



ANNUAL REPORT & ACCOUNTS 2012



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Alastair King
Chief Executive and Founder of Eredene

- Eredene Capital PLC (“Eredene”, “Eredene Group”, “the Company”) plans to return £15.3m of surplus cash to shareholders
- Proposes 18p per share tender offer for 19% of shareholdings – a pro-rata return of 3.42p per share
- Stake in low-cost housing development company, Gopi Resorts Pvt Ltd, put up for sale and net disposal proceeds to be returned to shareholders
- No further re-cycling of capital envisaged, and no further investments in new projects planned
- Now looking to extract maximum value from existing portfolio
- Loss for the period of £6.0m (2011: Profit £1.9m) – £5.0m of loss relates to unrealised currency movements on fair value of Indian Rupee denominated investments
- Net Asset Value attributable to equity shareholders of 19.6p per share as at 31 March 2012 (2011: 23.3p) – fall primarily due to dilutionary effect of share placing and Indian Rupee exchange rate movements
- Reports progress in majority of its 11 investee companies in India in difficult market conditions
- Realised part of stake in Sattva CFS & Logistics generating a return multiple on its original investment of 5.9 times and an internal rate of return of 49%
- £26.5m group cash post proposed return of capital (as at 31 March 2012 on a pro-forma basis)



Struan Robertson Non-Executive Chairman

SUMMARY

Eredene is embarking on a new phase to concentrate on its existing investments in India, and the Company therefore proposes initially to return £15.3m surplus capital to shareholders and plans to make no further investments in new projects. The Company has also decided to sell its stake in a low-cost housing development company and to return the net proceeds of any resulting sale to shareholders.

Through a share placing in May 2011, subscribed by both existing and new shareholders, Eredene raised £29.5m after expenses primarily to invest in a new container terminal at Ennore Port ("the Ennore Project"). Eredene's potential financial commitment to the consortium investing in the Ennore Project has since been reduced to approximately £14.2m, and as a result the Company is in a position to return £15.3m to shareholders. A proposal to invite shareholders to tender up to 19% of their shareholding for repurchase by the Company at 18p per share will be tabled for approval at a General Meeting on 14 August 2012. This equates to a pro-rata return of 3.42p per share. Details of the tender offer are set out in the Circular to Shareholders dated 13 July 2012.

Protracted negotiations continue to secure debt funding for the Ennore Project, however there is no guarantee that the consortium will be able to agree acceptable financial terms with State Bank of India, particularly in light of the negative change in the global and Indian funding environment. The concession awarding authority, Ennore Port Ltd, had given the consortium's special purpose vehicle, Bay of Bengal Gateway Terminal, until 30 April 2012 to finalise the debt funding. Due to the

consortium's failure to meet that deadline, Ennore Port Ltd has cashed a bid guarantee of INR140m (£1.7m).

As a result, Eredene's board considers it probable that the concession will be terminated and so has taken the decision to write down the full £0.9m value of its investment in Bay of Bengal Gateway Terminal. Eredene has also provided in full for the £0.4m cost to Eredene of its share of the bid guarantee. Eredene will continue to work with its consortium partners to try to reach acceptable terms with State Bank of India to allow the Ennore Project to proceed.

In January 2012, the Eredene Group sold a 10% stake in Sattva CFS & Logistics for £1.1m, representing a return multiple on the investment of 5.9 times and an internal rate of return (IRR) of 49%. The Eredene Group has recovered more than its entire £0.9m investment in Sattva CFS & Logistics and still retains a further 39% stake.

After settling a long-standing shareholder dispute relating to its investment in low-cost housing developer Matheran Realty Pvt Ltd ("Matheran Realty") and its subsidiary Gopi Resorts Pvt Ltd, Eredene has instructed a leading international real estate firm to realise its entire interest in Gopi Resorts Pvt Ltd. The net proceeds of any eventual sale will be returned to shareholders.

The Eredene Group does not currently envisage making any further investments in new projects, and intends to concentrate on extracting maximum value from the existing portfolio. All future substantive realisations are also expected to give rise to a return of capital to shareholders.



The Eredene Group reported a loss for the period of £6.0m (2011: Profit £1.9m), with £5.0m of that loss being due to unrealised currency movements on the fair value of its Indian Rupee denominated investments. While it is disappointing to report a fall in the Net Asset Value per share by 3.7p to 19.6p, 2.1p of this reduction was due to the dilutionary effect of the share placing in May 2011, and 1.5p was caused by the 14.3% decline in the Rupee/Sterling exchange rate in the period – the value of Eredene's investments having increased in Rupee terms but having decreased after the effect of the 14.3% decline in the Rupee exchange rate.

Eight of the Eredene Group's eleven projects in India are now operational, and even with a slowdown in India's economic growth and continued uncertainty in the world's financial markets, they generally performed satisfactorily during the twelve months to 31 March 2012.

FINANCIAL RESULTS

During the year to 31 March 2012, Eredene made a loss of £6.0m (2011: profit £1.9m) representing 1.39p per share (2011: profit 0.69p per share). As at 31 March 2012, Eredene had a Net Asset Value ("NAV") attributable to equity shareholders of £87.4m (2011: £65.4m) representing 19.6p per share (2011: 23.3p).

As an investment company, Eredene's performance is primarily judged by the change in its NAV per share rather than non-financial indicators. Eredene's NAV per share fell by 3.7p per share during 2012. Of the total fall, 2.1p was due to the dilutionary effects of the placing of £29.5m after expenses of shares at 18p per share. A further 1.5p was due to the negative movement in the Indian Rupee

exchange rate against Sterling which declined 14.3% over the year – the value of Eredene's investments being up in Rupee terms but significantly down once converted into Sterling.

The Group had administrative expenses of £4.0m in the period (2011: £3.8m) which included £0.7m (2011: £0.8m) of administrative expenses relating to the Group's subsidiaries, MJ Logistic Services and Sattva Conware and £0.4m (2011: nil) in relation to providing for the Ennore Project forfeited bid guarantee.

Following the proposed return of capital to shareholders, the Eredene Group would have cash balances of £26.5m at 31 March 2012 on a pro-forma basis.

INVESTEE COMPANIES

Set out below are some of the key developments and achievements of Eredene's investee companies in India during the past 12 months.

- Eredene is part of an international consortium, led by Spain's biggest port terminal operator Grup Marítim TCB, intending to develop a new container terminal at Ennore Port. The consortium is continuing in its efforts to secure debt funding, however there is no guarantee that acceptable terms will be agreed with State Bank of India. If viable debt funding cannot be obtained then the consortium may forfeit the concession. Eredene's total exposure to the Ennore Project is in the region of £1.6m. This includes the Company's £0.4m share of the consortium's INR 140m (£1.7m) bid guarantee, which has been drawn down by the concession authority, Ennore Port Ltd.



Due to this uncertainty on the debt funding, Eredene has written down its investment in Bay of Bengal Gateway Terminal by £0.9m to nil and also provided in full for its £0.4m share of the forfeited bid guarantee.

If the Ennore Project does go ahead, Eredene has negotiated to reduce its contribution to the total investment to approximately £14.2m, and as a result the Company is in a position to return £15.3m of the £29.5m after expenses raised principally for the Ennore Project through the share placing in May 2011.

- MJ Logistic Services (MJL), a multi-user third party logistics business in North India, generated positive Earnings before Tax, Interest, Depreciation and Amortisation ("EBITDA") in the period, and revenues increased by 27% compared to the last financial year. MJL provides total warehousing capacity of 800,000 square feet. Capacity at the automated 200,000 sq ft warehouse at MJL's hub in Palwal, on the Delhi-Agra Highway, comprises 20,082 ambient pallet positions and 2,622 cold pallet positions. Eight acres of the 22-acre Palwal site are currently in use. In addition to anchor customers Tata Motors and ITC Ltd, MJL also caters to the cold chain requirements of a variety of customers in the pharmaceutical, fruit concentrates, retail and fast food sectors. These customers include one of India's leading dairy products company, Kwality Dairy and international frozen food company, McCain Foods.
- Sattva Vichoor Container Freight Station (CFS), a joint investment with the Sattva Business Group, paid a dividend for a fourth consecutive year. It operates on a 26-acre site

and handles containers from Chennai Port in Tamil Nadu and also provides facilities for on-site assembly of imported machinery. Customers include South Korean machinery manufacturer Doosan, NYK Line, Maersk, CMA-CGM and MSC. The CFS handled 68,000 twenty foot equivalent units ("TEUs", the length of a standard container) in 2011-12, compared to 60,000 TEUs in the previous financial year, a 13% increase. The CFS posted a 33% increase in revenue and a 129% increase in profit after tax in Indian Rupee terms over the previous financial year.

Eredene sold a 10% stake in Sattva Vichoor CFS out of its total 49% investment in January 2012 through a sale to its partner, the Sattva Business Group, representing a return multiple on its original investment of 5.9 times and an internal rate of return (IRR) of 49%.

- A second joint investment with the Sattva Business Group in Tamil Nadu, Sattva Conware CFS, which is located within reach of both Ennore and Chennai ports, opened for business and started generating revenue in a 42,000 sq ft leased warehouse in September 2011. Ford Motor India is the anchor customer for the leased warehouse. A 120,000 sq ft container yard along with a 32,000 sq ft warehouse is now also operational. The CFS is currently servicing empty container boxes from Wan Hai and NYK shipping lines, and is awaiting customs notification so that it can start handling laden containers in its bonded yard. The CFS has a total of 60 acres and is well placed to serve new customers from the nearby Kattupalli Container Terminal following its opening, which is expected later in 2012.



- Contrans Logistics CFS at Pipavav Port in Gujarat, one of two investments in Northwest India, recorded an unaudited, post-tax profit for the first time in the 2012 financial year. The CFS handled approximately 25,000 TEUs in the year, compared to 20,100 TEUs in 2011, a 24% increase. Revenue in INR terms was up by 32% with cotton and other agricultural commodities being the main drivers. Major customers include J.M. Baxi & Co, India's largest shipping agency, the textile and chemical company GHCL, Gudwin Logistics, and the supply chain management company Liladhar Pasoo. The CFS is currently utilising 23 acres of its 79-acre site just outside the gates of the Maersk-operated port.

- There was no change at Contrans Logistics' other investment, a 140-acre greenfield site at Baroda in central Gujarat which has planning permission to develop a rail and road Inland Container Depot (ICD). The ICD will provide warehousing and logistics services for both truck and rail on the busy Delhi-Mumbai freight corridor, but work on the facility will not commence until an anchor customer has been contracted. The market value of the site is at a significant premium to the original purchase cost.

- Eredene has two logistic parks in Eastern India with investment partner Apeejay Surrendra Group, the Kolkata-based tea and shipping conglomerate. The two facilities – at Haldia and Kalinganagar – are operated in a 50/50 joint venture company, Apeejay Infra-Logistics. They offer integrated services for multi-modal logistics through open and covered warehousing, container logistics and transportation. Both the logistics parks have been notified as custom bonded facilities and are in the final stages of commencing bonded operations.

The Apeejay Infra-Logistics logistics park in West Bengal is located on a 90-acre site close to the Port of Haldia, a petrochemical centre at the mouth of the Hooghly River. The first phase comprises a bonded warehouse area of 57,000 sq ft, a container yard of 290,000 sq ft, and a domestic warehouse of 96,000 sq ft. Open storage and handling operations for iron ore commenced in 2011.

The Apeejay Infra-Logistics 30-acre logistics park in Orissa State at Kalinganagar, close to the local steel and metals industry, is operational for storage of domestic cargo, and has also been licensed as an ICD to handle export-import cargo. In its initial phase, the facility will have a domestic warehouse of 62,000 sq ft, a bonded warehouse of 21,000 sq ft, and a container yard of 245,000 sq ft.

- Ocean Sparkle Ltd (OSL) is India's leading port operations and marine services company in which Eredene acquired a 7.69% stake for £7.3m in July 2010. It provides support services to incoming and departing ships, such as pilotage, anchoring and berthing, and also undertakes dredging contracts, and is the largest such company in India with a fleet of 96 vessels. OSL achieved gross revenues of £44.8m in 2011-12 compared to £39.5m in the previous year.

- Post year end in July 2012, and following a judgement in its favour by the Company Law Board in Mumbai and an award also in its favour from the London Court of International Arbitration, the Eredene Group settled a long-standing shareholder dispute relating to its investment in Matheran Realty. This allowed the Company to instruct an international real estate firm to find a suitable purchaser for Eredene's



interests in Matheran Realty's subsidiary, Gopi Resorts Pvt Ltd, which is developing a low-cost housing project near Mumbai.

- Construction work on Sribha Infrastructure's office tower in Bangalore remains on hold because of a default by a third party. Eredene has written down its investment from £469,000 to nil and has no further obligations to the project from which there is only a remote chance of realising any value.

INDIA'S ECONOMY

Asia's third-largest economy achieved GDP growth of 6.5% in the fiscal year, but this was well below the target of 9.5%. Growth in the fourth quarter (January-March 2012) was just 5.3%, the lowest in nine years. There were also some unsettling trends on the macroeconomic front. Cargo levels at major ports saw a decline for the first time in a decade. The trade deficit widened in 2011-12 to \$150 billion from \$104 billion in the previous year, and the Indian Rupee fell sharply on the foreign exchange markets. Inflation remained stubbornly high at over 7%, holding the benchmark interest rate at or above 8% for most of the year.

Foreign investor confidence appeared to falter at the drawn-out and very public dispute over taxation between Vodafone and the Indian government and over the uncertainties of new tax rules contained in the latest Finance Bill. There was growing frustration at the apparent failure of the Indian government to bring about reforms to an economy hamstrung by inefficiencies and entrenched interests.

However, India's appetite for investment in infrastructure remained unsated. According to official estimates, the country needs about

\$1 trillion in infrastructure investment over the next five years, of which at least 50% is expected to come from the private sector. Some of this investment will be targeted at the ports and container handling sectors, in which six of Eredene's investee companies operate.

BOARD CHANGES

The Eredene Group's Finance Director Gary Varley, who has been with the Company since its foundation, will be stepping down from the Board on 30 September 2012, and on behalf of the Board I would like to thank him for his invaluable contribution to the Company and wish him success with his future career.

OUTLOOK

With the decision to return surplus cash to shareholders through a proposed share tender offer and to realise its investment in the low-cost housing development, the Eredene Group has embarked on a phase of extracting maximum value from the current portfolio for the benefit of shareholders. The Company is mindful of the need to align its overhead costs with any reduction in the size of the investment portfolio, and looking ahead it is not proposed to re-cycle capital by making any further investments in new projects.

STRUAN ROBERTSON
NON-EXECUTIVE CHAIRMAN
13 JULY 2012



Investment	Amount invested at 31/3/12	Fair Value at 31/3/12	Sector	Location	Progress
1 Sattva CFS & Logistics – Vichoor CFS	£0.7m	£4.1m	Container Logistics	Chennai, Tamil Nadu	Revenue generating & dividend paying
2 Sattva Conware CFS	£3.7m	N/A as subsidiary	Container Logistics	Ennore, Tamil Nadu	Operational & revenue generating
Contrans Logistic	£5.6m	£8.2m			
3 Project One: Pipavav CFS			Container Logistics	Pipavav, Gujarat	Operational & revenue generating
4 Project Two: Baroda CFS			Container Logistics	Baroda, Gujarat	Pre-construction phase
Apeejay Infra-Logistics	£2.4m	£4.8m			
5 Project One: Haldia Logistics Park			Logistics Park	Haldia, West Bengal	Operational & revenue generating
6 Project Two: Kalinganagar Logistics Park			Logistics Park	Kalinganagar, Orissa	Operational & revenue generating
7 MJ Logistic Services	£9.2m	N/A as subsidiary	Warehousing & Third Party Logistics	Northern India	Operational & revenue generating
8 Sribha Infrastructure Solutions	£2.1m	–	Office Infrastructure	Bangalore, Karnataka	Construction halted
9 Matheran Realty & Gopi Resorts	£12.7m	£11.1m	Urban Development	Mumbai region	Construction & taking sales deposits
10 Bay of Bengal Gateway Terminal	£0.9m	–	Container Terminal	Ennore, Tamil Nadu	Pre-construction phase
11 Ocean Sparkle	£7.3m	£8.0m	Marine operations & maintenance	Pan-India	Revenue generating & dividend paying

1 SATTVA CFS & LOGISTICS – VICHOOR CFS



SATTVA

Amount invested to 31 March 2012 £0.7m (for remaining 39% stake)

Ownership stake at 31 March 2012 39%

Realisation proceeds to 31 March 2012 £1.1m (for 10% of Sattva CFS & Logistics)

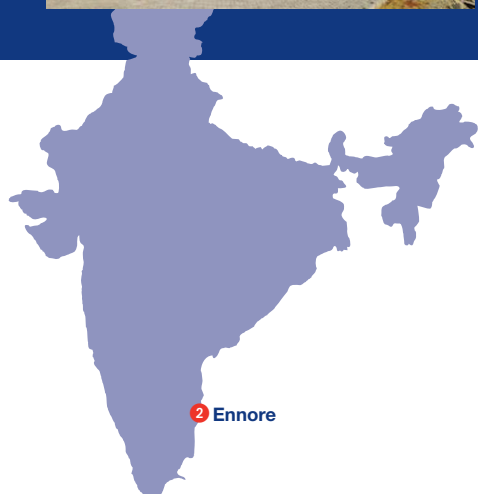
Sector Container Logistics

Location Chennai, Tamil Nadu, South East India

Progress to date Profitable & dividend paying

Investment partner Sattva Business Group www.sattva.in

2 SATTVA CONWARE



SATTVA

Amount invested to 31 March 2012 £3.7m

Ownership stake at 31 March 2012 83%

Sector Container Logistics

Location Ennore, Tamil Nadu, South East India

Progress to date Operational & revenue generating

Investment partner Sattva Business Group www.sattva.in

CONTRANS LOGISTIC PROJECT ONE: PIPAVAV CFS

3

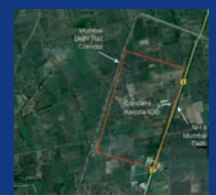
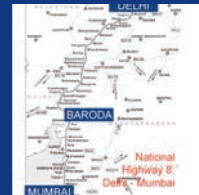
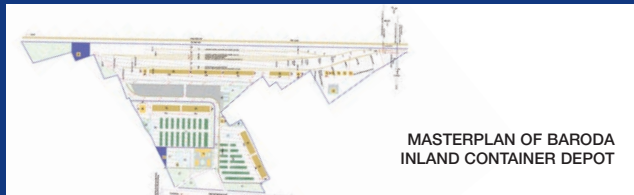


Amount invested in Contrans in total to 31 March 2012	£5.6m
Ownership stake at 31 March 2012	44%
Website	www.contrans.in
Contrans Project One	Pipavav CFS
Sector	Container Logistics
Location	Pipavav, Gujarat, North West India
Progress to date	Operational & revenue generating



CONTRANS LOGISTIC PROJECT TWO: BARODA ICD

4



Contrans Project Two	Baroda ICD
Sector	Container Logistics
Location	Baroda, Gujarat, North West India
Progress to date	Pre-construction phase



5 APEEJAY INFRA-LOGISTICS PROJECT ONE: HALDIA LOGISTICS PARK



Amount invested in Apeejay
Infra-Logistics in total to
31 March 2012

£2.4m

Ownership stake

50%

Investment Partner

Apeejay Surrendra www.apeejaygroup.com

**Apeejay Infra-Logistics
Project One**

Haldia Logistics Park

Sector

Logistics Park

Location

Haldia, West Bengal, East India

Progress to date

Operational & revenue generating

6 APEEJAY INFRA-LOGISTICS PROJECT TWO: KALINGANAGAR LOGISTICS PARK



**Apeejay Infra-Logistics
Project Two**

Kalinganagar Logistics Park

Sector

Logistics Park

Location

Kalinganagar, Orissa, East India

Progress to date

Operational & revenue generating

MJ LOGISTIC SERVICES

7



MJ Logistic Services Ltd.

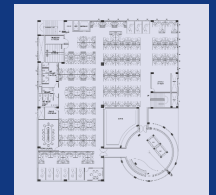


Amount invested to 31 March 2012	£9.2m
Ownership stake at 31 March 2012	88%
Website	www.mjisl.com
Sector	Warehousing & Third Party Logistics
Location	Delhi region, North India
Progress to date	Operational & revenue generating



SRIBHA INFRASTRUCTURE SOLUTIONS

8



Amount invested to 31 March 2012	£2.1m
Ownership stake	36.5%
Investment partner	SGT Global www.sgtglobal.com
Sector	Office Infrastructure
Location	Bangalore, Karnataka, South India
Progress to date	Construction halted



9 MATHERAN REALTY AND GOPI RESORTS



Amount invested in total to
31 March 2012 in Matheran Realty
& Gopi Resorts

£12.7m

Ownership stake at 31 March 2012

- 63% - Matheran Realty Pvt Ltd
– total of direct & indirect stakes
- 32% - Gopi Resorts Pvt Ltd
(MRPL subsidiary) – direct stake

Website

www.tmcity.in

Sector

Urban development

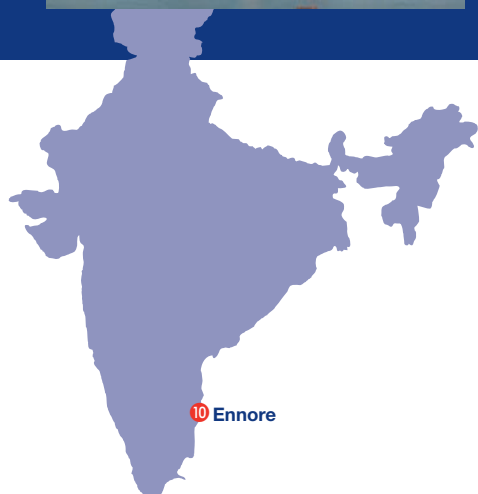
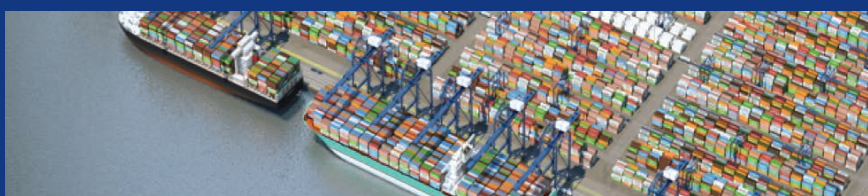
Location

Mumbai region, Maharashtra, West India

Progress to date

Construction and taking sales deposits

10 BAY OF BENGAL GATEWAY TERMINAL (ENNORE CONTAINER TERMINAL)



Amount invested to 31 March 2012

£0.9m

Ownership stake

22%

Lead investment partner

TCB www.gruptcb.com

Sector

Container terminal

Location

Ennore, Tamil Nadu, South East India

Progress to date

Pre-construction phase



Amount invested to 31 March 2012	£7.3m
Ownership stake	8%
Website	www.oceansparkle.com
Sector	Port operations & marine services
Location	Operations at 18 ports Head office – Hyderabad
Progress to date	Profitable & dividend paying



Struan Robertson



Alastair King



Gary Varley



Robert Arnold

Sir Christopher
BensonThe Hon
Charles Cayzer

Paul Gismondi



Nikhil Naik

STRUAN ROBERTSON

NON-EXECUTIVE CHAIRMAN

Struan Robertson is former Executive Chairman of BP Asia Pacific and ex-CEO of Wates Group. Struan was also a non-executive director of Forth Ports plc, which operates seven ports in the UK and was the largest ports company listed on the London Stock Exchange prior to its takeover and delisting. During a career with BP he held a number of senior posts such as Executive Chairman Asia Pacific, Chief Executive Oil Trading International and Chief Executive Malaysia. He is also senior independent non-executive director of Henderson Asian Growth Trust plc and Salamander Energy plc.

ALASTAIR KING

CHIEF EXECUTIVE AND FOUNDER

Alastair King qualified as a solicitor and practiced in London and Central Asia with Baker & McKenzie. From 1999 to 2002, he held several senior positions within SPARK Ventures plc, an early stage technology venture capital investor. From February 2002, he was Managing Director of Galahad Capital plc, then an AIM-quoted cash shell, which completed the acquisition of Shambhala Gold Limited in December 2003 and changed its name to Galahad Gold plc. He holds an MSc in finance from London Business School and founded Eredene Capital PLC in 2005.

GARY VARLEY

FINANCE DIRECTOR

Gary Varley is a Chartered Accountant with board level experience in sectors including private equity and real estate development. He joined PricewaterhouseCoopers in 1994, where he practised in the firm's audit, management consultancy and forensic accounting divisions. As well as a number of board level commercial roles, he was previously a Principal with the AIM quoted venture capital investor SPARK Ventures plc where he sat on the fund's investment committee. Prior to joining Eredene on its formation, he was Finance Director of Nicholas King Homes plc.

ROBERT ARNOLD

NON-EXECUTIVE DIRECTOR

Robert Arnold is an experienced insurance industry professional having spent many years as a partner with the global insurance broker, Willis Faber & Dumas. Mr Arnold was also a Board Director of Allianz Portugal.

SIR CHRISTOPHER BENSON

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Sir Christopher Benson gained significant development experience with Arndale and thereafter became Managing Director of MEPC. He has been chairman of MEPC, Royal & Sun Alliance, The Boots Co., Costain and Albright & Wilson. He was also chairman of the London Docklands Development Corporation.

THE HON CHARLES CAYZER

NON-EXECUTIVE DIRECTOR

Charles Cayzer is an Executive Director of Caledonia Investments plc, one of the largest Investment Trusts listed on the London Stock Exchange. Charles was appointed a director of Caledonia in 1985, where he has responsibility for Caledonia's real estate investments. Charles is senior independent non-executive director of London & Stamford Property plc and non-executive director of Quintain Estates & Development plc.

PAUL GISMONDI

NON-EXECUTIVE DIRECTOR

Paul Gismondi is a Managing Director of Lazard & Co. where his main focus has been providing advice to the firm's clients on all forms of public and private equity and equity-linked financings. He is a Non-Executive Director of Hampson Industries Plc and formerly of Delta Plc and Panmure Gordon & Co.

NIKHIL NAIK

NON-EXECUTIVE DIRECTOR

Nikhil Naik heads Eredene Capital PLC's advisory team in India. He was until March 2006 Regional Director of P&O in India and he has a successful record in sourcing and managing large infrastructure projects throughout South Asia. An Indian national, Mr Naik led P&O's activities in South Asia for two years. He was an employee of P&O for 10 years during which he held a number of senior positions, including that of CEO of Mundra International Container Terminal at Mundra Port, a substantial port operator in Western India.

The directors present their report together with the audited financial statements for the year ended 31 March 2012.

RESULTS AND DIVIDENDS

The income statement is set out on page 19 and shows the result for the period.

The directors do not recommend the payment of a dividend (2011: Nil).

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Business review and principal activities

The Group makes private equity investments in infrastructure related companies in India, further detailed information on which is provided in the Chairman's Statement and Investment Portfolio Summary on pages 2 to 13.

The results for the Group show a loss for the period of £6.0m (2011: profit £1.9m). As at 31 March 2012, the Group had a Net Asset Value ("NAV") attributable to equity shareholders of £87.4m (2011: £65.4m), representing 19.6p per share (2011: 23.3p).

As an investment company, Eredene's performance is primarily judged by the change in its net asset value per share rather than non-financial indicators. Eredene's NAV per share has fallen by 15.9% in the year to 31 March 2012 which was more than the 2.2% fall in the FTSE All Share index. Of the 3.7p decline in NAV per share, 2.1p was due to the dilutionary effects of the placing of £30m of shares at 18p per share. A further 1.5p was due to the negative movement in the value of the Indian Rupee against Sterling – the value of Eredene's investments having increased in Rupee terms but having decreased after the effect of the 14.3% decline in the Rupee exchange rate.

Eredene raised £30m (before expenses) in May 2011 by way of a placing of 166,666,667 new Ordinary Shares at a price of 18 pence per share, which was at a small premium to the then market price. The placing was supported by a number of Eredene's largest shareholders and by some major new investors.

Investing Policy

Eredene Capital PLC is an equity investor in Indian infrastructure operating companies and holds its investments as part of an investment portfolio. The Company may invest through its own funds or potentially through funds that it manages. Its investment portfolio includes minority stakes which are accounted for as investments and direct majority stakes which are consolidated. It has no restrictions or maximum exposure limits on its investments and would intend, on average, to hold its investments for at least seven years until the

underlying business reached full maturity. Its current investment policy, as approved at the 2011 General Meeting, is focused on:

- Indian infrastructure – primarily investment in Ports and Port Services, Logistics and Warehousing, Transportation and Real Estate sectors.
- Investment in businesses with a potential to generate substantial capital growth providing a long-term capital appreciation and a steady dividend yield.
- Target individual investments up to US\$35 million and equity holdings of greater than 20%.
- Active role in investments through board participation and by sourcing experienced and trusted local partners. The management team of Eredene has significant experience in the target sectors.
- Investment in a diversified portfolio of infrastructure assets and further diversification via balanced regional geographical exposure within India with a range of co-investment partners.
- Gearing utilised at investee company level.
- Generating management and performance fees in return for the investment and management of third party funds.

Principal risks and uncertainties

The execution of the Group's strategy is subject to a number of risks and uncertainties which include:

- Infrastructure investments are early stage, long-term, illiquid investments and so the Group may not be able to exit at the time and at the price which it had forecast. The Group seeks to mitigate those risks by diversifying its portfolio across different sectors, different cities in India and different partners.
- Investment in India is subject to a number of government rules and regulations governing foreign investment and taxation and changes in those rules may adversely affect the Group's investments. The Group monitors this risk by seeking advice from specialist lawyers and tax advisors in India and by structuring its investments accordingly.
- The Group places its funds with financial institutions and so is exposed to credit risk. The Group manages that risk by placing funds primarily with institutions with a Standard & Poors credit rating of AA- or higher.

REPORT OF THE DIRECTORS

for the year ended 31 March 2012

- The Group receives interest income on its variable rate bank balances and fixed rate treasury deposits. A reduction in interest rates would reduce the Group's interest income.
- The Group invests in Indian companies and the fair value of those investments is denominated in Indian Rupees. A movement in foreign exchange rates would affect the carrying value of those investments and the unrealised gain or loss.
- The Group's investee companies are, in certain cases, dependent on bank financing and that financing may be difficult to obtain or renew on acceptable commercial terms.
- The Company is subject to the UK Bribery Act 2010 and operates in a jurisdiction which has a higher perceived risk of corruption. The Company has adopted an Anti-Corruption and Bribery policy following consultation with its lawyers and taken appropriate measures to ensure that it has effective procedures in place to prevent corruption and bribery. This policy and the procedures underpinning it have been communicated to all directors, officers, employees and agents of the Company.

The Board will continue to monitor and, where possible, control the risks and uncertainties which could affect the business.

DIRECTORS

The directors of the Company during the period were:

R J Arnold
 Sir C J Benson
 The Hon C W Cayzer
 P A Gismondi
 A J N King
 N M Naik
 D D S Robertson
 G D Varley

FINANCIAL INSTRUMENTS

Details of the use of financial instruments by the Company and its subsidiary undertakings are contained in note 17 of the financial statements.

POLICY AND PRACTICE ON THE PAYMENT OF CREDITORS

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

The number of average days purchases of the Company represented by trade creditors at 31 March 2012 was 7 days (2011: 37 days).

GOING CONCERN

The directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

AUDITORS

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP has expressed its willingness to continue in office and a resolution to re appoint it will be proposed at the annual general meeting.

By order of the Board

G D VARLEY
COMPANY SECRETARY
13 JULY 2012

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

REPORT OF THE INDEPENDENT AUDITORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EREDENE CAPITAL PLC

We have audited the financial statements of Eredene Capital PLC for the year ended 31 March 2012 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections Chapter 3 of Part 16 of the Companies Act 2006. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THOMAS EDWARD GOODWORTH
(SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF BDO LLP,
STATUTORY AUDITOR
LONDON
UNITED KINGDOM
13 JULY 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2012

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Portfolio return and revenue			
Realised profits over fair value on disposal of investments		134	–
Unrealised adjustments on the revaluation of investments	12	(2,882)	4,921
Other portfolio income		93	55
		(2,655)	4,976
Revenue from services		3,957	3,468
Cost of sales for services		(3,005)	(2,621)
Gross profit		952	847
Gross (loss)/profit and net portfolio return		(1,703)	5,823
Administrative expenses		(4,014)	(3,787)
Finance income	7	404	128
Finance costs	7	(709)	(701)
(Loss)/profit before taxation	4	(6,022)	1,463
Taxation credit	8	29	404
(Loss)/profit after taxation		(5,993)	1,867
Other comprehensive losses			
Foreign currency translation		(1,778)	(537)
Total comprehensive (loss)/income for the period		(7,771)	1,330
(Loss)/profit attributable to:			
Owners of the parent company		(5,954)	1,936
Non-controlling interests (NCI)		(39)	(69)
		(5,993)	1,867
Total comprehensive (loss)/income attributable to:			
Owners of the parent company		(7,501)	1,247
Non-controlling interests		(270)	83
		(7,771)	1,330
(Loss)/earnings per share			
Basic and diluted	9	(1.39)p	0.69p

The notes on pages 23 to 37 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

at 31 March 2012

	Note	31 March 2012 £'000	31 March 2011 £'000
Non-current assets			
Property, plant and equipment	10	15,913	16,614
Investments held at fair value through profit or loss	12	36,129	39,713
Intangible assets	11	953	1,095
Deferred income tax asset		6	37
Other receivables	14	109	29
		53,110	57,488
Current assets			
Trade and other receivables	14	961	942
Cash and cash equivalents		41,839	15,558
		42,800	16,500
Total assets		95,910	73,988
Current liabilities			
Trade and other payables	15	(442)	(630)
Current income tax liabilities		(6)	(6)
Borrowings	16	(798)	(508)
Provisions	18	(362)	–
Non-current liabilities			
Borrowings	16	(5,294)	(5,565)
Provisions	18	–	(12)
Total liabilities		(6,902)	(6,721)
Total net assets		89,008	67,267
Equity			
Share capital	19	44,691	28,024
Share premium	20	16,268	3,441
Special reserve	20	32,826	32,826
Foreign exchange (deficit)/reserve	20	(256)	1,291
Retained deficit	20	(6,121)	(185)
Capital and reserves attributable to equity shareholders of the company		87,408	65,397
Non-controlling interests		1,600	1,870
Total equity		89,008	67,267

The financial statements were approved by the Board of Directors and authorised for issue on 13 July 2012.

A J N KING

DIRECTOR

Eredene Capital PLC
Company No. 5330839

The notes on pages 23 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2012

	Share capital £'000	Share premium £'000	Special reserve £'000	Foreign exchange reserve £'000
Year ended 31 March 2012				
As at 1 April 2011	28,024	3,441	32,826	1,291
Loss for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	(1,547)
Total comprehensive income for the period	-	-	-	(1,547)
Share based payment	-	-	-	-
Shares issued net of issue costs	16,667	12,827	-	-
As at 31 March 2012	44,691	16,268	32,826	(256)

Year ended 31 March 2011				
As at 1 April 2010	28,024	3,441	32,826	1,739
Profit for the period	-	-	-	-
Other comprehensive income for the period	-	-	-	(448)
Total comprehensive income for the period	-	-	-	(448)
Share based payment	-	-	-	-
NCl on dilution of shareholding	-	-	-	-
As at 31 March 2011	28,024	3,441	32,826	1,291

	Retained deficit £'000	Shareholders' equity £'000	Non- controlling interest £'000	Total equity £'000
Year ended 31 March 2012				
As at 1 April 2011	(185)	65,397	1,870	67,267
Loss for the period	(5,954)	(5,954)	(39)	(5,993)
Other comprehensive income for the period	-	(1,547)	(231)	(1,778)
Total comprehensive income for the period	(5,954)	(7,501)	(270)	(7,771)
Share based payment	18	18	-	18
Shares issued net of issue costs	-	29,494	-	29,494
As at 31 March 2012	(6,121)	87,408	1,600	89,008

Year ended 31 March 2011				
As at 1 April 2010	(1,663)	64,367	1,558	65,925
Profit for the period	1,935	1,935	(69)	1,866
Other comprehensive income for the period	(240)	(688)	152	(536)
Total comprehensive income for the period	1,695	1,247	83	1,330
Share based payment	33	33	-	33
NCl on dilution of shareholding	(250)	(250)	229	(21)
As at 31 March 2011	(185)	65,397	1,870	67,267

The notes on pages 23 to 37 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2012

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Cash flow from operating activities			
(Loss)/profit before taxation		(6,022)	1,463
Adjustments for:			
Finance income		(405)	(128)
Dividend income		(93)	(55)
Realised profits over fair value on disposal of investments		(134)	–
Unrealised adjustments on the revaluation of investments		2,883	(4,921)
Share based payment charge		18	33
Foreign exchange differences		(5)	542
Depreciation		284	305
Amortisation		25	25
(Increase)/decrease in trade and other receivables		(82)	88
Decrease in trade and other payables		(187)	(82)
Increase in provisions		350	3
Taxation paid		(1)	(59)
Net cash used in operating activities		(3,369)	(2,786)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,658)	(927)
Disposal of property, plant and equipment		18	–
Purchase of investments		(246)	(8,451)
Disposal of investments		1,080	–
Interest received		389	139
Dividends received		93	55
Net cash used in investing activities		(324)	(9,184)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		29,493	–
Proceeds from issue of shares in subsidiary to NCI		–	36
Proceeds from borrowings		778	548
Net cash generated from financing activities		30,271	584
Net increase/(decrease) in cash and cash equivalents		26,578	(11,386)
Cash and cash equivalents at the beginning of the period		15,558	27,591
Exchange losses		(297)	(647)
Cash and cash equivalents at the end of the period	24	41,839	15,558

The notes on pages 23 to 37 form part of these financial statements.

1. ACCOUNTING POLICIES

Eredene Capital PLC (the "Company") is a company incorporated and domiciled in the United Kingdom and quoted on the London Stock Exchange's AIM market. The consolidated financial statements of the Group for the year ended 31 March 2012 comprise the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use in the EU ("IFRS"). The Company has elected to prepare its parent Company financial statements in accordance with UK GAAP. These are presented on pages 38 to 41.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

The financial statements are presented in pounds sterling. They have been prepared on the historical cost basis, except for the revaluation of certain investments.

New accounting standards and changes to existing accounting standards

i. Standards and interpretations effective in current period:

Revised IAS 24 Related Party Disclosures

Improvements to IFRSs (2010)

ii. Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group:

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods commencing on or after 1 April 2012 or later periods, but they have not been early adopted:

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

Presentation of items of other Comprehensive Income (Amendments to IAS 1)

IFRS 9 Financial Instruments

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interest in other Entities

IFRS 13 Fair Value Measurement

IAS 19 Employee Benefits

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Annual Improvements to IFRSs (2009 – 2011 cycle)

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

Disclosures – Transfers of Financial Assets (Amendments to IFRS 7)

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiary undertakings. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The results of any subsidiaries sold or acquired are included in the Group income statement up to, or from, the date control passes. Intra-Group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary, all of the subsidiary's separable, identifiable assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date. On disposal of a subsidiary, the consideration received is compared with the carrying cost at the date of disposal and the gain or loss is recognised in the income statement. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets is recorded as goodwill. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Subsidiaries' results are amended where necessary to ensure consistency with the policies adopted by the Group.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets and allocated from the acquisition date to each of the Group's cash generating units ("CGU") that are expected to benefit from the business combination. Goodwill may be allocated to CGUs in both the acquired business and in the existing business. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Acquired intangible assets

Intangible assets, other than goodwill, that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. The pipeline of investments acquired is amortised over the period in which gains or losses on the investments made from the pipeline are expected to be realised of ten years. The amortisation charge for the period is included within administrative expenses.

Impairment of intangible assets (including goodwill)

Goodwill is not subject to amortisation but is tested for impairment annually and whenever events or circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment when events or a change in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

1. ACCOUNTING POLICIES (CONTINUED)

value in use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are identifiable cash flows (i.e. cash generating units).

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and impairment. Depreciation on property plant and equipment is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. It is calculated at the following rates:

Fixtures and fittings	–	6-20% per annum straight line basis
Office equipment	–	5-33% per annum straight line basis
Buildings	–	3-22% per annum straight line basis
Vehicles and machinery	–	5-10% per annum straight line basis

Financial assets

• Investments held at fair value through profit or loss

Investments in which the Group has a long-term interest and over whose operating and financial policies it exerts significant influence, but which are held as part of an investment portfolio, the value of which is through their marketable value as part of a basket of investments, are not regarded as joint ventures or associated undertakings. The treatment adopted is in accordance with IAS 39 'Financial Instruments: Recognition and Measurement' and the exemptions applying to venture capital organisations in IAS 28 'Investments in Associates' and IAS 31 'Interests in Joint Ventures'.

These investments are measured at fair value through profit or loss. Gains and losses arising from changes in the fair value of these investments, including foreign exchange movements, are included in profit or loss for the period.

Unquoted investments are valued using appropriate valuation methodologies, based on the International Private Equity and Venture Capital Guidelines, which reflect the price at which an orderly transaction would take place between knowledgeable and willing market participants.

• Loans and receivables

Other receivables

Other receivables are recognised and carried at amortised cost less an allowance for any uncollectible amounts. Unless otherwise indicated, the carrying amount of the group's financial assets are a reasonable approximation to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

Financial liabilities held at amortised cost

Borrowings

Borrowings are recognised initially at fair value. Borrowings are subsequently carried at amortised cost.

Trade and other payables

Trade payables and other payables are recognised and carried at amortised cost and are a short term liability of the Group.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the date the fair value was determined.

On consolidation, the assets and liabilities of the Group's overseas subsidiaries are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and translated to a foreign exchange reserve.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of the instruments are recognised immediately in the income statement.

Portfolio return and revenue

Change in fair value of equity investments represents revaluation gains and losses on the Group's portfolio of investments.

Dividends receivable from equity shares are included within other portfolio income and recognised on the ex-dividend date or, where no ex-dividend date is quoted, are recognised when the Group's right to receive payment is established.

Revenue from services comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. This is primarily the provision of storage and transportation services, for which revenue is recognised on provision of services and dispatch of goods. Revenue is shown net of sales tax, returns, rebates and discounts.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is determined using an option pricing model and charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Where equity instruments are granted to persons other than employees, the income statement is charged with fair value of goods and services received. If it is not possible to identify the fair value of these goods or services provided, the income statement is charged with the fair value of the options granted.

1. ACCOUNTING POLICIES (CONTINUED)

Deferred tax

Deferred tax expected to be payable or recoverable on differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that at the time of the transaction, affects neither the taxable profit nor the accounting profit. Deferred tax is calculated at the rates of taxation enacted or substantively enacted at the balance sheet date.

Pension costs

The Company contributes to directors' personal money-purchase pension schemes. Contributions are charged to the income statement in the period in which they become payable.

National Insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved schemes, provision for any national insurance contributions has been made based on the prevailing rate of national insurance. The provision is accrued over the performance period attaching to the award.

Operating leases

Operating lease rentals are charged to the income statement on a straight-line basis over the term of the lease.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements.

Accounting for investments

Investments in which the Group has a long-term interest and over whose operating and financial policies it exerts significant influence, but which are held as part of an investment portfolio, the value of which is through their marketable value as part of a basket of investments, are not regarded as joint ventures or associated undertakings. The treatment adopted is in accordance with IAS 39 'Financial Instruments: Recognition and Measurement' and the exemptions applying to venture capital organisations in IAS 28 'Investments in Associates' and IAS 31 'Interests in Joint Ventures'.

Value of investments

The Group's investments held at fair value through profit or loss are valued based on the International Private Equity and Venture Capital Guidelines. An independent valuer, Grant Thornton India, was engaged to value the investments under those Guidelines. The valuations are made based on market conditions and information about the investment. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g interest rates, volatility and estimated cash flows). See note 12 for details of the valuation methodologies employed.

Impairment of goodwill

The Group is required to test whether goodwill has suffered any impairment on at least an annual basis. The recoverable amount is determined using value in use calculations. The use of this method requires the estimation of future cash flows and the selection of a suitable discount rate in order to calculate the present value of these cash flows.

3. SEGMENTAL ANALYSIS

The Group's only segment is private equity investment in India. The Group's revenue, profit before taxation and net assets are attributable to this single activity.

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Revenue from services	3,957	3,468
Other portfolio income	93	55
Revenue – all India based	4,050	3,523
Non-current assets – India based	16,974	17,732
Non-current assets – UK based	1	5

The Group's subsidiary, MJ Logistic Services Pvt Ltd, is dependent on two customers who each represent more than 10% of Group revenues with one customer representing £1.5m of revenue (2011: £1.4m) and the other £1.4m of revenue (2011: £1.2m).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

4. (LOSS)/PROFIT BEFORE TAXATION

This is arrived at after charging/(crediting):

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Staff costs (see note 5)	832	924
Depreciation of tangible fixed assets	284	305
Amortisation of intangible fixed assets	25	25
Foreign exchange (gains)/losses	(5)	542
Auditors' remuneration		
– audit services	65	63
– non-audit services		
– tax advisory	2	2
– other services	39	9

5. EMPLOYEES

Staff costs consist of:

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Wages and salaries	737	792
Equity settled share-based payments	15	32
Social security costs	45	62
Other pension costs	35	38
	832	924

The average number of employees and directors during the period was as follows:

	Year ended 31 March 2012	Year ended 31 March 2011
Management and administration	24	24
Warehouse and distribution	33	35
	57	59

The Group's Indian subsidiary investment MJ Logistic Services Ltd represents 14 of the management and administrative staff (2011: 16) and all 33 of the warehouse and distribution staff (2011: 35).

6. DIRECTORS' REMUNERATION

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Directors' emoluments	556	460
Social security costs	34	36
Company contributions to directors' money purchase pension schemes	35	29
Share based payment	15	27
	640	552

Year ending 31 March 2012

	Fees and salaries £'000	Benefits £'000	Pension contribu- tions £'000	Total £'000
Executive directors				
A J N King	189	5	19	213
G D Varley	159	5	16	180
Non-executive directors				
R J Arnold	35	–	–	35
Sir C J Benson	35	–	–	35
The Hon C W Cayzer	35	–	–	35
P A Gismondi	35	–	–	35
N M Naik	–	–	–	–
D D S Robertson	68	–	–	68
	556	10	35	601

Year ending 31 March 2011

	Fees and salaries £'000	Benefits £'000	Pension contribu- tions £'000	Total £'000
Executive directors				
A J N King	173	5	17	195
G D Varley	115	5	12	132
Non-executive directors				
R J Arnold	20	–	–	20
Sir C J Benson	35	–	–	35
The Hon C W Cayzer	35	–	–	35
D A Coltman	50	–	–	50
P A Gismondi	20	–	–	20
N M Naik	–	–	–	–
D D S Robertson	2	–	–	2
	450	10	29	489

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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6. DIRECTORS' REMUNERATION (CONTINUED)

Directors' share options	Options at 1/4/11	Transferred in the period	Options at 31/3/12
Executive directors			
A J N King	8,399,198	–	8,399,198
G D Varley	3,342,960	–	3,342,960
Non-executive directors			
D A Coltman	1,000,000	(1,000,000)	–
N M Naik	6,150,000	–	6,150,000
	18,892,158	(1,000,000)	17,892,158

No share options were granted or exercised in the period. The 1,000,000 share options held by Mr Coltman were transferred during the period to Mr Coltman's wife, prior to his death.

See note 21 for further details on the Company's share option schemes.

The Group made contributions to two directors' own money purchase pension schemes in the year (2011: 2).

Included in the directors' emoluments figure is an amount of £35,000 (2011: £35,000) paid to Caledonia Group Services Limited for the services of the Hon C Cayzer as a non-executive director. Caledonia Group Services is a subsidiary of Caledonia Investments plc which is a shareholder in the Company. The Cayzer Trust Company is a related party to Caledonia Investments plc and is a shareholder in that company. The Hon C Cayzer, who is a director of the Company, is a director and has a beneficial interest in both Caledonia Investments plc and the Cayzer Trust Company Limited.

7. FINANCE INCOME AND FINANCE COSTS

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Interest receivable on bank deposits	404	128
	709	701

The finance costs were incurred by the Group's Indian subsidiaries, MJ Logistic Services Ltd and Sattva Conware Pvt Ltd.

8. TAXATION

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Recognised in the income statement:		
Current tax expense		
UK corporation tax	–	–
Adjustment to provision for prior period	–	(415)
Deferred tax		
Movement in deferred tax asset	(29)	11
Income tax credit	(29)	(404)

The tax assessed for the period differs from the standard rate of corporation tax in the UK applied to the Group profit before tax. The differences are explained below:

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
(Loss)/profit on ordinary activities before tax	(6,022)	1,463

(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK for the period of 26.0% (2011: 28.0%)

	(1,566)	410
Effects of:		
Expenses not deductible for tax purposes	229	107
Adjustment to capitalised expenses deductible for tax purposes	(29)	11
Depreciation less than capital allowances	1	2
Non-taxable losses/(gains) on investments	715	(1,378)
Non-UK recoverable overseas losses	350	331
Non-taxable dividend income	(24)	(15)
Tax losses carried forward	302	544
Non-taxable finance income	(7)	(1)
Adjustment to provision for prior period	–	(415)
Tax credit for period	(29)	(404)

The change in the tax rate applied compared to the previous year reflects the reduction in the UK corporation tax rate from 1 April 2011.

Deferred tax

No deferred tax asset has been recognised on unutilised taxable losses due to lack of certainty that taxable profits will be available against which deductible temporary differences can be utilised. The unutilised tax losses carried forward are £4.7m (2011: £3.5m).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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9. EARNINGS PER SHARE AND NET ASSETS PER SHARE

The calculation of the basic earnings per share is based on the loss for the period attributable to equity shareholders of £6.0m (2011: profit of £1.9m) and the weighted average number of shares in issue during the period of 427,781,015 (2011: 280,240,031). 23.9 million shares under option (2011: 18.2 million) were non-dilutive due to the loss for the period.

The calculation of net asset value per share is based on the net assets attributable to equity shareholders of £87.4m (2011: £65.4m) and the number of shares in issue at the period end of 446,906,698 (2011: 280,240,031).

10. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings £'000	Vehicles & machin- ery £'000	Fixtures & fittings £'000	Office equip- ment £'000	Total £'000
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Year ending 31 March 2012

Cost

At 1 April 2011	13,932	2,454	545	88	17,019
Additions	1,322	232	70	34	1,658
Disposals	–	(26)	–	–	(26)
Exchange differences	(1,740)	(307)	(69)	(6)	(2,122)
At 31 March 2012	13,514	2,353	546	116	16,529

Depreciation

At 1 April 2011	172	138	49	46	405
Provided for in the period	128	114	32	10	284
Disposals	–	(6)	–	–	(6)
Exchange differences	(31)	(25)	(9)	(2)	(67)
At 31 March 2012	269	221	72	54	616

Net book value

At 31 March 2012	13,245	2,132	474	62	15,913
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Year ending 31 March 2011

Cost

At 1 April 2010	15,169	1,151	406	89	16,815
Additions	473	286	163	5	927
Disposals	–	–	(7)	(4)	(11)
Reallocations	(1,066)	1,066	–	–	–
Exchange differences	(644)	(49)	(17)	(2)	(712)
At 31 March 2011	13,932	2,454	545	88	17,019

Depreciation

At 1 April 2010	37	25	20	37	119
Provided for in the period	137	116	38	14	305
Disposals	–	–	(7)	(4)	(11)
Exchange differences	(2)	(3)	(2)	(1)	(8)
At 31 March 2011	172	138	49	46	405

Net book value

At 31 March 2011	13,760	2,316	496	42	16,614
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11. INTANGIBLE ASSETS

	Goodwill £'000	Acquired Intangible Asset £'000	Total £'000
Year ending 31 March 2012			
Cost			
At 1 April 2011	942	245	1,187
Exchange differences	(118)	–	(118)
At 31 March 2012	824	245	1,069
Aggregate amortisation and impairment			
At 1 April 2011	–	92	92
Amortisation charge for period	–	24	24
At 31 March 2012	–	116	116
Net book value			
At 31 March 2012	824	129	953

Year ending 31 March 2011

Cost

At 1 April 2010	984	245	1,229
Exchange differences	(42)	–	(42)
At 31 March 2011	942	245	1,187

Aggregate amortisation and impairment

At 1 April 2010	–	67	67
Amortisation charge for period	–	25	25
At 31 March 2011	–	92	92

Net book value

At 31 March 2011	942	153	1,095
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Acquired intangible asset

In June 2007, Eredene acquired Aboyne Mauritius Limited ('Aboyne Mauritius') for the sum of £245,000. The assets acquired by Eredene were a deal pipeline of potential projects and Eredene has subsequently invested in a number of those projects via Aboyne Mauritius.

The pipeline of investments acquired is amortised over the period in which gains or losses on the investments made from the pipeline are expected to be realised of ten years. The amortisation charge for the period is included within administrative expenses. There was 5.25 years of further amortisation remaining at 31 March 2012. There were no events or changes in circumstances during the period which indicated that the carrying amount may not be recoverable.

Goodwill

Goodwill arose on the acquisition of MJ Logistic Services Ltd on 7 January 2008. The recoverable value of goodwill has been determined using value in use calculations based on cash flow projections in respect of the cash generating unit towards which the goodwill was allocated. The goodwill arising in the period was allocated in full towards the Group's subsidiary, MJ Logistic Services Ltd.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

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11. INTANGIBLE ASSETS (CONTINUED)

The following key assumptions were used to determine value in use:

	At 31 March 2012	At 31 March 2011
Discount factor	16.9%	16.9%
Perpetuity growth rate	4%	4%

The assumptions used in the calculation were based on past experience and forecasts of future performance. The cashflow projection was based on a period which commenced on 1 April 2012 and continued for five years. The calculation of value in use determined that there was no impairment of goodwill during the period.

The key assumptions used in the value in use calculation were:

- Revenue growth rates.
- Gross margin.
- Operating expenses.
- Discount rate.
- Growth rate used to extrapolate cash flows beyond the five year period covered by management's projections.

Projections were denominated in the same currency as the denomination of the goodwill balance to eliminate the effect of fluctuating exchange rates. Revenue growth rates used in management's projections are based on management's estimate of growth in the markets served, taking into account the current economic uncertainties. Gross margins and operating expenses are based on historical values and future expected values. The discount rate applied to the cash flows is based on a risk free rate adjusted for a risk premium to reflect both the increased risk associated with investing in equities and the systematic risk of the specific cash-generating unit. Long term growth rate is based upon the expected growth rate for the industry and the Indian economy.

Sensitivity analysis has determined that no reasonably possible change in the key assumptions used will result in significant impairment and that there is sufficient headroom in all of the key assumptions before the carrying value becomes impaired.

12. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group has the following investments held at fair value through profit or loss, all of which are incorporated in India:

	Class of shares held	Net Assets £'000	Profit/ (loss) before tax £'000	Date of financial state- ments	% held 31 March 2012	% held 31 March 2011
Apeejay Infra-Logistics Pvt Ltd	Ord.	4,904	2	31/3/11	50%	50%
Matheran Realty Pvt Ltd	A	11,360	(71)	31/3/11	63%	63%
Gopi Resorts Pvt Ltd	A & B	1,747	(582)	31/3/11	75%	75%
Contrans Logistic Pvt Ltd	Ord.	7,030	(50)	31/3/11	44%	44%
Sattva CFS & Logistics Pvt Ltd	Ord.	2,843	798	31/3/11	39%	49%
Sribha Infrastructure Solutions Co Pvt Ltd	Ord.	303	(63)	31/3/08	37%	37%
Bay of Bengal Gateway Terminal Pvt Ltd	Ord.	3,048	(126)	31/3/11	22%	22%
Ocean Sparkle Ltd	Ord.	45,604	7,403	31/3/11	8%	8%

The Group's investment in Matheran Realty Pvt Ltd ("Matheran") at 31 March 2012 is held through a direct holding of 45% in Matheran and an indirect holding of 18% via the Group's 44% holding in Alibante Developments Ltd which itself held 42% of Matheran. The Group's investment in Gopi Resorts Pvt Ltd ("Gopi") is held through a direct holding of 32% in Gopi and an indirect holding of 43% via Matheran's stake of 68% in Gopi.

Whilst the Group has effective stakes in Matheran and Gopi in excess of 50%, those holding are comprised of the above minority stakes which do not provide the Group with control of those entities. As a result the Group has accounted for Matheran and Gopi as investments held at fair value rather than as subsidiaries as the Group does not control Matheran or Gopi.

Details of the Group's subsidiaries are provided in note 4 to the Company financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

12. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

At 31 March 2012 the cost and valuation of the Group's investments was as follows:

	Historical Cost at 31/3/12 £'000	Prior periods Fair Value adjustments £'000	Fair value adjustment on shares disposed £'000	Fair value adjustments 1/4/11 – 31/3/12 £'000	Fair value at 31/3/12 £'000
Apeejay Infra-Logistics	2,442	2,658	–	(331)	4,769
Matheran Realty	10,128	(1,610)	–	(571)	7,947
Gopi Resorts	2,542	825	–	(181)	3,186
Contrans Logistic	5,572	2,594	–	37	8,203
Sattva CFS & Logistics	697	3,760	(765)	377	4,069
Sribha Infrastructure	2,126	(1,656)	–	(470)	–
Bay of Bengal GT	940	3	–	(943)	–
Ocean Sparkle	7,343	1,412	–	(800)	7,955
	31,790	7,986	(765)	(2,882)	36,129

At 31 March 2011 the cost and valuation of the Group's investments was as follows:

	Historical Cost at 31/3/11 £'000	Prior periods Fair Value adjustments £'000	Fair value adjustments 1/4/10 – 31/3/11 £'000	Fair value at 31/3/11 £'000
Apeejay Infra-Logistics	2,196	2,289	369	4,854
Matheran Realty	10,128	(2,041)	431	8,518
Gopi Resorts	2,542	658	167	3,367
Contrans Logistic	5,572	1,448	1,146	8,166
Sattva CFS & Logistics	880	2,346	1,414	4,640
Sribha Infrastructure	2,126	(1,635)	(21)	470
Bay of Bengal GT	940	–	3	943
Ocean Sparkle	7,343	–	1,412	8,755
	31,727	3,065	4,921	39,713

The Group's holdings in the above investments are all held by wholly owned intermediate Mauritian registered holding companies except for Bay of Bengal Gateway Terminal Pvt Ltd which is directly owned by Eredene Capital PLC.

The Group disposed of a stake of 10% of Sattva CFS & Logistics in January 2012, leaving the Eredene Group with a remaining stake of 39%.

The investments were independently valued at 31 March 2012 by Grant Thornton India, with the exception of Bay of Bengal Gateway Terminal Pvt Ltd as explained below. The investments are valued using appropriate valuation methodologies, in accordance with the International Private Equity and Venture Capital Guidelines endorsed by the British & European Venture Capital Associations, which reflect the amount for which an asset could be exchanged between knowledgeable, willing parties on an arm's length basis. The companies in which the Group has invested are at various stages of development. The methodologies used in the valuation of these investments include Earnings Multiples, Net Assets and Discounted Cash Flow.

Earnings Multiple – this methodology involves the application of an earnings multiple to the earnings of the business being valued in order to derive a value for the business. This methodology is appropriate where the business has an identifiable stream of continuing earnings that can be considered to be maintainable. A number of earnings multiples may be used including price/earnings and enterprise value/earnings before interest, tax, depreciation and amortisation.

Net Assets – this methodology involves deriving the value of a business by reference to the value of its assets. The assets and liabilities may be adjusted to reflect the fair value of those assets and liabilities as at the valuation date.

Discounted Cash Flow – this methodology involves deriving the value of a business by calculating the present value of expected future cash flows. The cash flows and the terminal value are those of the underlying business rather than from the investment itself. A suitable discount rate is estimated based on the weighted average cost of capital of the business.

The actual methodologies used vary from investment to investment with the independent valuers applying an appropriate methodology based on the particular circumstances of the underlying business.

The investment in Bay of Bengal Gateway Terminal Pvt Ltd ("BoB GT") was valued based on a directors' valuation as there was a material negative event after Grant Thornton had completed their valuation, being the forfeiture of BoB GT's consortium's bid guarantee. The directors' are of the opinion that it is probable that this will lead to the termination of BoB GT's concession to construct the new container terminal at Ennore Port and so may leave no material recoverable value in the BoB GT investment.

The movements in non-current investments were as follows:

	£'000
Carrying value at 31 March 2010	26,341
Purchases, at cost	8,451
Fair value adjustment	4,921
Carrying value at 31 March 2011	39,713
Purchases, at cost	246
Fair value adjustment	(2,882)
Less fair value of disposals	(948)
Carrying value at 31 March 2012	36,129

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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13. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The Group had the following principal subsidiaries during the period:

Company name	Nature of business	Country of Incorporation	Class of shares held	Ownership	
				31/3/2012	31/3/2011
MJ Logistic Services Ltd	Distribution warehousing	India	Ordinary	88%	88%
Sattva Conware Pvt Ltd	Container freight station	India	Ordinary	83%	83%

The Group's holdings in the above subsidiaries are both held by wholly owned intermediate Mauritian registered holding companies.

14. TRADE AND OTHER RECEIVABLES

	31 March 2012 £'000	31 March 2011 £'000
Amounts falling due within one year:		
Trade receivables	671	431
Other receivables	93	197
Prepayments and accrued income	75	166
Income tax receivable	102	92
Other taxes and social security receivable	20	56
	961	942
Amounts falling due in more than one year:		
Other receivables	109	29
	109	29

15. TRADE AND OTHER PAYABLES

	31 March 2012 £'000	31 March 2011 £'000
Trade payables	110	301
Other taxes and social security payable	31	49
Other payables	109	41
Accruals and deferred income	192	239
	442	630

16. BORROWINGS

	31 March 2012 £'000	31 March 2011 £'000
Non-current:		
Bank borrowing	5,271	5,539
Other borrowing	23	26
	5,294	5,565
Current:		
Bank borrowing	798	508
Total borrowing	6,092	6,073

All borrowings relate to amounts borrowed by the Group's subsidiaries MJ Logistic Services Ltd and Sattva Conware Pvt Ltd. The debt is non-recourse to the ultimate parent company, Eredene Capital PLC.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group finances its activities through the cash and short term deposits generated through the placing of its shares on the London Stock Exchange's Alternative Investment Market. Bank borrowing has been taken by the company's Indian subsidiaries however no debt funding has been taken at the parent company level.

The Group's financial instruments comprise investments held at fair value through profit or loss, cash and cash equivalents and other items such as trade and other payables and receivables which arise from its operations. The Group does not trade in financial instruments. The Group had no hedging transactions outstanding at the period end.

The main type of risk that the Group is exposed to is market risk. Market risk involves the potential for losses and gains and includes price risk, interest rate risk and currency risk.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and increase or decrease debt. The Group only borrows in subsidiaries with no debt held at the parent company level.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Currency risk

The Group is exposed to currency risk as its investment commitments may be denominated in Indian Rupees and may be made in phased stages. The Group may hedge its pending investment commitments when it has reasonable certainty of the timing and quantum of the transfer and where it considers hedging is appropriate.

The Group's investments are held in the accounts at fair value and that fair value was determined by Grant Thornton India as part of an independent fair valuation exercise. The value of the investments was estimated in Indian Rupees as all the Group's investee companies operate in India. A 5% adverse change in the Pound Sterling/Indian Rupee exchange rate at year end would have led to an increase in the unrealised fair value loss of £1.5m (2011: decrease in gain of £1.9m).

The Group's two Indian subsidiaries have Indian Rupees as their functional currency. A 5% adverse change in the Pound Sterling/Indian Rupee exchange rate at year end would have led to a decrease in group net assets of £0.6m (2011: £0.6m) on conversion of the subsidiaries' results.

The Group has financial assets and liabilities denominated in Sterling, US dollars and Indian Rupees.

At 31 March 2012

Financial assets	UK Sterling £'000	US Dollars £'000	Indian Rupees £'000
Fair value through income statement			
Investments held at fair value through profit or loss	–	–	36,129
Loans and receivables			
Other receivables due in more than one year	–	–	109
Cash and cash equivalents	34,538	6,296	1,005
Trade receivables	–	–	671
Other receivables due in less than one year	5	–	88
	34,543	6,296	38,002

At 31 March 2011

Financial assets	UK Sterling £'000	US Dollars £'000	Indian Rupees £'000
Fair value through income statement			
Investments held at fair value through profit or loss	–	–	39,713
Loans and receivables			
Other receivables due in more than one year	–	–	29
Cash and cash equivalents	6,714	6,285	2,559
Trade receivables	–	–	431
Other receivables due in less than one year	5	–	192
	6,719	6,285	42,924

At 31 March 2012

Financial liabilities	UK Sterling £'000	US Dollars £'000	Indian Rupees £'000
Financial liabilities held at amortised cost			
Borrowings	–	–	6,092
Trade payables	34	–	76
Other payables	–	–	109
Accruals	119	–	73
	153	–	6,350

At 31 March 2011

Financial liabilities	UK Sterling £'000	US Dollars £'000	Indian Rupees £'000
Financial liabilities held at amortised cost			
Borrowings	–	–	6,073
Trade payables	97	–	204
Other payables	–	–	41
Accruals	122	–	117
	219	–	6,435

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT
(CONTINUED)

Credit risk

Credit risk is managed through the company and its direct subsidiaries depositing funds primarily with banks with a Standard & Poor's rating of AA- or higher. Where a bank's credit rating is reduced to less than AA- then the company will seek to move funds from that bank as term deposits expire. At 31 March 2012, 95% of the Group's cash balances were placed with entities with a credit rating of AA- or higher (31 March 2011: 81%).

The Group's Indian subsidiaries place funds with Indian banks whose credit rating may be less than AA-. The funds placed with BBB- and non-rated entities were placed by MJ Logistic Services Ltd and Sattva Conware Pvt Ltd.

Cash at bank and bank term deposits	31 March 2012 £'000	31 March 2011 £'000
Standard & Poors credit rating		
AAA	–	8,729
AA or AA-	39,955	3,866
A or A+	879	393
BBB-	201	2,558
Not S&P rated	804	12
	41,839	15,558

Trade receivables represent amounts owed to the Group's Indian subsidiaries MJ Logistic Services Ltd and Sattva Conware Pvt Ltd. Over 85% of the balance outstanding at 31 March 2012 was due from entities with a Standard & Poors CRISIL rating of AA or higher.

Price risk

The Group has invested in unquoted Indian companies. Those investments are held at fair value and the value of those investments may be affected by market conditions. Management continues to monitor this risk. A 10% fall in the value of these investments would have increased the loss for the period by £3.6m (2011: £3.9m).

Liquidity risk

As the Group is primarily equity funded and has high cash reserves, liquidity risk is deemed to be low. The Group's Indian subsidiaries, MJ Logistic Services Ltd and Sattva Conware Pvt Ltd had borrowings of £4.4m and £1.7m respectively as at 31 March 2012.

Maturity of undiscounted financial liabilities	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	More than 5 years £'000
At 31 March 2012				
Borrowings	1,618	1,813	3,589	1,349
Trade payables	110	–	–	–
Other payables	109	–	–	–
Accruals	192	–	–	–
	2,029	1,813	3,589	1,349
At 31 March 2011				
Borrowings	1,324	1,591	4,562	1,667
Trade payables	301	–	–	–
Other payables	41	–	–	–
Accruals	239	–	–	–
	1,905	1,591	4,562	1,667

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17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Group has interest bearing financial assets in the form of fixed rate bank deposits primarily with maturities of less than six months and floating rate current account balances.

	Non-interest bearing financial assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000
At 31 March 2012			
Investments held at fair value through profit or loss	36,129	-	-
Other receivables due in more than one year	109	-	-
Cash and cash equivalents	406	879	40,554
Trade receivables	671	-	-
Other receivables due in less than one year	93	-	-
	37,408	879	40,554

At 31 March 2011

Investments held at fair value through profit or loss	39,713	-	-
Other receivables due in more than one year	29	-	-
Cash and cash equivalents	996	3,933	10,629
Trade receivables	431	-	-
Other receivables due in less than one year	197	-	-
	41,366	3,933	10,629

The average rate at which the fixed rate financial assets were fixed in 2012 was 0.6% (2011: 0.6%) and the average period for which the assets were fixed was 64 days (2011: 65 days).

A 5% reduction in the interest rate earned during 2012 would have reduced the finance income for the period by approximately £20,000 (2011: £6,000).

The Group has financial liabilities in the form of fixed and floating rate borrowings and non-interest bearing trade payables, other payables and accruals.

	Non-interest bearing financial liabilities £'000	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000
At 31 March 2012			
Borrowings	23	6,064	5
Trade payables	110	-	-
Other payables	109	-	-
Accruals	192	-	-
	434	6,064	5
At 31 March 2011			
Borrowings	26	6,026	21
Trade payables	301	-	-
Other payables	41	-	-
Accruals	239	-	-
	607	6,026	21

Fair value of financial assets and liabilities

There is no material difference between the carrying value and fair value of the Group's aggregate financial assets and liabilities.

From 1 April 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices from observable market transactions) or indirectly (i.e. derived using a valuation technique that uses only data from observable markets).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 March 2012	Level 1 £'000	Level 2 £'000	Level 3 £'000
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Fair value through income statement

Investments held at fair value through profit or loss	-	-	36,129
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At 31 March 2011 Financial assets

Fair value through income statement

Investments held at fair value through profit or loss	-	-	39,713
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**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT
(CONTINUED)**

The changes in level 3 instruments are set out in note 12.

Level 3 inputs are sensitive to the assumptions made when determining fair value. A reasonably possible alternative assumption would be to apply a standard marketability discount of 5% rather than the rate of 15% used. This would have the effect of increasing the fair value of investments held at fair value by £1.1m (2011: £2.8m). Increasing the marketability discount to 25% would have the effect of decreasing the fair value of investments held at fair value by £1.1m (2011: £2.8m).

18. PROVISION FOR LIABILITIES

	31 March 2012 £'000	31 March 2011 £'000
Current		
At beginning of period	–	–
Charged to income statement	362	–
At end of period	362	–
Non Current		
At beginning of period	12	9
Released	(12)	3
At end of period	–	12

The Company has provided a letter of indemnity to the lead consortium partner on the Bay of Bengal Gateway Terminal project, Grup Maritim TCB (“GMTCB”). GMTCB has provided the concession authority, Ennore Port Ltd, with a bid security guarantee of INR140m (£1.7m). In the event that the bid security guarantee is claimed by Ennore Port Ltd then the Company has agreed to pay GMTCB 22% of the amount forfeited, up to INR30.8m (£0.4m), as the Company is a 22% participant in the consortium. The bid guarantee was called by Ennore Port Ltd on 15 June 2012 and the Company received notification from GMTCB that it intended to call funds from the Company under the terms of the indemnity on 15 June 2012. The Company has provided for the cost of that bid guarantee in full.

The provision of £12,000 for National Insurance on share options was released during the period as the share price at 31 March 2012 was less than the lowest share option exercise price. The eventual liability to National Insurance on share options is dependent on the following factors:

- the market price of the Company's shares at the date of exercise;
- the number of options that will be exercised; and
- the prevailing rate of National Insurance at the date of exercise.

19. CALLED UP SHARE CAPITAL

	31 March 2012 £'000	31 March 2011 £'000
Allotted, called up and fully paid		
446,906,698 (2011: 280,240,031) ordinary shares of 10p each	44,691	28,024

The Company raised £30m (before expenses) in May 2011 by way of a placing of 166,666,667 new Ordinary Shares at a price of 18 pence per share.

		Issued and fully paid		
Ordinary shares of 10p each	2012 Number	2012 £'000	2011 Number	2011 £'000
At 1 April	280,240,031	28,024	280,240,031	28,024
Placing of shares for cash	166,666,667	16,667	–	–
At 31 March	446,906,698	44,691	280,240,031	28,024

20. RESERVES

The following describes the nature and purpose of each reserve within equity:

Share premium account – the share premium account arose on the issue of shares by the Company at a premium to their nominal value. Expenses of share issues are charged to this reserve.

Special reserve account – the special reserve account was created on the cancellation of the then share premium account balance in July 2007. The Company is able to use the special reserve account to make market purchases of its own shares.

Retained earnings – the retained earnings represents cumulative net gains and losses recognised in the Group Income Statement.

Foreign exchange reserve – arises on the translation of foreign subsidiaries.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

21. SHARE-BASED PAYMENT

Eredene Capital PLC has issued equity-settled share based options under individual option agreements and under an HMRC approved scheme.

	Weighted average exercise price (pence) 2012	Number 2012	Weighted average exercise price (pence) 2011	Number 2011
Outstanding at the beginning of period	21.3p	23,864,797	21.9p	20,714,797
Granted during the period	-	-	17.5p	3,150,000
Lapsed during the period	-	-	-	-
Outstanding at the end of the period	21.3p	23,864,797	21.3p	23,864,797

The following options were outstanding at 31 March 2012.

Date of grant	Exercise price	Exercisable in full from	Expiry Date	Number of options outstanding
HMRC Approved Scheme				
5 October 2006	30.25p	10/5/06	5/10/16	198,346
Individual Option Agreements				
10 February 2005	25.0p	10/5/06	10/2/15	1,956,000
10 May 2006	25.0p	10/5/09	10/5/16	9,549,986
23 June 2008	19.25p	23/6/11	23/6/18	6,500,000
29 April 2009	13.5p	See below	29/4/19	2,510,465
18 February 2011	17.5p	See below	18/2/21	3,150,000
				23,864,797

The options issued on 29 April 2009 become exercisable in respect of one third of the ordinary shares over which they are granted on the first, second and third anniversary of 29 April 2009, subject to certain share price hurdles being achieved. The options issued on 18 February 2011 become exercisable in respect of one third of the ordinary shares over which they are granted on the first, second and third anniversary of 18 February 2011, subject to certain share price hurdles being achieved. Both sets of options will become exercisable in full in the event of an offer for the Company becoming unconditional in all respects.

The weighted average remaining contractual life of options outstanding at the end of the period was 6 years (2011: 7 years).

Of the total number of options outstanding at the end of the period 19,885,464 (2011: 16,889,464) had vested and were exercisable at the end of the period.

No share options were exercised during the period (2011: None).

No share options were granted during the period (2011: 3,150,000). The weighted average fair value of each option granted during the prior period was 1.06p.

The following information is relevant in the determination of the fair value of options granted during the prior period under the equity share based agreements entered into by the Company.

	Options issued in year ending 31 March 2011
Equity-settled	
Option pricing model used – Black Scholes	
Share price at grant date (pence)	17.12
Exercise price (pence)	17.50
Expected average contractual life (years)	5
Expected volatility	14%
Expected dividend yield	5.20%
Risk-free interest rate	3.35%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a market average volatility rate.

The share-based remuneration expense comprises:

	31 March 2012 £'000	31 March 2011 £'000
Equity-settled schemes	18	33

22. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is set out below. These amounts relate to commitments made by the Group's Indian subsidiaries, MJ Logistic Services Ltd and Sattva Conware Pvt Ltd.

	31 March 2012 £'000	31 March 2011 £'000
Property plant and equipment	128	161

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

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22. COMMITMENTS (CONTINUED)

Operating lease commitments

The Group had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 March 2012 £'000	31 March 2011 £'000
Less than one year	226	2
Later than one year and no later than five years	287	261
More than five years	–	–
	513	263

Operating lease commitments primarily relate to the leasing of warehouse premises by MJ Logistic Services Ltd.

23. BUSINESS COMBINATIONS

There were no acquisitions or disposals of subsidiaries in the period or prior period.

24. NOTES SUPPORTING THE CASH FLOW STATEMENT

Cash and cash equivalents for the purposes of the cash flow statement comprises:

	2012 £'000	2011 £'000
Cash available on demand	1,285	5,265
Short-term deposits	40,554	10,293
	41,839	15,558

25. CONTINGENCIES

The Group has entered into two deeds of undertaking with Yes Bank Limited of India in relation to the Group's investment in Apeejay Infra-Logistics Pvt Ltd. Under the terms of those undertakings, Haldia Mauritius Ltd, a wholly owned Group company, has agreed to provide additional funds to Apeejay Infra-Logistics and its subsidiary company, Apeejay Logistics Park Pvt Ltd (together "the Apeejay Infra-Logistics Group") in the event that there is a shortfall in the Apeejay Infra-Logistics Group's ability to service its debt. The debt facilities provided by Yes Bank Limited total to INR 778.3m (£9.6m) and the undertaking is provided on a joint and several basis by Haldia Mauritius Ltd and its joint venture partner, Apeejay Shipping Ltd.

26. RELATED PARTY TRANSACTIONS

The Group has entered into an investment advisory agreement with Eredene Infrastructure Pvt Ltd, a company owned by Mr Nikhil Naik who is a director of the Company. Investment advisory fees totalling £760,000 (2011: £687,000) were paid during the period. This amount was used to pay the operating costs of the Mumbai advisory team including the office costs, travel costs and staff costs for a team of 5. There were no amounts payable at the year end.

During the period, the Company was charged £156,000 by Glendevon King Ltd for the provision of staff, office space and services on normal commercial terms. £13,000 was payable to Glendevon King Ltd at the period end. In the prior period, the Company sub-let office space to Glendevon King Ltd and charged £71,000 on normal commercial terms. Alastair King, a director of the Company, is a director and the majority shareholder of Glendevon King Ltd.

The group makes minority equity investments as set out in note 12. These investments are not equity accounted for (as permitted by IAS 28) but are related parties. The total amounts included for these investments are:

	2012 £'000	2011 £'000
Income statement		
Realised profits over fair value on disposal of investments	134	–
Unrealised (losses)/profits on the revaluation of investments	(2,882)	4,921
Portfolio income	93	55
Balance sheet		
Investments held at fair value through profit or loss	36,129	39,713

27. POST BALANCE SHEET EVENTS

The Company's investee company, Bay of Bengal Gateway Terminal Pvt Ltd ("BoB GT") has the concession to construct a new container terminal at Ennore Port. BoB GT and the Company and its consortium partners have been in negotiations with State Bank of India for that bank to provide debt funding however acceptable funding terms have not been agreed. The concession agreement with the Port Authority, Ennore Port Ltd required the consortium to finalise debt funding by the extended date of 30 April 2012 however that deadline was not met. On 15 June 2012, Ennore Port Ltd informed BoB GT that it would cash a bank guarantee of INR 140m (c. £1.7m) and that further action to terminate BoB GT's concession would be taken.

The directors' subsequently wrote the value of the Company's investment in BoB GT to nil due to the low possibility of material recovery on the Company's investment in BoB GT in the event that the concession is terminated.

On 3 July 2012, the Eredene Group's wholly owned subsidiary, Aboyne Mauritius Ltd, purchased a further 42% stake in Matheran Realty Pvt Ltd from Alibante Developments Ltd for £2.6m in accordance with an arbitration order in the Eredene Group's favour. The purchase takes the total stake held in Matheran Realty Pvt Ltd to 87%. Following the purchase, the Group was able to commence a sale process for the Group's stake in Matheran Realty's subsidiary, Gopi Resorts Pvt Ltd, which is undertaking an affordable housing development near Mumbai. The sale process is being managed by a leading international real estate consultancy firm.

COMPANY BALANCE SHEET

at 31 March 2012

	Note	31 March 2012 £'000	31 March 2011 £'000
Fixed assets			
Tangible fixed assets	3	1	5
Investments	4	51,282	51,422
		51,283	51,427
Current assets			
Debtors	5	57	113
Cash at bank and in hand		36,152	9,142
		36,209	9,255
Creditors: amounts falling due within one year	6	(139)	(204)
Net current assets		36,070	9,051
Total assets less current liabilities		87,353	60,478
Provisions	7	(362)	(12)
Net assets		86,991	60,466
Capital and reserves			
Share capital	8	44,691	28,024
Share premium account	9	16,268	3,441
Special reserve	9	32,826	32,826
Profit and loss account	9	(6,794)	(3,825)
Shareholders' funds	10	86,991	60,466

The financial statements were approved by the Board of Directors and authorised for issue on 13 July 2012.

A J N KING

Director

The notes on pages 39 to 41 form part of these financial statements.

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with UK GAAP and Company law.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost less any allowance for impairment.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received. If it is not possible to identify the fair value of these goods or services provided, the profit and loss account is charged with the fair value of the options granted.

The charge for share-based payments is calculated in accordance with the analysis described in note 21 to the Group financial statements. The option valuation model used requires highly subjective assumptions to be made including expected volatility, dividend yields, risk-free interest rates and expected staff turnover. The directors draw on a variety of external sources to aid in the determination of the appropriate data to use in such calculations.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred tax balances are not discounted.

Pension costs

The Company contributes to directors and employees personal money-purchase pension schemes. Contributions are charged to the profit and loss account in the period in which they become payable.

Cashflow Statement

The Company has used the exemption under FRS1 Cashflow Statements, not to prepare a cashflow statement, as a consolidated cashflow statement is included in the financial statements of its ultimate holding company which are publicly available.

National Insurance on Share Options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted, provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Related party disclosures

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures', not to disclose transactions with other group companies.

2. LOSS FOR THE FINANCIAL PERIOD

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its profit and loss account in these financial statements. The loss for the period dealt with in the profit and loss account of the Company was £2,987,000 (Year ended 31 March 2011: loss of £1,913,000).

3. TANGIBLE FIXED ASSETS

	Office equipment £'000
Cost	
At 1 April 2011 and 31 March 2012	39
Depreciation	
At 1 April 2011	34
Charge in the period	4
At 31 March 2012	38
Net book value	
At 31 March 2012	1
At 31 March 2011	5

NOTES FORMING PART OF THE EREDENE CAPITAL PLC COMPANY FINANCIAL STATEMENTS

for the year ended 31 March 2012

4. FIXED ASSET INVESTMENTS

The Company had the following principal subsidiaries during the period:

	Country of Incorporation	Class of shares held	Ownership	
			2012	2011
Aboyne Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
Bandra Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
Coloba Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
West Coast Port Holding Ltd	Mauritius	Ordinary	100%	100%
Ennore Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
Eredene Ennore Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
Haldia Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
Juhu Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
West Port Services Holding Ltd	Mauritius	Ordinary	100%	100%
Pipavav Mauritius Holding Ltd	Mauritius	Ordinary	100%	100%
Total investment in subsidiaries and investments			2012	2011
			£'000	£'000
At beginning of period			51,422	41,325
Additions			803	10,097
Investments written down			(943)	–
At end of period			51,282	51,422

Additions represent subscriptions for shares in the above companies and in the investee company, Bay of Bengal Gateway Terminal Pvt Ltd. Investments written down represent the writing down of the investment in Bay of Bengal Gateway Terminal Pvt Ltd to nil.

Details of the Group's investments are contained in note 12 to the consolidated financial statements.

5. DEBTORS

	31 March 2012	31 March 2011
	£'000	£'000
Other debtors due within one year	23	53
Prepayments and accrued income	34	60
	57	113

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2012	31 March 2011
	£'000	£'000
Trade creditors	34	97
Other taxes and social security	15	15
Accruals and deferred income	90	92
	139	204

7. PROVISION FOR LIABILITIES

	31 March 2012	31 March 2011
	£'000	£'000
At beginning of period	12	9
Charged to income statement	350	3
At end of period	362	12

The Company has provided a letter of indemnity to the lead consortium partner on the Bay of Bengal Gateway Terminal project, Grup Maritim TCB ("GMTCB"). GMTCB has provided the concession authority, Ennore Port Ltd, with a bid security guarantee of INR140m (£1.7m). In the event that the bid security guarantee is claimed by Ennore Port Ltd then the Company has agreed to pay GMTCB 22% of the amount forfeited, up to INR30.8m (£0.4m), as the Company is a 22% participant in the consortium. The bid guarantee was called by Ennore Port Ltd on 15 June 2012 and the Company received notification from GMTCB that it intended to call funds from the Company under the terms of the indemnity on 15 June 2012. The Company has provided for the cost of that bid guarantee in full.

The provision of £12,000 for National Insurance on share options was released during the period as the share price at 31 March 2012 was less than the lowest share option exercise price. The eventual liability to National Insurance on share options is dependent on the following factors:

- the market price of the Company's shares at the date of exercise;
- the number of options that will be exercised; and
- the prevailing rate of National Insurance at the date of exercise.

NOTES FORMING PART OF THE EREDENE CAPITAL PLC COMPANY FINANCIAL STATEMENTS

for the year ended 31 March 2012

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8. SHARE CAPITAL

Details of the share capital of the Company are included in note 19 to the consolidated financial statements.

9. RESERVES

	Share premium account £'000	Special Reserve £'000	Profit and loss account £'000
At 31 March 2011	3,441	32,826	(3,825)
Loss for the period	–	–	(2,987)
Share-based payment	–	–	18
Premium on shares issued net of issue costs	12,827	–	–
At 31 March 2012	16,268	32,826	(6,794)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Loss for the period	(2,987)	(1,913)
Share based payment	18	33
Issue of shares (net of issue costs)	29,494	–
	26,525	(1,880)
Opening shareholders' funds	60,466	62,346
Closing shareholders' funds	86,991	60,466

11. COMMITMENTS UNDER OPERATING LEASES

The Company had annual commitments under non-cancellable operating leases as set out below:

	2012 £'000	2011 £'000
Operating leases which expire:		
Less than one year	21	–
Between two and five years	–	38

12. RELATED PARTY TRANSACTIONS

Details of the Company's related party transactions are included in note 26 to the Group financial statements.

Forward-looking statements (the following is not part of the Financial Statements)

This document may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial condition, business performance and results of Eredene Capital PLC. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of Eredene Capital PLC including, amongst other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates, foreign exchange rates, inflation, the impact of competition, delays in implementing proposals, the timing, impact and other uncertainties of future investments, the impact of tax or other legislation and other regulations in the jurisdictions in which Eredene Capital PLC and its affiliates operate. As a result, Eredene Capital PLC's actual future condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these forward-looking statements.

COMPANY INFORMATION



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The Hon C W Cayzer
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