 hours for the transaction of the following businesses:-

Agenda

1. To adopt the Minutes of Proceedings of the 11th Annual Meeting of Shareholders of Port Louis Fund Ltd held on Wednesday, 17 December 2008.
2. To receive the Annual Report for the financial year ended 30 June 2009.
3. To receive the Report of Auditors.
4. To consider and approve the Audited Financial Statements for the year ended 30 June 2009.
5. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 29 May 2009.
6. To re-appoint Mr. Muhammad Iqbal Mallam-Hasham as Director of the Company to hold office until the next Annual Meeting.
7. To re-appoint Mr. Yusuf Hassam Aboobaker as Director of the Company to hold office until the next Annual Meeting.
8. To re-appoint Mr. Georges Yves Hervé Lassémillante as Director of the Company to hold office until the next Annual Meeting.
9. To re-appoint Mr. Vijay Bhuguth as Director of the Company to hold office until the next Annual Meeting.
10. To re-appoint Mr. Ishwurlal Golam as Director of the Company to hold office until the next Annual Meeting.
11. To appoint/elect one additional Director to hold office until the next Annual Meeting. (See Annex – List of Applicants)
12. To fix remuneration of the Directors.
13. To re-appoint the Auditors of the Company for the financial year ending 30 June 2010 and to authorise the Board of Directors to fix their remuneration.
14. To transact any other business, if any, as may be transacted at an Annual Meeting of Shareholders.

BY ORDER OF THE BOARD



S.L. NULLATEMBY (Mrs.)
COMPANY SECRETARY
09 November 2009

NOTE: Members entitled to attend and vote at the meeting may appoint proxies to attend and vote for them. The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company not less than twenty-four hours before the meeting or else the instrument of proxy shall not be treated as valid.

Registration of shareholders at the meeting will start as from 13:00 hours.

Corporate Information

DIRECTORS

Mr. M.I. Mallam-Hasham , Chairman
Mr. Y.H. Aboobaker, S.C, C.S.K.
Mr. V. Bhuguth
Mr. I. Golam (as from 14 August 2008)
Mr. G.Y.H. Lassémillante
Mr. V. Rambarassah (as from 17 December 2008)
Mrs. S. Naiken (up to 01 August 2008)
Mr. G. Rampat (up to 17 December 2008)

FUND MANAGER

Capital Asset Management Ltd

SHARE REGISTRY

Prime Partners Ltd

COMPANY SECRETARY

Mrs. S.L. Nullatemby

BANKERS

Bank of Baroda
Bank One Ltd
Barclays Bank PLC
Bramer Banking Corporation Ltd
Mauritius Post and Co-operative Bank Ltd
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corp Ltd
The Mauritius Commercial Bank Ltd

AUDITORS

BDO De Chazal Du Mée

REGISTERED OFFICE

15th Floor, Air Mauritius Centre,
6, President John Kennedy Street,
Port Louis,
Mauritius.

WEBSITE

<http://www.portlouisfund.com>

STOCKBROKING COMPANIES

Asmo Securities & Investments Ltd
Associated Brokers Ltd
Bramer Securities Ltd
Capital Markets Brokers Ltd
CIM Stockbrokers Ltd
Compagnie des Agents de Change Ltée
MCB Stockbrokers Ltd
Newton Securities Ltd
Prime Securities Ltd
Ramet & Associés Ltée
SBM Securities Ltd

FOREIGN FUND MANAGERS

Fidelity Investments International
Franklin Templeton Investments Ltd
St James's Place International
London & Capital Asset Management Ltd
CrossBorder Capital Ltd

CUSTODIAN BANK (INDIA)

ICICI Bank Ltd

INDIAN STOCKBROKERS

Indsec Securities & Finance Ltd
Religare Securities Ltd

Statutory Disclosures

The Directors have the pleasure to submit the Annual Report together with the audited financial statements of Port Louis Fund Ltd for the year ended 30 June 2009.

Principal Activity

The Company is an open-ended mutual fund incorporated on 9 June 1997 as a Public Company with limited liability. The Company has obtained approval from the Ministry of Finance to be an Authorised Mutual Fund under Section 35 of the Companies Act 1984, now replaced by the Companies Act 2001.

The main objects of the Company are:

- (i) To carry on business as an investment holding company;
- (ii) To deal in securities and properties of all kinds; and
- (iii) To manage and advise on investment funds.

Members of the Board of Directors

Mr. M.I. Mallam-Hasham, Chairman
 Mr. Y.H. Aboobaker
 Mr. V. Bhuguth
 Mr. I. Golam (as from 14 August 2008)
 Mr. G.Y.H. Lassémillante
 Mr. V. Rambarassah (as from 17 December 2008)
 Mrs. S. Naiken, Chairperson (up to 1 August 2008)
 Mr. G. Rampat (up to 17 December 2008)

Directors' Service Contracts

There was no service contract between the Company and any of the Directors.

Directors' Remuneration and Benefits

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

	2009 Rs'000	2008 Rs'000
Non-Executive Directors	860	878

Directors' and Company Secretary Interest in Share

Directors	Direct Shareholding	Indirect Shareholding
Mr. M.I. Mallam-Hasham	7,539	Nil
Mr. G.Y.H. Lassémillante	Nil	Nil
Mr. Y. H. Aboobaker	Nil	Nil
Mr. V. Bhuguth	Nil	Nil
Mr. I. Golam	Nil	Nil
Mr. V. Rambarassah	Nil	Nil
Mrs. S. Naiken	Nil	Nil
Mr. G. Rampat	5,000	Nil
Company Secretary		
Mrs. S. L Nullatemby	Nil	Nil

Donations

No donation was made during the financial year ended 30 June 2009.

Auditors' Remuneration

The auditors' remuneration was as follows:

	2009 Rs'000	2008 Rs'000
Audit services	85	85
Other services	15	20
	100	105

Approved on 01 September 2009



M.I. Mallam-Hasham
Chairman



V. Bhuguth
Director

SECRETARY'S CERTIFICATE

for the year ended 30 June 2009

I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 in terms of section 166(d).



S.L. Nullatemby (Mrs.)
Company Secretary
01 September 2009

Directors & Executive Management

Directors' Profile

Mr. M.I. Mallam-Hasham is a Fellow of the prestigious Hubert H. Humphrey program and read International Economy at Boston University. He is also a Fellow of the Mauritius Institute of Directors. He holds post-graduate degrees in Management and Business from "Institut d'Administration des Entreprises", Université de Strasbourg. At present, he is the Managing Director of the State Investment Corporation Ltd and is board member of a number of leading companies in Mauritius. He has wide ranging experience in the financial sector and has been banker, consultant in corporate management and Associate Professor at universities. He was also a Member of Parliament.

Mr. Y.H. Aboobaker, S.C., C.S.K. holds a BA (Hons) in Economics. He is a Senior Counsel practising at the Bar of Mauritius since March 1972 and sits on the board of some of the leading companies in Mauritius. He is also the Chairman of the Electoral Supervisory Commission and the Electoral Boundaries Commission.

Mr. V. Bhuguth is a Fellow of the Association of Chartered Certified Accountants (FCCA). He reckons 22 years of experience in accounting firms and holds a post-graduate diploma in International Tax Planning from the University of Miami. He is presently leading a Chartered Accountant firm of Port Louis.

Mr. G.Y.H. Lassémillante is a member of the Middle Temple. He sat on the Police Service Commission. At present, he is Barrister-at-Law and has been practising at the Mauritian Bar since 1982.

Mr. I. Golam is a member of the Chartered Institute of Management Accountants and also holds an MBA. He is presently the Group Finance Manager of the SIC. He has a wide range of experience in the field of Finance and Accounting, Stock Exchange, Offshore Sector and privatisation of the Civil Aviation. He is also Director on various Boards within the SIC group.

Mr. V. Rambarassah is a Fellow of the Association of Chartered Certified Accountants(FCCA). He is currently the Fund Manager and Fund Accountant of the National Pension Fund and National Savings Fund. He has wide experience in Accounting and Fund management.

Company Secretary

Mrs. S.L. Nullatemby is a Fellow of the Institute of Chartered Secretaries and Administrators (UK), and also a Fellow of the Mauritius Institute of Directors. She holds a Masters in Business Administration, with specialisation in Finance. At present, she is the Company Secretary of Port Louis Fund Ltd and is responsible for the preparation of its Financial Statements. She has been working at the State Investment Corporation Ltd for the past twenty years and has wide ranging experience in the field of Finance and Accounting, Administrative and Corporate matters. She is also Director of various companies within the SIC group.

Directors & Executive Management (CONT'D)

Executive Management

Capital Asset Management Ltd

The Fund is managed by Capital Asset Management Ltd (CAM). The latter is a wholly owned subsidiary of SIC. CAM is licensed by the Financial Services Commission as a CIS Manager and Investment Advisor (Unrestricted) under the Securities Act 2005. CAM also manages the SME Partnership Fund Ltd and the Casinos of Mauritius Pension Fund. The day to day management function of Pori Louis Fund Ltd is carried out by the following key personnel:

Executive Director

Mr. Vedprakash Auckaloo holds an MSc in Financial Management, a BSc (Hons) in Economics, an LLB (Hons) and an ICSA Diploma in Offshore Finance and Administration. He has more than 10 years of experience in the financial sector and had previously worked in the Government service and in the banking sector. He joined CAM since 2001 and is currently the Executive Director.

Finance Manager

Mr. Mahendra K. Ramroop joined CAM since January 2006 and is currently the Finance Manager of the Company. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an MBA with specialisation in Financial Management. He has worked in the banking sector for over 16 years. Before joining CAM he worked within the SIC Group in the leisure and financial services sectors.

Analyst

Mrs. Shweta-Preeya Beeharee Ramyeed joined CAM since July 2007 and currently holds the position of Analyst. She holds a BA (Hons) in Law and Management and is an affiliate of the Association of Chartered Certified Accountants. She has more than 6 years of experience in the financial and regulatory sectors.

Business Appraisal Officer

Mr. M. Sameer Khudaroo holds a BSc (Hons) in Management from the University of Mauritius. Before joining the Company, he worked in an audit firm in the Audit and Business Advisory Department. He has more than 4 years of experience in the financial sector.

Research Officer

Miss Smita Beegun joined CAM in May 2008. She holds a BCom in Accounting and Finance from Curtin University of Technology, Australia. Before joining the Company, she was working in the banking sector.

Corporate Governance Report

The Board ensures that the Company complies with all laws of Mauritius and follows the guidance laid down by the Code of Corporate Governance. The Board, being the focal point of the corporate governance system is ultimately accountable and responsible for the performance and affairs of the Company. It monitors and evaluates the implementation of strategies, policies management and performance criteria. It provides guidance and maintains effective control over the Company and monitors management to carry out Board plans and strategies.

The Board is committed to adhere to the Corporate Governance principles. In line with those principles, the Board has set up Committees and is putting in place control systems, policies and procedures.

The Board of Directors

As per the Company's Constitution, the Board is constituted with a minimum of 5 Directors and a maximum of 9 Directors. The profile of current board members is given on page 5.

Investment Committee

Mr. M.I. Mallam-Hasham, Chairman
Mr. V. Bhuguth
Mr. I. Golam (as from 14 August 2008)
Mrs. S. Naiken, Chairperson (up to 1 August 2008)

The Investment Committee met twice during the year under review, under the chairmanship of Mr. M. I. Mallam-Hasham. The main objective of the Investment Committee is to advise Board on investment policies, processes, strategies and optimal risk/return level. The Investment Committee reviews the risk/return profile of the existing and new investments. The Committee also closely monitors the performance of the different asset classes and the Fund in general.

Audit & Risk Committee

Mr. V. Bhuguth, Chairman
Mr. Y.H. Aboobaker
Mr. G.Y.H. Lassémillante
Mr. I. Golam

The Audit and Risk Committee met twice during the year under review under the chairmanship of Mr. V. Bhuguth. The main objectives of the Audit and Risk Committee include:

- assisting the Board to discharge its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements in compliance with all applicable legal requirements and accounting standards;
- making recommendations to the Board for its approval or final decision regarding the membership, resources, responsibilities and authorities (composition, functions and operation) of the Committee to perform its role effectively, as stipulated in the terms of reference.

The Audit and Risk Committee focuses on:

- the functioning of the internal control system;
- the risk areas of the Company's operations;
- the reliability and accuracy of the financial information provided to the Board;
- the Company's compliance with legal and regulatory provisions and rules established by the Board.

Corporate Governance Committee

Mr. Y.H. Aboobaker, Chairman
Mr. G.Y.H. Lassémillante
Mr. V. Rambarassah (as from 17 December 2008)
Mr. G. Rampat (up to 17 December 2008)

The Corporate Governance Committee met once during the year under review under the chairmanship of Mr. Y. H. Aboobaker. The Committee acts as a useful mechanism for making recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing good governance principles. The Corporate Governance Committee ensures that the reporting requirements with regards to corporate governance are in line with the principles of the applicable Code of Corporate Governance.

Corporate Governance Report (CONT'D)

Nominations Committee

Mr. M.I. Mallam-Hasham, Chairman
 Mr. Y.H. Aboobaker
 Mr. G.Y.H. Lassémillante
 Mr. V. Bhuguth
 Mrs. S. Naiken, Chairperson (up to 1 August 2008)

The Committee met once during the financial year under the chairmanship of Mr. M. I. Mallam-Hasham. The Committee's main objective is to make recommendations to the Board on all new Board appointments. The Committee reviews the balance and effectiveness of the Board, identifies skills needed and those individuals who might best be seen to be providing such skills in a fair and thorough manner. The Committee is also an appropriate mechanism for ensuring that the Board remains effective and focused.

Board and Committee Meetings Attendance and Remuneration of Directors for the Year Ended 30 June 2009

DIRECTORS	Board Meeting	Investment Committee	Audit & Risk Committee	Nominations Committee	Corporate Governance Committee	Directors Remuneration
Mr. M. I. Mallam-Hasham*	4/5	2/2	—	1/1	—	Rs 151,000*
Mr. Y. H. Aboobaker	5/5	—	2/2	1/1	1/1	Rs 146,000
Mr. V. Bhuguth	5/5	2/2	2/2	1/1	—	Rs 164,000
Mr. G. Y. H. Lassémillante	4/5	—	1/2	1/1	1/1	Rs 144,000
Mr. I. Golam* (as from 14 Aug 2008)	5/5	2/2	2/2	—	—	Rs 116,400*
Mr. V. Rambarassah (from 17 December 2008)	2/2	—	—	—	1/1	Rs 68,839
Mr. G. Rampat (from 12 Dec 07 to 17 Dec 08)	2/3	—	—	—	—	Rs 58,182
Mrs. S. Naiken (up to 01 Aug 2008)	2/2	—	—	—	—	Rs 12,000

* The Directors' remuneration accruing to Mr. M.I. Mallam-Hasham and Mr. I. Golam are paid to the SIC

Directorships of the Directors in Listed Companies

DIRECTORS	Caudan Development Ltd	Mauritius Leasing Company Limited	Sun Resorts Ltd	FUEL
Mr. M. I. Mallam-Hasham	✓	✓	✓	
Mr. Y. H. Aboobaker				✓

List of Shareholders Holding more than 5% share capital of the Company as at 30 June 2009

Name	No. of Shares	% Shareholding
The State Investment Corporation Ltd	20,173,726	38.62
National Pensions Fund	7,733,888	14.81
The Government of Mauritius	5,597,909	10.72

Corporate Governance Report (CONT'D)

Shareholding Analysis at 30 June 2009

Range	No. of Shareholders	No. of Shares	% of Share Capital	% of all Shareholders
1 - 1,000	3,163	1,286,541	2.46	64.07
1,001 - 5,000	1,027	2,896,410	5.54	20.80
5,001 - 10,000	427	3,397,396	6.50	8.65
10,001 - 25,000	237	3,871,313	7.41	4.80
25,001 - 50,000	63	2,181,378	4.18	1.28
50,001 - 100,000	10	706,747	1.35	0.20
100,001 - 1,000,000	6	1,814,509	3.47	0.12
Over 1,000,000	4	36,083,486	69.08	0.08
Total	4,937	52,237,780	100.00	100.00

Category of Shareholders at 30 June 2009

Shareholders Type	No. of Shareholders	No. of Shares	% of all Shareholders
Individuals	4,865	13,802,382	26.4
Corporate Bodies and Others	72	38,435,398	73.6
Total	4,937	52,237,780	100.0

During the year ended 30 June 2009, the Directors did not have any dealings in the shares of the Company.

Calendar of Important Events

May	Declaration of Dividend
June	Payment of Dividend
30 June	End of Financial Year
Nov/ Dec	Annual Meeting of Shareholders

Agreements

Management Agreement

The Company entered into an Investment Management Agreement with Capital Asset Management Ltd in 1997.

Liquidity Contract

In 1997, the company entered into a liquidity contract with the SIC to ensure that there is enough liquidity to complete transactions based on demand for and supply of Company's shares.

Corporate Governance Report (CONT'D)

Dividend Policy

Generally dividends are payable out of distributable profits. Other factors which may influence dividend payment are: the Fund's performance, its cash flow position and future investment opportunities.

Identification of Key Risks for the Company

The directors are responsible to ensure the maintenance of an effective system of internal controls, so that assets are properly safeguarded, transactions are properly authorised and recorded; material frauds and other irregularities are either prevented or detected within a reasonable time.

Financial Risk Factors

Please refer to note 3 of the Notes to the Financial Statements on page 31.

Related Party Transactions

Please refer to note 19 of the Notes to the Financial Statements on page 40.

Directors' Liability Insurance

The Company has contracted with Mauritius Union Assurance Ltd a Directors' & Officers Liability insurance for the Directors.

Corporate Social Responsibility and Donations

No charitable or political donations were made during the financial year ended 30 June 2009.

Code of Ethics, Health and Safety and Social Issues

The issues are not applicable to the Company as it has no employee. The Company is managed by Capital Asset Management Ltd.

Environmental Policy

Due to the nature of its activities, the Company has no adverse impact on environment.

Report of Directors

Performance Review

Fund Performance Overview

The period under review was marked by unprecedented adverse economic and financial conditions worldwide. The credit crunch, financial crisis and recessionary environment had severely hit equity, property, commodity and other assets markets. Consequently, the MSCI World Index, taken as a proxy for world equity markets, lost 31% in USD terms and likewise the local stock market index, SEMDEX lost 23%.

These extreme market conditions impacted forcefully on the performance of the Fund during the year. However, given the fact that the Fund has been structured as a low risk and diversified fund, the blow was relatively less severe. The Fund achieved a negative return of 9.9% for the year ended 30 June 2009 with the Net Asset Value (NAV) per share falling from Rs 21.77 (June 2008) to Rs 19.02 after paying shareholders a dividend of 60 cents per share.

The evolution of the NAV per share for the year under review is illustrated below. The chart has been rebased and adjusted for dividend declared on 29 May 2009.



The NAV per share of the Fund followed a general downward trend during the first three quarters of the financial year to reach its lowest point early in March 2009, which corresponds to the peak of the financial crisis period. However, both the local and international markets corrected thereafter and the NAV took a steady upward trend in line with the signs of recovery prevailing globally.

Fund Performance Analysis by Asset Classes

The Fund holds a balanced portfolio covering four main asset classes: Locally Listed Equities, Unquoted Shares, Foreign Investments and Fixed Income Securities & Others. The performance of the Fund has been decomposed to show the estimated contribution of each of these asset classes. The average daily weight of each asset class in the portfolio has been multiplied by the total return of that asset class which indicates the weighted return as shown in the table below:

Asset Class	Total Return %	Average Weight %	Weighted Return %
Listed Equities (Local)	(18.1)	37.2	(6.8)
Unquoted Shares	1.0	25.4	0.3
Foreign Investments	(10.3)	22.4	(2.3)
Fixed Income Sec & Others	11.1	15.0	1.7
Unallocated Return *			(2.8)
PLF Portfolio		100.0	(9.9)

Table 1: Total Return Decomposition

* The unallocated return is mainly explained by the interaction of the different asset classes and the variations in daily weight.

Locally Listed Equities - Performance

Total return of the Locally Listed Equities was around -18.1%. In contrast, both the SEMDEX and the DEMEX registered returns of -23.1% and -13.2% respectively. This asset class on average accounted for 37.2% of the total portfolio, contributing to around -6.8% in the performance of the Fund. The negative return can be explained by a general fall in the market value of listed securities. Overall, the performance in this segment was satisfactory as the Fund achieved a relatively better performance than the market.

Unquoted Shares - Performance

Unquoted Shares as an asset class delivered a total return of 1.0% over the year. This asset class on average represented 25.4% of the Fund's total portfolio and contributed to a return of 0.3% in the performance of the Fund. This positive return was brought about by increase in value of some companies following the regular revaluation exercise. Higher dividends were received from those companies compared to last year.

Report of Directors (CONT'D)

Foreign Investments - Performance

Foreign investments as an asset class has delivered a return of -10.3% in MUR terms. During the year, MUR depreciated by around 11.2% against a basket of foreign currencies comprising USD (50%), EUR (30%) and GBP (20%). Thus, in terms of the said foreign currency basket, this assets class delivered a return of -21.5%. As a general indication, the MSCI World Index lost 31.2% in USD terms over the same period.

This asset class represented on average 22.4% of the total portfolio and contributed around -2.3% in the performance of the Fund. This negative performance can be explained by global downfall in the world's equity market.

Fixed Income Securities and Others - Performance

This asset class, composed of long term bonds, short term deposits, foreign currencies deposits and cash balances, registered a return of around 11.1%. The average holding of this asset class throughout the year was around 15.0% and it contributed to 1.0% in the total return of the Fund. The general fall in interest rates led to an increase in the fair value of long term bonds and the depreciation of the MUR impacted positively on the holdings of foreign currencies.

Comments on Financial Statements

Financial Results

Total income, excluding gain on disposal and fair value change for held-for-trading investments amounted to Rs 36.1 m (2008: Rs 34.4 m). The total income included dividend income Rs 24.8 m (2008: Rs 23.3 m), interest income of Rs 11.2 m (2008: Rs 12.4 m) and other income.

The fair value of fair value through profit or loss investments registered a net decrease of Rs104.2 m (2008: Net Increase: Rs112.8 m) due to the general fall in market prices.

Fund Expenses

The Total Expense Ratio (TER) gives an indication of the expenses incurred in running a fund. The TER which is calculated in line with international standards covers the professional fees, administration costs, distribution fees and other operating expenses. TER for financial year ended 2009 stood at 1.2% in contrast to 0.92% for the corresponding period of last year. This increase in TER is attributable to a change in structure of management fee as explained in note 13 on page 38.

Dividends

The Fund declared a dividend of 60 cents per share for the year ended 30 June 2009 (Year 2008: 85 cents). In aggregate an amount of Rs 30.8M was distributed to shareholders registered at close of business on 29 May 2009. It is to be noted that the dividend paid to shareholders is based on net profit and realised gain on disposal of investments excluding the fair value change.

Share Capital

The issued share capital of the Fund as at 30 June 2009 was 52,237,780 (2008: 51,839,961). Some shareholders bought more shares with a view to benefit from the upswing in the financial markets after the crisis. The number of shares outstanding increased by 397,819 representing a rise of 0.8% over last year. During the year, the Fund issued 1,734,826 shares while 1,337,007 shares were redeemed.

Asset Allocation and Portfolio Composition

Asset Allocation is the apportionment of the Fund's portfolio according to goals, risk tolerance and investment horizon set in order to minimise risks and maximise returns. The asset allocation and its sub-components are reviewed periodically and adjusted to reflect changes in market conditions.

The total net assets as at 30 June 2009 stood at Rs 993.3m (30 June 2008: Rs 1,128.6m). The table below gives a breakdown of the portfolio for each asset class.

Asset Allocation & Portfolio Composition	30-Jun-09		30-Jun-08	
	Rs m	%	Rs m	%
Local Listed Equity	401.2	40.4	487.6	43.2
Banking & Insurance	174.4	17.6	234.8	20.8
Commerce	22.1	2.2	18.6	1.6
Industry	24.7	2.5	23.0	2.0
Investment	58.7	5.9	53.1	4.7
Leisure & Hotel	91.0	9.2	130.9	11.6
Sugar	23.5	2.4	18.1	1.6
Transport	6.9	0.7	8.9	0.8
Unquoted Securities	249.4	25.1	254.7	22.6
Insurance	188.9	19.0	199.7	17.7
Investment	16.4	1.6	19.4	1.7
Technology	22.2	2.2	20.5	1.8
Leisure	22.0	2.2	15.2	1.3
Foreign Investments	219.8	22.1	237.3	21.0
Equity	143.2	14.4	152.6	13.5
Bonds, Property & Others	10.4	1.0	40.0	3.5
Cash	66.2	6.7	44.7	4.0
Fixed Income Securities & Others	122.9	12.4	148.9	13.2
Long term Bonds	76.1	7.7	97.7	8.7
Short term Bonds & Others	46.8	4.7	51.2	4.5
Total Net Assets	993.3	100.0	1128.6	100.0

Table 2: Asset Allocation

Please note that figures may not tally due to rounding

Report of Directors (CONT'D)

Locally Listed Equities - Composition

The proportion of Locally Listed Equities fell by 2.8%. In terms of value, the local equities decreased in absolute terms from Rs 487.6m to Rs 401.2m. During the year, shares worth Rs 39.3m were acquired while disposal amounted to Rs 21.6m. Holdings in Banking & Insurance sector decreased by 3.2% partly due to a decline in value and partly due to disposal of shares. The Fund increased its exposure in Commerce, Sugar, Leisure & Hotel and Investment sectors. The decrease in the holdings of Leisure & Hotel sector is explained by fall in value.

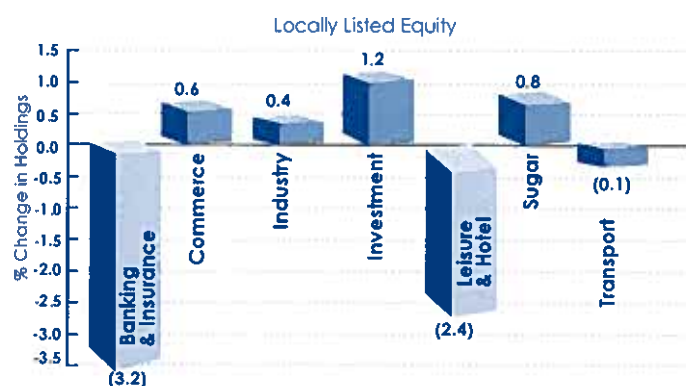


Chart 2: Sectoral change in Locally Listed Equities

Unquoted Shares - Composition

The percentage of unquoted shares in the portfolio increased by 2.5% due to decrease in the base of computation over last year. However, in terms of value this asset class lost Rs 5.3m during the year, due to a fall in prices of these securities. There were no acquisitions or disposals of unquoted shares during the period.

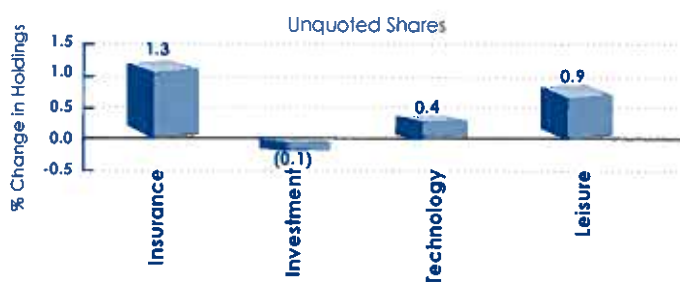


Chart 3: Sectoral change in Unquoted Shares

Foreign Investments - Composition

The proportion of foreign investments increased by 1.1% during the year. However, in absolute terms, the value decreased from Rs 237.3m to Rs 219.8m.

The sub-component Bonds, Property and Others went down by 2.5% due to fall in market value of holdings in foreign property funds. As a measure to protect the Fund against fall in equity, the exposure in cash-based funds had been increased. However, given the recovery in the last quarter and attractive opportunities in the equity markets the Fund increased its holdings in equity. Total acquisition for the year amounted to Rs 19.6m and disposal Rs 10.9m.

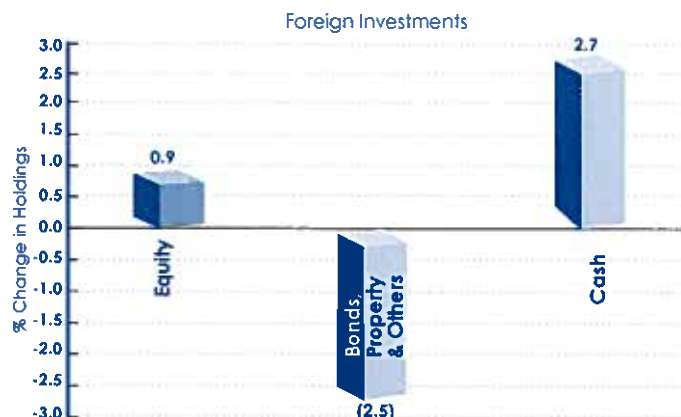


Chart 4: Sectoral change in Foreign Investments

Fixed Income Securities & Others - Composition

The percentage holdings in Fixed Income Securities and Others went down by 0.8% during the year thereby representing a decrease in absolute terms from Rs 148.9m to Rs 122.9m. The Fund's holdings of long term bonds fell due to maturing of some bonds. An increase in fair value of this asset class was noted due to fall in interest rates. Given the low yields prevailing on the long term bonds, the Fund increased its holdings of short term instruments during the year.

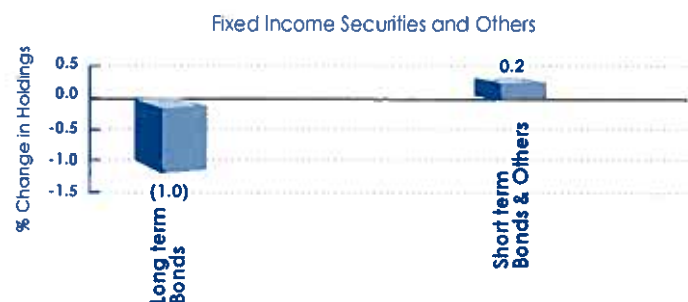


Chart 5: Sectoral Change in Fixed Income Securities and Others

Report of Directors (CONT'D)

Top 10 Holdings of Local Equities

Security	Rs m	% of Total Asset	Category	Sector
SICOM	188.8	18.9	Unquoted	Insurance
MCB	88.9	8.9	Listed	Banking
NMH	45.1	4.5	Listed	Hotels
SBM	42.9	4.3	Listed	Banking
MLC	39.9	4.0	Listed	Finance
SUN Resorts	33.4	3.3	Listed	Hotels
Maurinet Investment Ltd	22.2	2.2	Unquoted	Technology
Grand Casino Du Domaine Ltée	22.0	2.2	Unquoted	Leisure
ENL Investment Ltd	15.6	1.6	Listed	Investment
Harel Frères	12.4	1.2	Listed	Sugar
	511.1	51.0		

Table 3: Top 10 Holdings of Local Equities as at 30 June 2009

SICOM LTD

Incorporated in 1988, SICOM is one of the leading insurance and financial company in Mauritius. The company is engaged in insurance, pension, investment management, trustee services, actuarial services and medical & surgical schemes. The company is expected to be listed on the stock exchange in the coming years.

The Mauritius Commercial Bank Ltd (MCB)

The MCB is one of the leading banking and financial services groups in the Sub-Saharan Africa. The Group employs some 2,500 people in five lines of business (corporate banking, retail banking, cards, international operations and non-bank financial services). It is to be noted that the MCB is the largest company by market capitalisation in the local stock market.

New Mauritius Hotels Ltd (NMH)

NMH is one of the leading companies listed at the Stock Exchange of Mauritius, operating eight resort hotels, an airline catering unit in Mauritius and one hotel in Seychelles. The hotels are marketed under the well-known Beachcomber brand. NMH is also engaged in tour operating activities through its foreign subsidiaries.

State Bank of Mauritius Ltd (SBM)

SBM started operations in 1973 and was listed on the Stock Exchange of Mauritius in 1995. SBM is currently an integrated financial services group offering a wide range of services including retail and corporate banking, currency and securities trading, E-Business, leasing, security booking, fiduciary services and asset management. SBM is the second largest bank in Mauritius.

The Mauritius Leasing Company Limited (MLC)

Incorporated in 1987, the MLC provides mainly finance and operating leases for equipment and vehicles and is involved in deposit taking business. The Company is also licensed by the Bank of Mauritius to carry out banking activities as well. MLC was listed on the stock market in 2004.

Sun Resort Ltd (SRL)

The SRL Group operated four resorts in Mauritius namely Le Touessrok, Sugar Beach, La Pirogue and Le Coco Beach and one resort, Kanuhura, in Maldives during its financial year ended 31 December 2008. Le Coco Beach has been closed since the 30 April 2009 to give way to a complete hotel redevelopment. Le Touessrok, which is a five star luxury resort and member of The Leading Hotels of the World is considered to be the Company's flagship property.

Maurinet Investment Ltd (MIL)

Incorporated in 1994, MIL operates in the technology sector through its subsidiary the Mauritius Network Services (MNS). As the pioneer in implementing Electronic Data Interchange (EDI) in Mauritius, MNS has as mission to provide quality value-added network services connecting businesses and government.

Le Grand Casino Du Domaine Ltée (GCD)

GCD was incorporated in 1992. Its main activity is the operation of a casino at Domaine Les Pailles. GCD is the largest casino in terms of table game operation in Mauritius. It provides a range of top of the line amenities and popular games. The Fund is considering to dispose a major stake of its holdings to a strategic partner in the near future.

ENL INVESTMENT Ltd (formerly Espitalier Noel Investment Trust Ltd: ENIT)

ENL Investment Ltd is a leading dynamic business group in Mauritius, with significant involvement in agriculture, commerce and manufacturing, property development, investment management as well as corporate services. ENL Investment Ltd is listed on the DEM.

Harel Frères Limited (HFL)

HFL is organized in three main business segments: sugar, commercial and alcohol production and energy. Other operations of the company consist of rental properties and property development services. HFL operates several subsidiaries including HF Administrative Services, HF Investments Ltd and Mauricia Ltd.

Report of Directors (CONT'D)

Foreign Investments Profiles

The foreign investments component represented 22.1% (Rs. 219.8 m) of the total portfolio of the Fund. Most of these investments have been effected through world renowned fund managers. However, for investments in India the Fund has obtained a Foreign Institutional Investor (FII) Licence issued by Securities Exchange Board of India (SEBI) whereby it is allowed to invest in Indian stock markets through stock brokers.

The breakdown of the foreign portfolio by different characteristics and the top 10 holdings of foreign funds as at 30 June 2009 are illustrated below:

Asset Classes	Foreign Inv't Rs m	Foreign Inv't %
Equity	143.2	65.2
Cash	66.2	30.1
Bonds, Properties & Others	10.4	4.7
	219.8	100.0

Table 4: Foreign Investments – Asset Classes

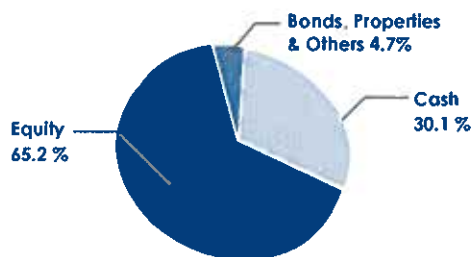


Chart 6: Asset Classes

Geographical Profile	Foreign Inv't Rs m	Foreign Inv't %
USA	32.1	14.6
UK	36.6	16.6
Euroland	36.8	16.7
India	40.0	18.2
Others	74.4	33.8
	219.8	100.0

Table 5: Foreign Investments – Geographical profile

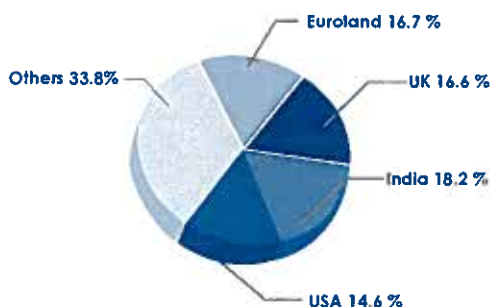


Chart 7: Geographical Profile

Currency Profile	Foreign Inv't Rs m	Foreign Inv't %
USD	89.0	40.5
GBP	35.9	16.3
EUR	47.0	21.4
INR	30.7	14.0
Others	17.2	7.8
	219.8	100.0

Table 6: Foreign Investments – Currency Profile



Chart 8: Currency Profile

The Top 10 holdings of foreign funds

Top 10 Holdings of Foreign Funds	Rs m	Foreign Inv't %
St James's Place International GBP Deposit Fund	34.6	15.7
Franklin Templeton USD Liquid Reserve Fund	13.9	6.3
Franklin Templeton China Fund	12.5	5.7
Fidelity Euro Cash Fund	12.2	5.5
Fidelity China Focus Fund	7.1	3.2
Fidelity Australia Fund	7.0	3.2
Franklin Templeton Eastern Europe Fund	6.9	3.1
Fidelity Singapore Fund	6.8	3.1
Franklin Templeton India Fund	6.3	2.9
Fidelity USD Cash Fund	5.5	2.5
	112.9	51.4

Table 7: Foreign Investments – Top 10 Holdings

Investment in India

During the year under review an amount of Rs 19.4 m, equivalent to USD 0.7m, has been added to the existing investment of Rs 7.7m in India. A cautionary investment approach has been adopted with a number of risk control parameters. As at 30 June 2009, direct investment in Indian stock market represented 14% of the foreign portfolio. The Indian portfolio registered a return of around 17.9% in MUR terms and 15.5% INR terms. During the same period the SENSEX, which is used as a benchmark, recorded a gain of 7.7% in INR terms. The top 5 holdings in India is given below:

Top 5 holdings in India

Top 5 Holdings in India	Rs m	Foreign Inv't %
Reliance Industries Ltd	4.5	2.07
ICICI Bank Ltd	2.4	1.07
Larsen and Toubro Ltd	2.3	1.07
Infosys Technologies Ltd	2.3	1.04
Bharti Airtel Ltd	1.9	0.87
	13.4	6.12

Table 8: Foreign Investments – Top 5 holdings in India

Report of Directors (CONT'D)

Local Economic Review

Key Macroeconomic Indicators

	Unit	2008	2009
GDP Growth	% - Cal. Yr	5.0	2.7
Investment Growth	% - Cal. Yr	3.9	6.3
Unemployment	% - Cal. Yr	7.2	8.1
Inflation	% - Fin. Yr	8.8	6.9

Sources: CSO and BoM

Economic Growth

Mauritius being a small open economy remains highly vulnerable to external shocks. Thus, it was not spared by the detrimental effects associated with global economic downturn. The Gross Domestic Product (GDP) growth rate for the calendar year 2009 is forecast to be 2.7% down from 5.0% achieved last year. On a sectoral basis, with the exception of agriculture (including sugar), growth in all other sectors are expected to be lower than in 2008. On a relative basis, the most hardly hit sectors are: tourism, manufacturing and construction.

Investment

Investment in real terms in 2009 is expected to grow by 6.3% as opposed to 3.9% growth in 2008. Private sector investment is predicted to drop by 2.2% compared to 10.0% growth last year due to the completion of some big investment projects. Public sector investment is anticipated to increase by 47.5% in 2009 compared to a decline of 17.9% in 2008, as a result of higher investment in public infrastructure projects such as roads, hospitals and schools, as announced in the Additional Stimulus Package. This is likely to offset part of negative growth in private sector investment.

Unemployment

Unemployment rate is expected to increase from 7.2% (2008) to 8.1% in 2009. A seasonally adjusted unemployment rate has increased from 6.9% to 7.9% (first quarter of 2008 and 2009 figures). Some firms, especially in the export-oriented sector, had to lay-off workers whereas others were not able to expand due to sluggish demand and hence could not create additional jobs.

Inflation

Inflation rate for the financial year 2008-2009 was 6.9% compared to 8.8% for the corresponding period last year. The substantial fall in oil and other commodity prices have led to the drop in inflation rate and the trend is downward. Authorities anticipate inflation to be around 3% by end of December 2009.

Policy Measures in response to the financial crisis

The Government announced a series of policy measures in the Additional Stimulus Package in order to support the economy in the wake of the financial crisis. The strategy was for an expansionary fiscal policy supported by the easing of monetary policy with a view to provide adequate flow of credit to finance consumption and investment expenditure.

In spite of the country's positive growth, the Government adopted a pre-emptive strategy with a fiscal stimulus of Rs 9.3 bn (3.4% of GDP) which was much higher than the 2% recommended for most countries in recession. The Bank of Mauritius also embarked on an expansionary monetary policy programme whereby the Repo Rate was slashed several times in order to reduce the cost of borrowings. The cash reserve ratio was also lowered from 6% to 5% which further enhanced the lending capacity of commercial banks.

Report of Directors (CONT'D)

Mauritian Stock Market Review

For the year under review, the SEMDEX followed similar patterns to other markets, losing 23.1% as at 30 June 09. Following the global financial crisis and the repercussions felt locally, the stock market underwent a severe downward trend during the first 8 months thus reflecting dwindling investors' confidence. As international market conditions improved and as a result of the measures announced by the Government to boost the local economy, a gradual increase in investors' confidence was noted and the SEMDEX started gaining momentum since March 2009.

The local market was driven down mainly by the banking and hotel sectors. During the period, companies which grew positively were Automatic Systems Ltd, Swan and Harel Mallac while the top losers were Naïade Resorts, MSM and Air Mauritius. However, larger companies registered more significant drop than smaller companies. As an indication, the SEM-7, which comprises the 7 largest eligible shares of the official list, measured in terms of market capitalisation, liquidity and investability criteria, gave a negative return of 29.9%.

The chart below shows the movement of the local market indices for the period under review, namely the SEMDEX and SEM 7.

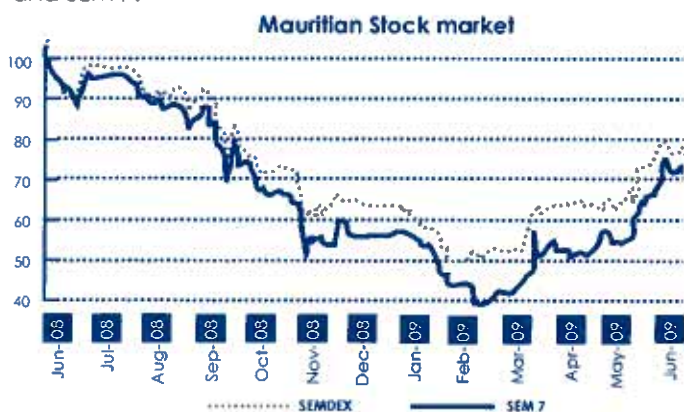


Chart 9: Mauritian Stock Market

For the year ended 30 June 2009, the Price Earnings (PE) Ratio was 7.6x compared to 12.1x last year. The dividend yield was 4.1% compared to 2.9% last year. During the year major events in the market included the amalgamation of major sugar companies.

The Development and Enterprise Market (DEM) reported a negative growth of 13.2% (measured by the DEMEX) for the year ending 30 June 2009. The Price Earnings ratio and dividend yield stood at 12.3x and 3.1% respectively.

Foreign investors purchased Rs 3.2bn (2008: Rs 4.3bn) worth of equities and sold Rs 4.5bn (2008: Rs 2.4bn) for the financial year resulting in a net sales of Rs 1.3bn. Following the vulnerability of the equity markets worldwide, foreigners reduced their exposure in frontier markets which had an impact on the local market.

Foreign Market Review

Global Equity Market

The global economic scene was dominated by the financial crisis and recession in world's major economies. This has had significant impact on the equity markets. The global equity market as represented by the MSCI World Index lost 31.2% in USD terms over the year under review. A general downward trend was observed with periods of big dips until mid February 2009, after which the trend was slightly upward. Governments' intervention in terms of a number of policy measures such as stimulus packages, bail out of major financial institutions and other coordinated fiscal and monetary measures helped to stabilise both the economy and financial markets. Recent data suggest that the rate of decline in economic activity is moderating, although to varying degrees among regions. Full economic recovery is still expected to be slow, with global contraction expected to be around 1.1%.



Chart 10: World Stock Market

Report of Directors (CONT'D)

US Market



Chart 11: US Stock Market

The S&P 500 lost around 28.2% during the financial year reaching its lowest point in March 09. The market recovery observed after this point can be attributed to major US Government interventions including the American Recovery and Reinvestment Act of 2009 to promote the economy through spending measures and tax cuts. Moreover, the Federal Reserve announced an expansion of over US\$1 trillion in its planned asset purchases over the year. As at June 09, the real GDP in the US had contracted by around 3.9%, unemployment reached 9.5% and inflation stood at -1.4%. Although the US economy is showing increasing signs of stability, the challenge remains to maintain the policy measures support and the appropriate timing of unwinding the support. Inflationary risk from excess liquidity, is not negligible.

The main markets in Eurozone: German DAX and French CAC-40 fell by 25.1% and 29.2% respectively. Both markets followed a similar downward trend until beginning of March 09 when the markets started recovering. The slump in world trade led to collapse of the German exports and investment markets. The real GDP growth for Germany stood at -5.9% as at June 09, CPI was 0.2% and unemployment rate being 8.3% for the same period. France, on its part, recorded a contraction of 2.8% in real GDP while inflation rate was at 0.5%. Unemployment stood at 9.1%. Economic activity in the Eurozone, however, appears to be picking up led by fiscal and monetary policy stimulus. However, recovery is likely to be slower.

Japanese Market



Chart 13: Japanese Stock Market

For the year under review, the Nikkei-225 lost 26.1%. The market dropped significantly until October 08 and after some minor corrections, it reached the lowest level by mid March 09. The Bank of Japan reported that Japan's economic conditions have begun to stop deteriorating. It is expected that exports and production will continue to recover while public investment will continue to increase. The real GDP growth declined by 7.2%, CPI was at -1.8% and unemployment rate stood at 5.4%. Being a heavily export dependent economy, the Japanese economic recovery is likely to be slow awaiting rebound in consumption, worldwide.

Eurozone Markets



Chart 12: Euroland main Stock Markets

Report of Directors (CONT'D)

UK Market



Chart 14: UK Stock Market

The FTSE-100, followed a general downward trend, witnessing periods of sudden drops and ended the period with a negative return of 24.5%. A recovery in the market was observed in the beginning of March 09. The UK government has put in place support policies including loan guarantees, asset protection schemes to give a push to the staggering economy. The Bank of England followed by a series of cuts in Bank Rate which eventually reached 0.5% and also increased the size of its asset purchase programme to £ 125 bn. For the year ended 30 June 09, the real GDP contracted by 5.5%, with unemployment reaching 7.8% and inflation at 1.8%. Although there has been a moderation in the economic contraction, the future evolution of output and inflation will be determined by government stimulus working to ease monetary and fiscal policies and whether banks are able to work on credit lending limitations.

Emerging Markets



Chart 15: MSCI Emerging Markets

MSCI Emerging Markets lost 22.1% during the period under review reaching its lowest point in late October 2008. During the last quarter however, the markets picked up led by appealing stock prices and increasing investors' demand for riskier assets. This was coupled with Government intervention and Central Banks easing their monetary policies. Russian stocks are becoming increasingly attractive with the resurgence in oil prices. Real GDP growth in emerging markets is forecast to reach 5% in 2010 from 1.75% in 2009, mainly driven by Asian economies. Moreover, African and Middle Eastern economies are expected to grow by around 4% mostly helped by recovering prices in commodities. However, Emerging Europe is expected to lag because of tighter external financial constraints.

Indian market



Chart 16: Indian Stock Market

The Indian stock market as measured by Sensex, gained 7.7% in INR terms during the period under review. Despite the financial turmoil and recession in major economies, India has maintained a growth rate of above 6% and CPI stood at 9.29%. The Reserve Bank of India cut borrowing costs six times from October 2008 to April 2009 to help shield the economy from the global downturn. The fiscal and monetary measures taken are also having positive impact on the economy. The prospect of a stable government following the elections also helped to boost the Indian market. However, fear around factory production, may weaken in the coming months as the driest monsoon in five years threatens to curb farm output and hurt the incomes of the 742 million Indians living in the countryside.

Report of Directors (CONT'D)

PROSPECTS

Following government intervention globally to stabilise the financial system and to fight back recession, an improvement has been noted in the real economy which has been translated into recovery of equity markets since March 2009. The SEMDEX and MSCI World Index for instance, gained around 84% and 55% respectively for the period March 09 to October 09. However, a quick recovery is not expected and growth is still likely to be negative on a year to year basis in most developed economies. Positive growth can be expected around first quarter to mid 2010. The challenge however remains in calibrating the macroeconomic policies so as to avoid inflation on one hand and on the other so as not to stifle the recovery by withdrawal of fiscal and monetary stimulus at inappropriate timing.

Large developing economies like China, India, Brazil and other emerging markets are likely to perform better than developed economies that are struggling to come out of recession. Emerging markets have withstood the financial turmoil much better than expected. However, concern remains over the sustainability of economic recovery and a downside risk to growth. Additionally, the global economy still seems vulnerable to a range of shocks including rising oil prices, a virulent return of H1N1 flu, geopolitical events or resurgent protectionism.

The spillover effects of the financial crisis and recession have been felt on the local economy as well. A reduced growth rate of 2.7% is expected for 2009 mainly led by the tertiary sector. Although the Mauritian economy is not in a recessionary mode, still the Government has embarked on a vast stimulus package programme to boost up economic activities. Most sectors are expected to achieve a positive growth though lower than in the previous year. The tourism industry, however, is still suffering from recession prevailing in our leading tourist markets. The aggressive marketing campaign being undertaken by the Government is likely to deliver positive results over the coming years.

Looking ahead, the Fund maintains a global positive outlook on equity at the moment. On the local market side, the Fund would continue to be active. Regarding foreign investments, the Fund would maintain a diversified portfolio but would be favouring emerging markets especially India and China.

ACKNOWLEDGEMENT

The Board has appreciated the hard work and dedication of the management team and staff towards enhancing the value of the Company, as well as the support and trust of the shareholders.



M.I. Mallam-Hasham

Chairman

09 November 2009

Independent Auditors' Report to the Members

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

Report on the Financial Statements

We have audited the financial statements of Port Louis Fund Ltd on pages 22 to 40 which comprise the balance sheets at June 30, 2009, the income statements, statements of changes in net assets attributable to holders of redeemable shares and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 22 to 40 give a true and fair view of the financial position of the company at June 30, 2009, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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



BDO DE CHAZAL DU MEE
Chartered Accountants



Per Yacoob A. Ramloola F.C.A.
Port Louis, Mauritius,
01 September 2009

Balance Sheets

June 30, 2009

	Notes	2009 Rs'000	2008 Rs'000
ASSETS			
Non-Current Assets			
Portfolio of domestic securities	5	325,470	352,434
Portfolio of foreign securities	6	219,844	237,338
		545,314	589,772
Current Assets			
Portfolio of Domestic Securities	5	401,211	487,597
Short Term Investments	7	50,254	51,955
Trade and Other Receivables	8	2,889	5,942
Cash and Cash Equivalents	17(b)	1,531	988
		455,885	546,482
Total Assets		1,001,199	1,136,254
EQUITY AND LIABILITIES			
Capital and reserves			
Capital		461,849	454,621
Reserves		531,500	673,994
		993,349	1,128,615
Current liabilities			
Trade and other Payables	9	2,674	2,205
Taxation	10	1,274	1,372
Dividend		1,520	1,316
Bank Overdraft	17(b)	2,382	2,746
		7,850	7,639
Total Equity and Liabilities		1,001,199	1,136,254
Net Asset Value per Share	18	19.02	21.77

These financial statements have been approved for issue by the Board of Directors on 01 September 2009



M.I. Mallam-Hasham
Chairman



V. Bhuguth
Director

The notes on pages 26 to 40 form an integral part of these financial statements.
Auditors' report on page 21.

Income Statements

Year ended June 30, 2009

	Notes	2009 Rs'000	2008 Rs'000
INCOME			
Investment income	11	36,124	34,419
Profit/(Loss) on disposal of investment		187	(911)
Release to income statement on disposal of available-for-sale securities		837	(3,414)
Net increase in fair value of fair value through profit or loss investment	12	(104,179)	112,757
		(67,031)	142,851
FUND EXPENSES			
Management fee	13	(8,567)	(7,093)
Auditors' remuneration		(115)	(121)
Registry costs	14	(719)	(642)
Brokerage fees		(365)	(437)
Other operating expenses		(2,509)	(2,649)
		(12,275)	(10,942)
Net (loss)/income before taxation	15	(79,306)	131,909
Taxation	10	(1,281)	(556)
Net (loss)/income after taxation		(80,587)	131,353

Note: EPS information is not disclosed as the class of shares that are publicly traded are redeemable shares, which are considered debt instruments in accordance with IAS 32 requirements.

The notes on pages 26 to 40 form an integral part of these financial statements.

Auditors' report on page 21.

Statements of Changes in Net Assets

Attributable to Holders of Redeemable Shares For The Year Ended 30 June 2009

	2009 Rs'000	2008 Rs'000
Net assets attributable to holders of redeemable shares at 1 July,	1,128,615	1,096,460
Proceeds from issue of redeemable shares	32,607	23,386
Payments on redemption of redeemable shares	(25,379)	(50,674)
Net increase/(decrease) from share transactions	7,228	(27,288)
Decrease in fair value of investment	(30,244)	(31,525)
Release to income statement on disposal of available-for-sale securities	(837)	3,414
Net (loss)/income for the year	(80,587)	131,353
Distribution to holders of redeemable shares	(30,826)	(43,799)
	(111,413)	87,554
Net assets attributable to holders of redeemable shares at 30 June,	993,349	1,128,615

No statement of equity is presented, as redeemable shares are considered to be a financial liability under IAS 32, Financial Instruments: Disclosure and Presentation

The notes on pages 26 to 40 form an integral part of these financial statements.
Auditors' report on page 21.

Cash Flow Statements

Year ended June 30, 2009

	Notes	2009 Rs'000	2008 Rs'000
Cash Flows from Operating Activities			
Cash absorbed in operations	17(a)	(9,266)	(21,181)
Interest received		11,319	15,870
Dividend received		25,318	22,035
Tax paid		(1,379)	(974)
Net Cash Generated from Operating Activities		25,992	15,750
Cash Flows from Investing Activities			
Purchase of investments		(59,038)	(86,684)
Proceeds from sale of investments		55,646	168,456
Net Cash (used in)/from investing activities		(3,392)	81,772
Cash Flows from Financing Activities			
Redemption of shares		(25,379)	(50,674)
Issue of shares		32,607	23,386
Dividend paid to holders of redeemable shares		(30,622)	(43,388)
Net Cash Used in Financing Activities		(23,394)	(70,676)
(Decrease)/Increase in Cash and Cash equivalents		(794)	26,846
Movement in Cash and Cash equivalents			
At July 1,		50,197	23,351
(Decrease)/Increase		(794)	26,846
At June 30,	17(b)	49,403	50,197

The notes on pages 26 to 40 form an integral part of these financial statements.

Auditors' report on page 21.

Notes to The Financial Statements

Year ended June 30, 2009

1. GENERAL INFORMATION

The company's registered office is 15th floor, Air Mauritius Centre, 6 President John Kennedy Street, Port Louis.

These Financial Statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Basis of Preparation

The financial statements of Port Louis Fund Ltd comply with Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparatives figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that financial assets are carried at fair value.

Amendments to Published Standards and Interpretations Effective in the Reporting Period

Amendments to IAS 39 and IFRS 7 Reclassification of Financial Assets (effective July 1, 2008) permit an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendments also permit an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future.

IFRIC 12, 'Service concession arrangements' applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services.

IFRIC 13, 'Customer Loyalty Programmes (effective July 1, 2008)' clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple element arrangement, and the consideration receivable from the customer is allocated between the components of the arrangement using fair values.

IFRIC 14, 'IAS19 - The limit on a defined benefit asset, minimum funding requirements and their interaction provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

These amendments to published standards and interpretations have no impact on the Company's financial statements of the reporting period (or are not relevant) to the Company's operations.

Notes to The Financial Statements (CONT'D)

Year ended June 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (CONT'D)

Amendments to Published Standards, Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2009 or later periods, but which the Company has not early adopted.

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

- IAS 1 Presentation of Financial Statements (Revised 2007)
- IAS 23 Borrowing Costs (Revised 2007)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008)
- IFRS 3 Business Combinations (Revised 2008)
- IFRS 8 Operating Segments
- Amendments to IAS 32 and IAS 1 Puttable financial instruments and obligations arising on liquidation
- Amendments to IAS 39 Eligible hedged items
- Amendments to IFRS 1 and IAS 27 Cost of an investment in a subsidiary
- Amendments to IFRS 2 Vesting conditions and cancellations
- Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions
- Amendments to IFRS 7 Improving Disclosures about Financial Instruments
- Amendments to IFRIC 9 and IAS 39 Embedded Derivatives
- IFRIC 15 Agreements for the construction of real estate
- IFRIC 16 Hedges of a net investment in a foreign operation (effective October 1, 2008)
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers

Improvements to IFRSs (issued 22 May 2008)

- IAS 1 Presentation of Financial Statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 18 Revenue
- IAS 16 Property, Plant and Equipment
- IAS 19 Employee Benefits
- IAS 20 Government Grants and Disclosure of Government Assistance
- IAS 23 Borrowing Costs
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 31 Interests in Joint Ventures
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IAS 40 Investment Property
- IAS 41 Agriculture
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures

Notes to The Financial Statements (CONT'D)

Year ended June 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (CONT'D)

Improvements to IFRSs (issued 16 April 2009)

IFRS 2 Share-based Payment
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
IFRS 8 Operating Segments
IAS 1 Presentation of Financial Statements
IAS 7 Statement of Cash Flows
IAS 17 Leases
IAS 18 Revenue
IAS 36 Impairment of Assets
IAS 38 Intangible Assets
IAS 39 Financial Instruments: Recognition and Measurement
IFRIC 9 Reassessment of Embedded Derivatives
IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The Company is still evaluating the effect that these new or revised standards and interpretations on the presentation of its financial statements.

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

(b) Financial Instruments

(i) Financial Assets

Categories of financial assets

The company has classified its financial assets as available-for-sale, held for sale and held to maturity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets are recognised on a trade-date basis and are initially measured at fair value. At subsequent reporting dates, investments classified as held to maturity ("HTM") are measured at amortised cost.

Investment other than HTM investments are classified as either held for trading ("HFT"), or at fair value through profit or loss ("FVTPL") category or available for sale ("AFS") and are normally measured at subsequent reporting dates at fair value. However, AFS investments which do not have a quoted market price are subsequently measured on capitalised earnings, dividend yield and mark-to market value as appropriate less any impairment loss.

Notes to The Financial Statements (CONT'D)

Year ended June 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (CONT'D)

(i) Financial Assets

Treasury bills and bonds is now classified as 'Available-for-sale' and valued based on mark to market value.

For FVTPL and HTM investments, unrealised gains or losses are included in the Income Statements. For AFS investments, unrealised gains and losses are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity in respect of that investment is included in the Income Statement.

The company has the possibility to designate any financial assets or liabilities as at FVTPL i.e. at fair value with changes in fair value recognised through profit or loss provided that the financial assets or financial liabilities satisfy certain conditions.

The gains and losses on disposal of financial assets are recognised in the Income Statement.

(ii) Accounts Receivables

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the income statement.

(iii) Trade and Other Payables

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

(iv) Cash and Cash Equivalents

Cash comprise of cash at bank, bank overdraft and short term bank deposits.

(v) Share Capital

Shares of the company are redeemable at any time at the option of the shareholder for cash and have a par value. Share capital are therefore liabilities and net assets attributable to shareholders are classified within the liabilities in the balance sheet.

Notes to The Financial Statements

Year ended June 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the 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 the income statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets are included in the net assets attributable to the redeemable shares.

(d) Impairment of Assets

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

(e) Revenue Recognition

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established by reference to the ex-dividend date.

Interest income is accounted for as it accrues unless collectibility is in doubt.

(f) Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial or operational decisions.

(g) Alternative Minimum Tax (AMT)

Alternative Minimum Tax (AMT) is provided for, where the company which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated as the lower of 10% of the dividend paid and 7.5% of book profit.

(h) Provisions

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

Notes to The Financial Statements

Year ended June 30, 2009

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks as follows:

- Market risk (including currency risk, price risk and cash flow and fair value interest rate risk);
- Liquidity risk;
- Credit risk.

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

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market Risk

(i) Currency Risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EURO, USD, and GBP. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign entities.

At June 30, 2009, if rupee had weakened/strengthened by 5% against EURO, USD, and GBP with all other variables held constant, the impact on net asset value for the year would be Rs 11.510 million (2008: Rs11.870 million) higher/lower mainly as a result of retranslation of foreign investment and bank balance.

(ii) Price Risk

The company is exposed to equity securities price risk because of investments held by the company.

The company's securities are susceptible to market price risk arising from uncertainties about future prices of the investments. The company's market price risk is managed through diversification of its investment portfolio.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the company's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	Impact on post-tax profit		Impact on equity	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Available-for-sale	-	-	10,892	10,901
Designated as fair value through profit or loss	20,061	24,380	-	-

Notes to The Financial Statements

Year ended June 30, 2009

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (CONT'D)

(a) Market Risk (CONT'D)

(iii) Cash flow and fair value interest rate risk

The company is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. If the interest rate on interest bearing asset had been 50 basis points higher/lower with all other variables held constant, the impact on post-tax profit for the year would not have been material. The risk is managed by maintaining an appropriate investment mix in the portfolio of investment.

(b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of cash balance.

The Fund has entered into a liquidity contract with The State Investment Corporation Ltd to ensure that the Fund has enough cash to maintain flexibility in funding.

(c) Credit Risk

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

3.2 Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses a variety of methods namely the capitalised earnings, net asset basis and dividend yield and makes assumptions that are based on market conditions existing at each balance sheet date.

If fair value had been 5% higher/lower, the carrying amount of available-for-sale would be an estimated Rs.15.7m (2008: Rs.17.8m) higher/lower with all the other variables held constant from management estimate for the year.

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

3.3 Capital Risk Management

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

Notes to The Financial Statements

Year ended June 30, 2009

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical Accounting Estimates and Assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Available-for-sale Financial Assets

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

Notes to The Financial Statements

Year ended June 30, 2009

5. PORTFOLIO OF DOMESTIC SECURITIES

	2009 Rs'000	2008 Rs'000
Fair value through profit or loss	401,211	487,597
Available-for-sale	313,470	337,434
Held-to-maturity	12,000	15,000
	726,681	840,031
Analysed as:		
Non -Current Assets:		
Available-for-sale	313,470	337,434
Held-to-maturity	12,000	15,000
	325,470	352,434
Current Assets		
Fair value through profit or loss	401,211	487,597
	726,681	840,031

Currency Profile

The portfolio of domestic securities is denominated in mauritian rupees.

Fair value through profit or loss Domestic securities At Fair value	Official Market Rs'000	Secondary Market Rs'000	Total Rs'000
At 1 July 2008	457,423	30,174	487,597
Addition	24,036	15,312	39,348
Disposal	(21,555)	-	(21,555)
Fair value adjustment	(101,844)	(2,335)	(104,179)
At 30 June 2009	358,060	43,151	401,211
At 1 July 2007	436,555	16,326	452,882
Addition	27,534	14,228	41,762
Disposal	(118,403)	(1,400)	(119,803)
Fair value adjustment	111,737	1,020	112,757
At 30 June 2008	457,423	30,174	487,597

Available-for-sale	Unquoted Rs'000
At 1 July 2008	337,434
Addition	66
Disposal	(19,987)
Fair value adjustment	(4,043)
At 30 June 2009	313,470
At 1 July 2007	207,874
Reclassification from held-to-maturity	100,587
	308,461
Addition	20,804
Disposal	(22,654)
Fair value adjustment	30,823
At 30 June 2008	337,434

Notes to The Financial Statements

Year ended June 30, 2009

5. PORTFOLIO OF DOMESTIC SECURITIES (CONT'D)

Held to maturity At Amorfised Cost	Secondary Unquoted Rs'000	
At 1 July 2008	15,000	
Disposals	(3,000)	
At 30 June 2009	12,000	
At 1 July 2007	100,587	
Reclassification to available-for-sale	(100,587)	
Additions	15,000	
At 30 June 2008	15,000	
Equity Securities	2009	2008
	Rs'000	Rs'000
<u>Official Market</u>		
Transport	6,865	8,911
Bank and Insurance	174,433	234,849
Industry	21,430	19,244
Commerce	22,060	18,619
Leisure and Hotel	90,807	130,824
Sugar Industry	18,767	15,820
Investment	23,697	29,156
	358,059	457,423
<u>Secondary Market-DEM</u>		
Investment	35,000	23,978
Sugar	4,734	2,296
Industry	1,350	1,626
Others	2,068	2,274
	43,152	30,174
<u>Unquoted Securities</u>		
Bank and Insurance	188,870	199,682
Investment	16,389	20,466
Industry	22,160	19,420
Leisure	22,000	15,154
Bonds	64,051	82,712
	313,470	337,434
Unquoted Fixed Income Securities	12,000	15,000
Total	726,681	840,031

Notes to The Financial Statements

Year ended June 30, 2009

5. PORTFOLIO OF DOMESTIC SECURITIES (CONT'D)

- (a) Details of the investments in which Port Louis Fund Ltd holds a 10% interests or more are set out below:

Name of company	Type of shares	Country of incorporation	% Holding	
			2009	2008
Sicom Ltd	Ordinary	Mauritius	12.50	12.50
Le Grand Casino Du Domaine Limitée	Ordinary	Mauritius	20.00	20.00
Maurinet Investment Ltd	Ordinary	Mauritius	13.33	13.33

- (b) Investments that exceeded 10% of the net assets of Port Louis Fund Ltd:

Name of company	Type of shares	% Net asset		% Holding	
		2009	2008	2009	2008
Sicom Ltd	Ordinary	19.00	17.68	12.5	12.5

6. PORTFOLIO OF FOREIGN SECURITIES

Non - Current Assets:

Available for sale

At 1 July 2008

Additions

Disposal

Fair value adjustment

At 30 June 2009

	2009	2008
	Rs'000	Rs'000
At 1 July 2008	237,338	317,478
Additions	19,624	9,118
Disposal	(10,917)	(26,910)
Fair value adjustment	(26,201)	(62,348)
At 30 June 2009	219,844	237,338

Currency Profile

The portfolio of foreign securities is denominated in the following currencies:

	2009	2008
	Rs'000	Rs'000
UK Pound	35,962	49,836
US Dollars	88,954	96,931
EURO	46,996	59,348
Indian Rupees	30,705	7,774
Other currencies	17,227	23,449
	219,844	237,338

7. SHORT TERM INVESTMENT

Short term bank deposit

	2009	2008
	Rs'000	Rs'000
Short term bank deposit	50,254	51,955

The bank deposits bear interest varying from 4.5% to 11.80% (2008: 7% to 13.42%)

Notes to The Financial Statements

Year ended June 30, 2009

8. TRADE AND OTHER RECEIVABLES	2009	2008
	Rs'000	Rs'000
Dividend and interest receivable	2,551	3,186
Other receivables and prepayments	316	248
Receivables for investment sold	22	2,508
	2,889	5,942

The carrying amounts of trade and other receivables approximate their fair values. Trade receivable does not include any impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

Trade receivables are denominated in the following currencies:

	2009	2008
	Rs'000	Rs'000
Mauritian Rupees	2,889	5,904
US Dollar	-	20
UK Pound	-	18
	2,889	5,942

9. TRADE AND OTHER PAYABLES	2009	2008
	Rs'000	Rs'000
Trade and other payables	2,674	2,205

The carrying amounts of trade and other payables approximate their fair values.

10. CURRENT TAX LIABILITIES	2009	2008
	Rs'000	Rs'000
(a) <u>Balance Sheets</u>		
Current tax on the adjusted profit for the year 15% (2008 : 15%)	1,274	1,372
(b) <u>Income statements</u>		
Current tax on the adjusted profit for the year 15% (2008 : 15 %)	1,274	1,372
Under/(Over) provision in previous year	7	(816)
Taxation charge	1,281	556

Notes to The Financial Statements

Year ended June 30, 2009

10. CURRENT TAX LIABILITIES (CONT'D)

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

	2009 Rs'000	2008 Rs'000
(Loss)/Profit before taxation	(79,306)	131,909
Tax calculated at the rate of 15% (2008 : 15%)	(11,896)	19,786
Tax effect of:		
Income not subject to tax	(3,684)	(20,300)
Expenses not deductible for tax purposes	16,854	1,886
Under/(Over) provision in previous year	7	(816)
Tax charge	1,281	556

11. INVESTMENT INCOME

	2009 Rs'000	2008 Rs'000
Dividend income	24,787	23,250
Interest income	11,215	12,415
Exchange (loss)	(26)	(1,448)
Other income	147	202
	36,123	34,419

12. NET INCREASE IN FAIR VALUE OF FAIR VALUE THROUGH PROFIT OR LOSS INVESTMENTS

	2009 Rs'000	2008 Rs'000
Domestic securities	(104,179)	112,757

13. MANAGEMENT FEE

An annual global management fee of 1.25% of the Fund's net asset value is payable to Capital Asset Management as per the investment management agreement dated 9 June 1997. The management fees are at present based on a graduated fee structure based on the performance of the Fund presently at 0.9% with maximum of 1.25% of the net asset value of the Fund.

Annual Fund Return

Up to 22%
22% to 27%
27% - 35%
above 35%

	2009	2008
Up to 22%	0.90%	0.625%
22% to 27%	0.90%	0.75%
27% - 35%	1.00%	1.00%
above 35%	1.25%	1.25%

Notes to The Financial Statements

Year ended June 30, 2009

14. REGISTRY COSTS

Registry costs are payable to Prime Partners Ltd.

15. PROFIT BEFORE TAXATION

	2009 Rs'000	2008 Rs'000
This is arrived at after crediting:		
Investment income		
- Listed	15,636	14,511
- Quoted	5,697	890
- Unquoted	3,454	7,849
- Interest income	11,215	12,415

16. DIVIDENDS

The Board of Directors has declared a dividend Rs.30,826,078.80 (representing Rs.0.60 per share payable to shareholders on 29 May 2009 (2008: Rs.43,779,067.75 representing Rs.0.85 per share).

17. NOTES TO THE CASH FLOW STATEMENTS

	2009 Rs'000	2008 Rs'000
(a) Cash absorbed in operations		
(Loss)/Profit before taxation	(79,306)	131,909
Adjustments for:		
Dividend income	(24,787)	(23,250)
Interest income	(11,215)	(12,415)
Fair value change of investment	104,179	(112,757)
Release to income statement on disposal of available-for-sale securities	(837)	3,414
(Profit)/Loss on disposal of investment	(187)	911
	(12,153)	(12,188)
Changes in working capital		
- Trade and other receivables	2,418	(1,401)
- Trade and other payables	469	(7,592)
Cash absorbed in operations	(9,266)	(21,181)

Notes to The Financial Statements

Year ended June 30, 2009

17. NOTES TO THE CASH FLOW STATEMENTS (CONT'D)

(b) Cash and cash equivalents	2009 Rs'000	2008 Rs'000
Cash at bank	1,531	988
Bank overdraft	(2,382)	(2,746)
Short term bank deposits	50,254	51,955
	49,403	50,197

18. NET ASSET PER SHARE

	2009 Rs'000	2008 Rs'000
Net asset value	993,349	1,128,615
Number of ordinary shares in issue ('000)	52,238	51,840
Net asset value per share	Rs. 19.02	21.77

19. RELATED PARTY TRANSACTION

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received by the company to related parties.

No expense has been recognised in the year under review for bad and doubtful debts in respect of amounts owed by related parties.

TRANSACTION

	2009 Rs'000	2008 Rs'000
Corporate with common shareholders		
Management fee expenses	8,567	7,093
Registry costs	719	642
Compensation of key management personnel		
Short term benefit	860	878
BALANCES		
Amount due to related party	1,727	1,917
Investment in companies with common shareholdings	243,910	234,136



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