ARUNDEL®

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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CHAIRMAN'S STATEMENT

The Company is pleased to report its unaudited consolidated financial results for the six month period ended 30 September 2017 ("PE Sep17"). The key highlights are as follows:

- The Company is reporting a net profit of $1.3 million for PE Sep17 (loss of $2.4 million – PE Sep16);
- As a results of the acquisition of the former RP&C International ("RP&C") group which completed in October 2016, the Company has reported investment advisory income of $2.0 million in PE Sep17 (nil - PE Sep16);
- Due to positive movements in foreign exchange rates, the Company is reporting an increase of $7.6 million in total equity at 30 September 2017.

The Arundel group's activities comprise:

(i) principal investments in selective assets in conjunction with highly regarded partners;
(ii) the financing of investment opportunities from which the Company generates fees and carried interests; and
(iii) the provision of investment advice to various groups which generate fees and investment opportunities.

Financial Results

The Company is reporting a net profit of $1.3 million for PE Sep17 compared to a net loss of $2.4 million for PE Sep16. The PE Sep17 results include foreign exchange gains of $2.2 million compared to a loss of $0.5 million for the same period in PE Sep16.

As a result of the matters referred to above, total equity increased from $28.6 million at 31 March 2017 to $36.3 million at 30 September 2017. Total equity will further increase once the Company is able to reflect the value of its investment in Indian land under IFRS.

The Company's financial results are explained in more detail in the management report presented after this statement.

Business development

During the period, your Company made further progress with its acquisition of the land parcel outside of Chennai, India which should provide development opportunities and capital appreciation in the years ahead.

Management intends to grow the Company both organically and through acquisitions over the medium term. Its main focus will be to increase the size and scale of the Company's activities across its core areas which involve real estate and energy. Management is currently reviewing the potential acquisition of a third party, for a combination of cash and shares, which has a complimentary business to the Company's activities. If the acquisition is completed, the combined company would significantly increase operational cash flow and management. It would also provide an attractive platform for further growth.

Overall, your Company is pleased with its progress during the current financial year and further progress is expected in the months ahead.

Change of accounting year end

As a result of the positive on-going discussions involving the potential acquisition referred to above, the Board has decided to revert to a 31 December financial year end. As a result, the Company's next audited results will cover the nine month period ended 31 December 2017.

Arundel AG

Dr. Volkert Klaucke (Chairman)
Approved by the board: 19 December 2017

Financial results

The Company is reporting a net profit of $1.3 million for PE Sep17 compared to a net loss of $2.4 million for PE Sep16. The PE Sep17 results include a foreign exchange gain of $2.2 million compared to a loss of $0.5 million for the same period in 2016 and a fair value gain of $0.5 million on the valuation of the Company's investment properties at 30 September 2017 (nil – PE Sep16). If these items were excluded, the results for PE Sep17 would be a net loss of $1.4 million (PE Sep16 – net loss $1.9 million).

Total revenue for PE Sep17 was $7.1 million compared to $5.3 million for PE Sep16. This revenue comprised rental income from the Leipzig Properties of $5.1 million (PE Sep16 - $5.3 million) and investment advisory income of $2.0 million (PE Sep16 – nil) arising from the acquisition of the former RP&C group.

Administrative and marketing expenses for PE Sep17 were $3.6 million (PE Sep16 - $2.6 million) with the increase attributable to the consolidation of costs associated with the acquisition of RP&C from 4 October 2016. Finance income for PE Sep17 was $2.2 million (PE Sep16 - nil) consisting of foreign exchange gains. Finance costs for PE Sep17 were $4.7 million (H1 2017 - $5.0 million, including adverse movement in foreign exchange rates of $0.5 million).

The balance sheet

Total assets equalled $201.2 million at 30 September 2017 compared to $193.5 million at 31 March 2017. The Leipzig Properties were independently valued at $158.2 million (€134.8 million) at 30 September 2017 compared to $143.7 million (€134.4 million) at 31 March 2017. The increase in value primarily reflected a significant positive movement in the US Dollar/Euro exchange rate between reporting dates. There was also a positive movement in the USD Dollar/GBP exchange rates increasing the London property, plant and equipment by $1.5 million to $26.5 million at 30 September 2017 compared to $25.0 million at 31 March 2017. These movements were partially offset by corresponding negative foreign exchange movements on the recognition of Euro and Swiss Franc denominated debt of $6.3 million. The net positive movement on the foreign exchange translation reserve at 30 September 2017 was $6.2 million.

Current assets at 30 September 2017 were $12.8 million compared to $21.2 million at 31 March 2017 with the movement being largely attributable to the decrease in restricted cash of $6.5 million, which was used to reduce short term borrowings in September 2017.

Current liabilities at 30 September 2017 were stated at $19.4 million compared to $23.9 million at 31 March 2017 with the decrease primarily reflecting a partial repayment of the junior debt facility mentioned above.

Long term liabilities at 30 September 2017 were $145.6 million compared to $141.0 million at 31 March 2017 with the increase reflecting new loan facilities of $3 million and repayments of $7.0 million, offset by negative foreign exchange rate movements in the USD Dollar/Euro between the reporting dates of $8.4 million.

Management remain confident that short-term borrowings can be refinanced with existing lenders when they fall due.

In November 2017 the Group entered into a new loan agreement of up to $15 million for general working capital purposes. Any amounts drawn down against this facility will bear quarterly interest at a rate of 1.25% and will be repayable on 31 December 2028. As at 19 December 2017, $13.6 million of this facility has been drawn.

Cash flow

During PE Sep17 the group used $2.8 million from operating activities, compared to $3.2 for the year ended 31 March 2017. Overall the group increased its net cash and cash equivalents in PE Sep17 by $0.9 million compared to a net decrease of $1.6 million in the year ended 31 March 2017. This increase was after the repayment of $10.2 million of group borrowings.

Treasury shares

The Company held 247,772 of its shares in treasury at 30 September 2017 with a carrying value of $1.7 million (31 March 2017 – 247,772 shares at $1.6 million). These shares are available for issuance in exchange for cash.

As previously reported a shareholder of the Company has agreed that shares, which had been conditionally issued to it in exchange for a second parcel of development land in India, can be sold for cash with proceeds substituted on a pro rata basis for the land it was committed to deliver to the Company. The Company is continuing to pursue the placement of these shares in order to provide additional working capital for the group.

Return of capital

At the annual general meeting of shareholders held on 19 September 2017, shareholders approved the Board's recommendation of a capital distribution, in cash, by way of a par value capital reduction of CHF 0.50 per Share. Shareholders can elect to receive additional shares in the Company at a 5% discount to the Company's share price, the election to be made to the Company between 12December 2017 and 5 January 2018. The capital reduction will be paid on 10 January 2018. The Board expects a significant majority of shareholders will elect to reinvest the proceeds into shares of the Company.

Arundel AG

Approved by the Board 19 December 2017

DIRECTORS

Dr. Volkert Klaucke (Chairman)
Dr. Doraiswamy Srinivas (Vice Chairman)
Mr. David Quint
Mr. Markus Müller (appointed 27 September 2016)
Mr. William Vanderfelt (resigned 27 September 2016)

COMPANY SECRETARY

Dr. Doraiswamy Srinivas

EXECUTIVE MANAGEMENT

Dr. Volkert Klaucke (Executive Chairman)

Mr. David Quint (Executive director)*

Dr. Doraiswamy Srinivas (Executive director)*

Mr. Ralph Beney (Chief Financial Officer)*

Mr. Richard Borg (Group Legal Officer)*

* Effective from 4 October 2016

REGISTERED OFFICE

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Birchstrasse 160
CH-8050 Zurich
Switzerland

LEGAL ADVISORS (as to Swiss Law)

Bär & Karrer AG
Brandschenkestrasse 90
CH-8027 Zurich
Switzerland

REGISTRAR

SAG SIS Aktienregister AG
Baslerstrasse 100
Postfach
CH-4601 Olten
Switzerland

REGISTERED NUMBER

CH-020.3.922.903-6

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	NOTE	Period to 30 September 2017 (unaudited) $	Period to 30 September 2016 (unaudited) $
Revenue	5	7,065,834	5,282,868
Fair value gain on investment property	10	455,056	-
Administrative and marketing expenses	6	(3,628,186)	(2,591,963)
Other income		605	-
Operating profit		3,893,309	2,690,905
Finance income	7	2,165,319	33,835
Finance costs	8	(4,724,015)	(4,956,610)
Profit/(loss) before income tax expense		1,334,613	(2,231,870)
Income tax expense		(39,954)	-
Profit/(loss) for the period from continuing operations		1,294,659	(2,231,870)
Discontinued Operations			
Loss for the year from discontinued operations	15	-	(158,794)
Profit/(loss) for the period/year		1,294,659	(2,390,664)
Attributable to:			
Equity owners of the parent		1,181,990	(2,498,955)
Non-controlling interests		112,669	108,291
		$ per share	**$ per share**
Earnings per share from continuing and discontinued operations attributable to the owners during the period/year			
Basic/diluted earnings per share:			
From continuing operations		0.087	(0.162)
From discontinued operations		-	(0.012)
From profit/(loss) for the period		0.087	(0.174)

The notes on pages 11 to 30 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Period to 30 September 2017 (unaudited) $	**Period to 30 September 2016 (unaudited) $**
Profit/(loss) for the period	1,294,659	(2,390,664)
Other comprehensive income/(expense) for period/year		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	6,348,172	(677,557)
Other comprehensive income/(expense) for the period	6,348,172	(677,557)
Total comprehensive income/(expense) for the period	7,642,831	(3,068,221)
Attributable to:		
Equity owners of the parent	7,299,997	(3,146,304)
Non-controlling interests	342,834	78,083

The notes on pages 11 to 30 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	NOTE	As at 30 September 2017 (unaudited) $	As at 31 March 2017 (audited) RESTATED $
ASSETS			
Non-current assets			
Property plant and equipment	9	26,487,596	25,030,249
Investment property	10	158,228,454	143,711,456
Other investments		37,179	115,992
Other receivables and prepayments	11	3,665,923	3,423,447
		188,419,152	172,281,144
Current assets			
Other receivables and prepayments	11	10,035,868	12,942,833
Restricted cash	11	549,058	7,026,162
Deferred taxation		306,850	306,850
Cash and cash equivalents		1,882,585	924,329
		12,774,361	21,200,174
TOTAL ASSETS		201,193,513	193,481,318
EQUITY			
Capital and reserves			
Share capital	12	155,020,972	155,020,972
Share premium		56,307,636	56,307,636
Equity component of convertible bond		749,267	749,267
Translation reserve		1,757,629	(4,411,826)
Accumulated losses		(178,606,686)	(179,788,676)
		35,228,818	27,877,373
Treasury Shares		(1,652,856)	(1,601,408)
Non-controlling interests		2,660,552	2,317,718
TOTAL EQUITY		36,236,514	28,593,683
LIABILITIES			
Non-current liabilities			
Borrowings	13	140,966,849	136,626,789
Other payable – promissory note	16	1,260,000	1,260,000
Deferred taxation		3,337,220	3,134,146
		145,564,069	141,020,935
Current liabilities			
Accruals		3,367,822	4,268,320
Contingent liability		605,000	605,000
Trade and other payables		3,561,754	3,783,012
Borrowings	13	11,858,354	15,210,368
		19,392,930	23,866,700
TOTAL LIABILITIES		164,956,999	164,887,635
TOTAL EQUITY AND LIABILITIES		201,193,513	193,481,318

The notes on pages 11 to 30 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Attributable to equity owners of the parent							
	Share Capital	**Share Premium**	**Treasury Shares**	**Equity Component of Convertible Bond**	**Translation Reserve RESTATED**	**Accumulated Losses**	**Non-controlling interest RESTATED**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
As at 1 April 2016	**162,528,644**	**109,054,845**	**(13,384,494)**	**749,267**	**(2,737,255)**	**(231,176,762)**	**2,312,298**	**27,346,543**
(Loss)/profit for the period	-	-	-	-	-	(2,498,955)	108,291	(2,390,664)
Other comprehensive income								
Foreign currency translation - net	-	-	5,387	-	(652,736)	-	(30,208)	(677,557)
Total comprehensive income	-	-	5,387	-	(652,736)	(2,498,955)	78,083	(3,068,221)
Equity component of convertible bond	-	-	-	-	-	-	-	-
As at 30 September 2016	**162,528,644**	**109,054,845**	**(13,379,107)**	**749,267**	**(3,389,991)**	**(233,675,717)**	**2,390,381**	**24,278,322**
(Loss)/profit for the period	-	-	-	-	-	(4,582,616)	35,129	(4,547,487)
Other comprehensive income								
Foreign currency translation - net	-	-	177,961	-	(1,021,835)	-	(107,792)	(951,666)
Total comprehensive income	-	-	177,961	-	(1,021,835)	(4,582,616)	(72,663)	(5,499,153)
Transfer of reserves [1]	-	(52,747,209)	-	-	-	52,747,209	-	-
Treasury share transactions	(7,507,672)	-	11,599,738	-	-	5,722,448	-	9,814,514
As at 31 March 2017 and 1 April 2017	**155,020,972**	**56,307,636**	**(1,601,408)**	**749,267**	**(4,411,826)**	**(179,788,676)**	**2,317,718**	**28,593,683**
Profit for the period	-	-	-	-	-	1,181,990	112,669	1,294,659
Other comprehensive income								
Foreign currency translation - net	-	-	(51,448)	-	6,169,455	-	230,165	6,348,172
Total comprehensive income	-	-	(51,448)	-	6,169,455	1,181,990	342,834	7,642,831
Equity component of convertible bond	-	-	-	-	-	-	-	-
As at 30 September 2017	**155,020,972**	**56,307,636**	**(1,652,856)**	**749,267**	**1,757,629**	**(178,606,686)**	**2,660,552**	**36,236,514**

1 – Approved at the Company's Annual General Meeting of 27 September 2016.

The notes on pages 11 to 30 form part of these consolidated financial statements.

ARUNDEL AG
INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	NOTE	Period ended 30 September 2017	Year ended 31 March 2017
		$	$
Cash flow from operating activities			
Profit/(Loss) for the year		1,294,659	(6,938,151)
Adjustments for:			
-Net foreign exchange (gains)/losses	8	(2,165,052)	2,381,871
- Interest income	7	(267)	(43,232)
- Interest expenses and other finance expenses	8	4,070,767	8,096,242
- Amortisation of debt issue costs	8	532,036	1,003,356
- Changes in fair value of investment property	10	(455,056)	888,991
- Provision for impairment of receivables	6	317,269	646,433
- Gain on bargain purchase		-	(1,523,137)
- Depreciation	9	226,138	214,551
- Impairment of available for sale assets		-	40,210
- Income tax expense		39,954	(102,888)
Changes in working capital			
- Trade creditors and other payables		(221,259)	158,651
- Receivables and prepayments		(1,447,986)	(374,796)
- Accruals		(17,844)	(251,614)
Cash generated by operations		2,173,359	4,196,487
Interest paid		(5,000,611)	(7,401,578)
Income tax paid		-	-
Net cash (used)/generated operating activities		(2,827,251)	(3,205,091)
Cash flow from investing activities			
Change in restricted cash	11	6,941,128	(6,790,587)
Cash acquired on purchase of subsidiaries		-	830,165
New loans made	11	(36,032)	(964,402)
Cash payments for potential acquisition of development rights	11	-	(2,988,778)
Interest received		267	453
Net cash generated/(used) by investing activities		6,905,363	(9,913,149)
Cash flow from financing activities			
Proceeds from borrowings – net of costs	13	3,000,000	18,065,572
Repayment of borrowings	13	(10,206,503)	(6,509,520)
Proceeds from sale of investments		65,936	-
Proceeds from sale of shares	11	4,000,000	1,699,769
Payment of cash element of par value capital reduction		-	(1,771,860)
Net cash (used)/generated by financing activities		(3,140,567)	11,483,961
Net increase/(decrease) in cash and cash equivalents		937,545	(1,634,279)
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of year		924,329	2,546,610
Net increase/(decrease) in cash and cash equivalents		937,545	(1,634,279)
Foreign currency translation adjustments		20,711	11,998
Cash and cash equivalents at end of year		**1,882,585**	**924,329**

The notes on pages 11 to 30 form part of these consolidated financial statements.

1. GENERAL INFORMATION

Arundel AG (formerly USI Group Holdings AG (the "Company")), domiciled in Switzerland with its registered office at Bleicherweg 66, CH-8002, Zürich, Switzerland, is the ultimate parent company of the Arundel Group. Until 4 October 2016 the business of the Company and its subsidiaries (together the "Group") consisted of the ownership and development of real estate and infrastructure assets in India and Europe. On 4 October 2016 the Company completed the acquisition of the RP&C International Inc. an investment banking group based in London which undertakes financing activities internationally. Contemporaneously with this acquisition the Company changed its name to Arundel AG ("Arundel"). The new name marks the Company's transition from an investment holding company focused on India to a more broadly based investment and financing group that intends to expand its investment and advisory capabilities not only in India but also in Europe and the USA where RP&C historically has operated.

The Company is listed on the SIX Swiss Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These interim condensed consolidated financial statements of the Group have been prepared in accordance with IAS 34 (Interim Financial Reporting). The same accounting and valuation principles have been applied to these financial statements as to those that are described on pages 18 to 31 of the 2017 annual report of USI Group Holdings AG. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's most recent Annual Financial Statements pages 13 to 59, in respect of the period ended 31 March 2017 which have been prepared in accordance with IFRS. These interim condensed consolidated financial statements are for the six months ended 30 September 2017 and the comparative figures are unaudited. The extracts from the Group's Annual Financial Statements for the period ended 31 March 2017 represent an abbreviated version of the Group's full accounts for that period, on which the Auditor's issued an unqualified audit report. The interim condensed consolidated financial statements are reported in United States Dollars unless otherwise stated and are based on the interim accounts of the individual subsidiaries at 30 September 2017, 2016 and March 2017 which have been drawn up according to uniform Group accounting principles.

The interim condensed consolidated financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties, other financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results can differ from those estimates. Critical judgments made by management in the application of IFRS and key sources of estimation uncertainties were the same as those that applied to the consolidated financial statements for the year ended March 31, 2017.

Comparative information has been restated to correct an error in relation to the calculation of the non-controlling interest. In the financial statements for the year ended 31 March 2017 (and since initial recognition in the year ended 31 March 2014), the carrying value of the non-controlling interest had not been adjusted to reflect movements in foreign exchange rates. As at 31 March 2017, correction of this amounts to a cumulative restatement of the carrying value of the non-controlling interest of $513,817, with a corresponding adjustment to the translation reserve. This adjustment has no impact on basic or diluted earnings per share.

The Group is not exposed to seasonal variations in its operations.

2.1 Basis of preparation (Continued)

Adoption of new standards and interpretations

A number of new or amended standards became applicable for the current reporting period. However, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

New standards not yet adopted

The following new standards have been issued but are not effective for the financial period ended 30 September 2017 and have not been early adopted:

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The standard is not expected to have a material impact on the consolidated financial statements.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 will require impairments to be based on a forward-looking model; will change the approach to hedging financial exposures and related documentation and the recognition of certain fair value changes. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The standard is not expected to have a material impact on the consolidated financial statements.

IFRS 16, 'Leases' substantially changes the financial statements as the majority of leases will become on-balance sheet liabilities with corresponding right of use assets on the balance sheet. The standard replaces IAS 17 Leases and is effective January 1, 2019. Early application is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers. The Group is yet to assess the possible impact of IFRS 16.

3. FINANCIAL AND OTHER RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency and price risk, cash flow and fair value interest rate risk), credit risk and liquidity rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. However, at 30 September 2017, 30 September 2016 and 31 March 2017 no hedging instruments for the Group were outstanding.

Risk management is carried out by the advisor under policies approved by the Board of Directors. The Board identifies, evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2017. There have been no changes in the risk management department since year end or in any risk management policies.

3. FINANCIAL AND OTHER RISK MANAGEMENT

3.1 Financial risk factors (continued)

a) Market risk

i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, Pound Sterling and Indian Rupee. Limited foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Operating entities have limited exposure to exchange risk outside their functional currencies.

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group’s foreign operations in Continental Europe are managed primarily through borrowings denominated in the relevant foreign currencies, although the directors monitor and permit currency exposure in this regard as an element of its financing strategy.

Historically the Group has not entered into currency hedging transactions in respect of the net assets of subsidiaries denominated in currencies other than US Dollars. The Group will review this policy from time to time.

ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk (which has been discontinued), as the gross margin on the gold business is calculated using a market index rate plus a transaction margin.

The Group’s investments in equity of other entities that are publicly traded are included on the Bombay Stock Exchange.

iii) Cash flow and fair value interest rate risk

The Group’s interest-rate risk mainly arises from long-term borrowings, derivative financial instruments and to a limited extent, from cash and cash equivalents. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates and derivative financial instruments expose the Group to fair value interest-rate risk. Group policy is to maintain a significant percentage of its borrowings in fixed rate instruments. The Board regularly meet to review levels of fixed and variable borrowings and takes appropriate action as required.

b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group’s liquidity reserve on the basis of expected cash flow.

c) 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 (if free cash is available for dividend declaration), return capital to shareholders, issue new shares or sell assets to reduce debt.

3. FINANCIAL AND OTHER RISK MANAGEMENT

3.2 Fair value estimation

The table below provides disclosure of fair value measurements at 30 September and 31 March 2017 by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 30 September 2017	NOTE	Level 1	Level 2	Level 3
Assets		$	$	$
Freehold property	9	-	-	26,487,596
Investment property	10	-	-	158,228,454
Other investments		37,179	-	-

As at 31 March 2017	NOTE	Level 1	Level 2	Level 3
Assets		$	$	$
Freehold property	9	-	-	25,030,249
Investment property	10	-	-	143,711,456
Other investments		115,992	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3. FINANCIAL AND OTHER RISK MANAGEMENT

3.2 Fair value estimation (Continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting values discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments as well as for investment properties included in level 3.

For further details of the valuation technique used to value the Freehold Land and Buildings held by the group see Note 9.

For further details of the valuation technique used to value the Investment Properties held by the group see Note 10.

There were no transfers between levels in the period ended 30 September 2017.

4. FOREIGN EXCHANGE RATES

	Balance Sheet			Income and Cash Flow Statement (average)		
	As at 30 September 2017 $	As at 30 September 2016 $	As at 31 March 2017 $	Period ended 30 September 2017 $	Period ended 30 September 2016 $	Year ended 31 March 2017 $
GBP	0.74647	0.7715	0.79731	0.77299	0.7296	0.7677
SGD	1.35914	1.3643	1.39655	1.37635	1.3554	1.3843
INR	65.3105	66.8442	64.8599	64.38092	66.9139	67.055
CHF	0.97467	0.9675	1.0000	0.97360	0.9733	0.9877
EUR	0.85168	0.8922	0.9349	0.88031	0.8909	0.91185

5. REVENUE

	Period ended 30 September 2017 Total segment revenue $	Period ended 30 September 2016 Total segment revenue $
Investment property rental	5,053,812	5,282,868
Investment advisory	2,012,022	-
Total	7,065,834	5,282,868

Rental income from investment properties is recognised based on the contractual rental agreement over the life of the lease term. The investment property rental income is €6,250,000 (2016: €9,411,676) per annum and the weighted average remaining lease term is approximately 12 years. The lease was renewed on 14 November 2016, with rental income of €9,411,676l received until 1 September 2017 at which time the new annual rent of €6,250,000 was received reflecting current market levels.

Investment advisory income represents consultancy services and investment management services, these are recognised on an accruals basis in accordance with the terms of the contract entered into by the Group and the counterparty. This income is generated by the Arundel Inc. Group (formerly RP&C International Group) which was acquired by the Group on 3 October 2016.

6. ADMINISTRATIVE EXPENSES

	Period ended 30 September 2017 $	Period ended 30 September 2016 $
Professional fees and other costs	1,017,295	1,204,072
Property rent and maintenance	345,011	202,965
Advisory fees	-	523,762
Third party commissions	55,000	-
Impairment of receivables	317,269	-
Depreciation	226,138	-
Sundry expenses	593,343	557,205
Staff costs[1]:		
- Salaries	380,577	-
- Management compensation	500,775	-
- Pension costs	7,607	-
- Other staff costs	185,171	-
Consultancy costs	-	103,959
	3,628,186	2,591,963

[1] Staff costs are incurred within the Arundel Inc. Group (formerly RPC International Inc.) which was acquired by the Group on 4 October 2016.

7. FINANCE INCOME

	Period ended 30 September 2017 $	Period ended 30 September 2016 $
Interest income – other loans	-	33,790
Bank interest and other finance movements	267	45
Foreign exchange movements	2,165,052	-
	2,165,319	33,835

8. FINANCE COSTS

	Period ended 30 September 2017 $	Period ended 30 September 2016 $
Interest on notes	786,825	787,097
Interest on mortgages	2,268,381	2,494,559
Interest on other loans	1,015,561	640,077
Amortisation of debt issue costs	532,036	501,437
Other borrowing expenses	121,212	51,319
Foreign exchange movements	-	482,121
	4,724,015	4,956,610

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land $	Freehold Buildings $	Fixtures and Fittings $	Vehicles $	Total $
Period ended 30 September 2017					
Opening net book amount	9,013,702	15,887,204	58,009	71,334	25,030,249
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation charge	-	(195,968)	(20,443)	(9,727)	(226,138)
Foreign exchange movement	611,871	1,071,614	-	-	1,683,485
Closing net book amount	9,625,573	16,762,850	37,566	61,607	26,487,596
At 30 September 2017					
Cost	9,625,573	17,140,452	84,440	77,819	26,928,284
Accumulated depreciation	-	(377,602)	(46,874)	(16,212)	(440,688)
Net book amount	9,625,573	16,762,850	37,566	61,607	26,487,596

	Freehold Land $	Freehold Buildings $	Fixtures and Fittings $	Vehicles $	Total $
Year ended 31 March 2017					
Opening net book amount	-	-	-	-	-
Acquisition of subsidiary	9,262,575	16,514,625	84,440	32,249	25,893,889
Additions	-	-	-	77,819	77,819
Disposals	-	-	-	(32,249)	(32,249)
Depreciation charge	-	(181,635)	(26,431)	(6,485)	(214,551)
Foreign exchange movement	(248,873)	(445,786)	-	-	(694,659)
Closing net book amount	9,013,702	15,887,204	58,009	71,334	25,030,249
At 31 March 2017					
Cost	9,013,702	16,068,838	84,440	77,819	25,244,800
Accumulated depreciation	-	(181,634)	(26,431)	(6,485)	(214,551)
Net book amount	9,013,702	15,887,204	58,009	71,334	25,030,249

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

On 4 October 2016 the Group acquired the entire issued share capital of RP&C, as part of this acquisition the Group acquired a freehold property in London and other fixed assets (office equipment and a motor vehicle).

The Group commissioned an independent valuation of this interest at 4 October 2016 which looked at the market value based on the rental income which could be expected to be earned from the property and indicative transactional and market data for freehold properties in a similar location. The fair value of the freehold property on 4 October 2016 was deemed to be $25,777,200 (£20 million) whilst the fair value of the other fixed assets was deemed to be their net book value at the time of acquisition ($116,689).

At 30 September 2017, the Group does not believe that any impairment of the asset has occurred and continues to hold the asset at the independent appraised value on acquisition less amortisation and depreciation in accordance with the appropriate accounting policies. The freehold property valuation of £20 million has been split between land and buildings has been based on an allocation derived from the financial statements of Arundel Group Limited.

Leased assets

A vehicle and fixtures and fittings includes the following amounts where the group is a lessee under a finance leases:

	Period ended 30 September 2017 $	**Year ended 31 March 2017 $**
Cost	125,956	125,956
Accumulated depreciation	(45,528)	(22,337)
Net book value	80,428	103,619

The liability in respect of these assets as at 30 September 2017 totals $82,074 (31 March 2017 - $100,330) and is shown within Other Payables

Revaluation, depreciation methods and useful lives

Depreciation is calculated using the straight line method to allocate the cost over the asset's useful economic life as follows:

- Freehold land – nil
- Freehold buildings – 50 years
- Plant within fabric of freehold buildings – 20 years
- Fixtures and fittings – 3 – 10 years
- Vehicles – 4 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate each financial year end.

10. INVESTMENT PROPERTY

	30 September 2017 $	31 March 2017 $
Beginning of period/year	143,711,456	153,500,404
Net gains/(losses) on fair value adjustment	455,056	(888,991)
Net change in fair value due to exchange differences	14,061,942	(8,899,957)
End of period/year	158,228,454	143,711,456

Losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to $455,056 (March 2017 - $(888,991)) and are included in the consolidated income statement.

On 21 December 2007, the Group acquired a 94.9% interest in a partnership which owns 4 investment properties in Leipzig, Germany, which are leased to the Government of Saxony. These were acquired for a purchase price of $228.3 million. Members of the Group have contractual obligations to perform certain repairs and maintenance on these investment properties. Some of the borrowings of the Group are secured on investment property.

On 14 November 2016, the Company announced that it has executed an agreement with the tenant to extend the lease of the four office buildings in Leipzig. The original lease was due to expire on 31 March 2020. Pursuant to the Lease Extension, the tenant has committed to a 30 year lease of the Records Bureau (constituting approximately 15% of the Leipzig Properties) expiring on 1 July 2047 and a lease of the balance from 1 September 2017 to 30 June 2025 (with two 3 year renewal options). The weighted average lease term for the entirety of the Leipzig Properties is approximately 12 years.

The previous rent of €9.4 million p.a. continued until 1 September 2017, at which time a new annual rent of €6.25 million was payable reflecting current market levels.

An independent valuation of the investment properties was performed by Botta Management AG, ("Botta") as at 30 September 2017. A discounted cash flow method was used to calculate market value assuming a 9 year calculation period and a terminal value (with the exception of the Records Bureau which has used a 31 year calculation period).

The valuation assumed an annual rental of €6,250,000 adjusted for indexation to the end of the current lease term. Thereafter, the valuation made various assumptions on renewal of the lease including rent, vacancy periods and potential capital expenditure. The cash flows were discounted at a rates of 3.4% and 4.1% (2017 – 3.4% and 4.1%) and result in a valuation of $63.47 million (€54.06 million).

Additionally a terminal residual value of the property was calculated at the end of the nine year period using a capitalisation rate of 4.4% and 5.1% (2016 – 4.4% and 5.1%) of $94.75 million (€80.7 million).

This resulted in a gross capital valuation as set out below.

Country	Segment	Valuation (EUR/USD)	Valuation technique	Rental value (EUR/USD)	Discount rate %	Capitalisation rate for terminal value
Germany	Investments in Government tenanted properties	134,760,000/ 158,228,454 (March 2017 – 134,360,000/ 143,711,456)	Discounted cash flow	6,250,000/ 7,338,438 (March 2017 - 6,250,000/ 6,685,207)	3.40/4.10% (March 2017 – 3.40/4.10%)	4.40/5.10% (March 2017 – 4.40/5.10%

10. INVESTMENT PROPERTY (Continued)

Included in property rent, maintenance and office expenses as detailed in Note 6 are repairs of $124,775 (March 2017 - $86,326) in respect of investment properties generating rental income. These costs were incurred in respect of investment properties where the Group is responsible for structural and roof repairs. There were no repairs and maintenance costs incurred in respect of investment properties that did not generate rental income.

11. OTHER RECEIVABLES AND PREPAYMENTS

	30 September 2017 $	31 March 2017 $
Non-current		
Other receivables and prepayments – related party	3,665,923	3,423,447
Other receivables and prepayments – third party	565,320	551,000
Provision made for impairment of receivables	(565,320)	(551,000)
	3,665,923	3,423,447
Current		
Other receivables and prepayments – third party	13,333,016	16,198,582
Provision made for impairment of receivables	(3,297,148)	(3,255,749)
	10,035,868	12,942,833
Total Receivables and prepayments	**13,701,791**	**16,366,280**
Restricted cash	549,058	7,026,162
Total	**14,250,849**	**23,392,442**

Non-current related party receivables and prepayments:

Included in non-current related party receivables is a loan at a nominal amount of €2,000,000 ($2,348,296) (March 2017 - €2,000,000 million ($2,139,195), which was lent by a subsidiary of the Group on 31 March 2008 to Ridgemont Holdings Limited ("Ridgemont") which is indirectly owned by David Quint Jnr (see Note 16 - Related Party Transactions). Also included is interest on this loan of $1,317,627 (March 2017 - $1,284,251). The principal and interest are due to be paid in March 2020. No allowance was deemed necessary due to the pledge of Ridgemont's non-controlling to the Group as security for the loan and accrued interest receivable.

Non-current third party receivables and prepayments:

Included in non-current third party receivables is a balance of $565,320 in relation to a loan made for working capital purposes. Provision has been made against the loan and accrued interest as recoverability is considered doubtful at 30 September 2017.

Current third party receivables:

Included within third party receivables are payments made to third parties in advance of potential development rights acquisitions of $6,190,429 (March 2017 - $6,233,435). Third party receivables also include an amount of $3,166,206 against which full provision has been made (see details of provision below). A receivable of $4,000,000 in relation to the sale of 510,753 shares from treasury to a new shareholder on 30 March 2017, included under this heading as at 31 March 2017, was received on 3 April 2017.

Provision for impairment of receivables:

At 30 September 2017 all amounts relating to a convertible promissory loan note, associated interest and fees due from an Indonesian coal mining company ("IndCo") have been fully impaired as recoverability is considered doubtful.

12. SHARE CAPITAL

	30 September 2017 $	31 March 2017 $
Authorised, allotted, called up and fully paid:		
Equity interests:		
15,115,164 Ordinary shares of CHF 9.50 each	155,020,972	155,020,972

Authorised share capital

Pursuant to an authorization in Article 3c of the Company's articles of incorporation (the "Articles"), the board of directors may increase the share capital in the amount of up to CHF 71,797,029 until 27 September 2018 through the issuance of up to 7,557,582 additional registered shares with a nominal value of CHF 9.50 each. An increase in partial amounts is permitted.

The Board of Directors approved a capital distribution to shareholders by way of a par value capital reduction of CHF 0.50 per share at the Company's Annual General Meeting held in Zurich on Tuesday, 19 September 2017. Shareholders have been offered the opportunity to reinvest the proceeds in shares of the Company (please refer to Note 14)

Conditional share capital

According to Article 3a of the Articles the share capital may be increased by a maximum amount of CHF 14,359,402 through the issuance of up to 1,511,516 fully paid registered shares with a nominal value of CHF 9.50 each through the exercise of option rights granted to members of the board of directors or the management and to advisors of the company or its subsidiaries. Furthermore, pursuant to Article 3b of the Articles the share capital may be increased by a maximum amount of CHF 57,437,627 through the issuance of up to 6,046,066 fully paid registered shares with a nominal value of CHF 9.50 each through the exercise of conversion rights, warrant rights or option rights which have been or will be granted to bondholders or other creditors of the Company or its subsidiaries.

Treasury Shares

As at 30 September 2017, the Group held 247,772 treasury shares (31 March 2017 – 247,772 shares).

	Sept 2017 Shares	Mar 2017 Shares	Sept 2017 $	Mar 2017 $
Treasury Shares	247,772	247,772	1,652,856	1,601,408

13. BORROWINGS

	30 September 2017 $	31 March 2017 $
Non-current		
Bonds	24,304,570	23,641,033
Facilities	84,518,069	84,724,193
Other loans	32,144,210	28,261,563
	140,966,849	136,626,789
Current		
Facilities	3,708,354	7,060,368
Other loans	8,150,000	8,150,000
Total current borrowings	11,858,354	15,210,368
Total borrowings	152,825,203	151,837,157

Total borrowings are secured by the assets of the Group. There are various pledges and covenants included in the loan agreements of the Group which are regularly reviewed and tested to ensure compliance. The carrying amounts approximate fair value.

Bonds

Included within Bonds are CHF 42.04 million ($43.13 million) convertible bonds issued by a subsidiary of the Group in September 2010 and due March 2019. As at 30 September 2017 CHF 24.5 million ($25.1 million) were in issue, no new bonds have been issued in the period from 31 March 2017.

Facilities

Leipzig Properties

Facilities secured against the Leipzig properties consists of three elements, a senior loan, under which €50 million has been provided on an interest only basis until March 2020 at a fixed interest rate of 5% p.a.; a junior loan under which €31 million was originally provided on a fully amortising basis for the same period with interest payable at a fixed rate of 3% p.a. and a subordinated loan of €15 million with interest accruing at a compounding fixed rate of 6.25% per annum which is payable at maturity in March 2030, subject to the comments below. In September 2017, the Group utilised the lease renewal deposit of €6.25m (held within restricted cash as at 31 March 2017) to prepay a portion of the junior loan, the principal amount of this loan was €7.7 million as at 30 September 2017.

In June 2016 the Company arranged the purchase of the subordinated loan which together with interest and fees aggregated €19.2 million ($21.6 million). By agreement with the lender, interest on the subordinated loan was reduced from 8% per annum accrued to 6.25% per annum, payable quarterly in arrears. The Group has agreed to acquire, or procure the acquisition by a third party of, the subordinated loan on 31 March 2019.

In addition, the Group issued a 'Cost Overrun Guarantee', governed by German law, for the benefit of certain lenders under the loan agreements entered into by the Partnership as borrower, to secure the coverage (by payment of the necessary funds to the borrower) of a possible excess of certain costs in connection with the Leipzig Properties over a specified maximum yearly sum, subject to a maximum amount of liability of EUR 5 million.

Freehold Property, London

Upon the acquisition of the RP&C in October 2016, the Group acquired a loan from National Westminster Bank Plc with a principal amount outstanding of $1,665,391. As at 30 September the principal amount totals $1,447,389. The bank loan is secured by a first legal mortgage over freehold property acquired and a fixed and floating charge. The loan is repayable by equal quarterly instalments of £52k ending in September 2022. Interest on the loan is payable at 2% over the lender's base rate.

13. BORROWINGS (Continued)

Other Loans

At 30 September 2017 Other Loans included various loans from a shareholder totaling $27.4 million upon which interest was charged at 5.0% per annum during the period ended 30 September 2017. The maturity date of these loans ranges December 2018 and September 2019. On 8 August 2017 USI Germany borrowed $3 million from Green Street Global Investments Limited, the loan will be quarterly interest of 5.0% and is repayable on 30 September 2019.

Upon the acquisition of RP&C in October 2016, the Group acquired a number of other loans totaling approximately $11.4 million. $7,000,000 charged an interest rate of 6.25% per annum and is due for repayment in June 2018. Also included are other loans totaling approximately $4.5 million on which interest is charged at the rate between 6% per annum and 8% per annum.

14. DIVIDENDS

In lieu of the payment of a dividend in relation to the year ended 31 March 2017, the Board of Directors approved at the Annual General Meeting on 19 September 2017 the payment of a par value capital reduction to shareholders equivalent to CHF 0.50 per share. This is payable in cash, or at the election of the shareholders, in shares of the Company. The share entitlement shall be calculated by dividing the relevant amount of the repayment entitlement by 95% of the arithmetic mean of the daily volume weighted average prices of the Company's shares on the SIX Swiss Stock Exchange during the 10 consecutive trading days ending on the last day on which the election is made. Any shares issued to shareholders will be sourced from treasury shares. This transaction is expected to complete in January 2018.

15. DISCONTINUED OPERATIONS

As at 30 September 2016 the gold trading segment of the business was treated as a discontinued operation in the interim condensed consolidated financial statements. This followed the Board of Directors announcement that they intend to cease gold trading activities following increased monitoring of this segment and persistent difficulty in generating positive investment returns.

An analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:

	Period ended 30 September 2017 $	Period ended 30 September 2016 $
Revenue	-	1,440,916
Cost of goods sold	-	(1,535,241)
Administrative expenses	-	(38,245)
Finance costs	-	(26,224)
Taxation	-	-
Loss for the period from discontinued operations	-	(158,794)

16. RELATED PARTY TRANSACTIONS

Ongoing related parties post acquisition of RP&C

(i) Ridgemont Holdings Limited ("Ridgemont") was a wholly owned subsidiary of the RP&C Group at 31 March 2016. In June 2016, 100% of the issued share capital of Ridgemont was sold to David Quint Jnr, son of David Quint Snr who is a Director of the Company. Ridgemont owns 5.1% of the German investment partnership which owns the Investment Property referred to in Note 10. The Group had a loan outstanding due from Ridgemont of $2,348,296 (€2,000,000), and accrued interest of $1,317,627 at 30 September 2017. The principal amount of the loan is due in March 2020. David Quint Jnr. is also an employee of the Group. Ridgemont has pledged its 5.1% interest in the Partnership as security against the amounts due to the Group.

16. RELATED PARTY TRANSACTIONS (Continued)

(i) As at 30 September 2017 loans totalling $1,004,527 (£750,000) were payable to Mrs Kathleen Quint, wife of David Quint Snr. These loans were made to Arundel Group Limited (previously RP&C International Ltd) prior to the acquisition of RPC by the Group on 4 October 2016. Interest is payable on the loan at 5% over the Coutts base rate and interest of $36,020 has been paid in the period.

(ii) Fees paid to Directors and Executive Management in the year and amounts outstanding as at 30 September 2017 are detailed below. As at 30 September 2017, an amount of $1,260,000 was payable to Mr Richard Borg in relation to a promissory note issued upon the acquisition of RP&C. This amount is payable on 4 October 2018. An amount of $140,000 in relation to this promissory note was paid to Mr Borg on 30 September 2017.

Historic Related Parties/Related Parties pre acquisition of RP&C

(iv) Arundel (Mauritius) Limited (formerly St James Investment Management Limited ("SJIM")), which was ultimately owned by RP&C up to 4 October 2016, charged advisory fees of $525,000 in the first half of the year ended 31 March 2017 (period ended 31 March 2016 - $1,019,216).

(v) In February 2016, Mr William Vanderfelt provided $1 million towards the subscription of CHF1 million of Bonds issued by the Group. Mr Vanderfelt resigned his position as a Director on the Company on 27 September 2016.

Fees to Directors' and Executive Management

The following directors' and executive management fees were recognised in 2017 and 2016.

	Period Ended 30 September 2017 $	**Period Ended 30 September 2016 $**	**Period Ended 31 March 2017 $**
Dr. Volkert Klaucke	15,000	22,265	30,000
Mr. William Vanderfelt	-	15,412	15,187
Mr. David Quint+	15,407	15,412	15,187
Dr. Doraiswamy Srinivas+	15,407	15,412	15,187
Mr Markus Müller	15,407	-	15,187

The above directors' fees are for the period 1 April 2017 to 30 September 2017 inclusive.

+ Payable to RP&C

The following fees for executive management were recognised in 2017 and 2016.

	Period Ended 30 September 2017 $	**Period Ended 30 September 2016 $**	**Period Ended 31 March 2017 $**
Dr. Volkert Klaucke	60,000	5,559	122,999
Mr G Dixit	75,000	75,000	150,000
Mr. David Quint	254,961	-	261,442
Dr. Doraiswamy Srinivas	114,969	-	111,788
Mr. R M Beney	196,125	-	200,249
Mr R J Borg	194,302	-	193,810

The above executive management fees are for the period 1 April 2017 to 30 September 2017 are related to short term benefits.

17. SEGMENT INFORMATION

	Continuing Operations						
Period ended 30 September 2017	**Investments in Development Rights (India)**	**Investments in Government Tenanted Property (Germany)**	**Investment Advisory (UK/US)**	**Head Office and Reconciling Central Costs**	**Total Continued Operations**	**Gold Trading - Discontinued (Singapore)**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 5)	-	5,053,812	2,012,022	-	7,065,834	-	7,065,834
Net gain on fair value movement on investment property (Note 10)	-	455,056	-	-	-	-	455,056
Gain on bargain purchase	-	-	-	-	-	-	-
(Loss)/profit after tax	**(267,916)**	**2,706,301**	**310,501**	**(1,454,227)**	**1,294,659**	-	**1,294,659**
Assets							
Investment property (Note 10)	-	158,228,454	-	-	158,228,554	-	158,228,454
Property, plant and equipment (Note 9)	-	-	-	26,487,596	26,487,596	-	26,487,596
Other receivables (Advance development rights payments) (Note 11)	6,190,429	-	-	-	6,190,429	-	6,190,429
Deferred taxation	-	-	306,850	-	306,850	-	306,850
Trade debtors (Note 11)	-	-	1,000,000	-	1,000,000	-	1,000,000
Restricted cash (Note 11)	-	549,058	-	-	549,058	-	549,058
Cash and cash equivalents	92,913	100	-	1,789,572	1,882,585	-	1,882,585
Segment assets for reportable segments	**6,283,342**	**158,777,612**	**1,306,850**	**28,277,168**	**194,644,972**	-	**194,644,972**
Of which are non-current assets:	-	158,228,454	-	26,487,596	184,716,150	-	184,716,150
Liabilities							
Total borrowings (Note 13)	9,000,000	87,075,941	-	56,749,262	152,825,203	-	152,825,203
Deferred taxation	-	-	-	3,337,220	3,337,220	-	3,337,220
Contingent liability	-	-	605,000	-	605,000	-	605,000
Accruals	-	-	1,200,000	-	1,200,000	-	1,200,000
Trade and other payables	-	-	3,452,861	-	3,452,861	-	3,452,861
Other payables – promissory note	-	-	-	1,260,000	1,260,000	-	1,260,000
Segment liabilities for reportable segments	**9,000,000**	**87,075,941**	**5,257,861**	**61,346,482**	**162,680,284**	-	**162,680,284**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers worldwide. Revenue from gold trading is derived from a number of external customers none of whom represent more than 10% of total revenue. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

17. SEGMENT INFORMATION	**Continuing Operations**						
	Investments in Development Rights (India)	**Investments in Government Tenanted Property (Germany)**	**Investment Advisory (UK/US)**	**Head Office and Reconciling Central Costs**	**Total Continued Operations**	**Gold Trading - Discontinued (Singapore)**	**Total**
Period ended 30 September 2016	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 5)	-	5,282,868	-	-	5,282,868	1,440,916	6,723,784
Net loss on fair value movement on investment property (Note 10)	-	-	-	-	-	-	-
(Loss)/profit after tax	**(271,684)**	**1,815,620**	**-**	**(3,775,806)**	**(2,231,870)**	**(158,794)**	**(2,390,664)**
Assets							
Investment property (Note 10)	-	151,501,915	-	-	-	-	151,501,915
Development rights	18,471,895	-	-	-	18,471,895	-	18,471,895
Other receivables (Advance development rights payments) (Note 11)	4,552,377	-	-	-	4,552,377	-	4,552,377
Deferred taxation	-	-	-	-	-	-	-
Trade debtors (Note 11)	-	-	-	-	-	-	-
Restricted cash (Note 11)	-	426,685	-	-	426,685	-	426,685
Cash and cash equivalents	320,087	140	-	4,772,750	5,092,977	13,581	5,106,558
Segment assets for reportable segments	**23,344,359**	**151,928,740**	**-**	**4,772,750**	**180,045,849**	**13,581**	**180,059,430**
Of which are non-current assets:	18,471,895	151,501,915	-	-		-	
Liabilities							
Total borrowings (Note 13)	7,600,000	96,436,729	-	40,776,106	144,812,835	-	144,812,835
Deferred taxation	-	-	-	-	-	-	-
Contingent liability	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	-
Other payables	18,471,895	-	-	-	18,471,895	-	18,471,895
Segment liabilities for reportable segments	**26,071,895**	**96,436,729**	**-**	**40,776,106**	**163,284,730**	**-**	**163,284,730**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers worldwide. Revenue from gold trading is derived from a number of external customers none of whom represent more than 10% of total revenue. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

	Continuing Operations						
17. SEGMENT INFORMATION	**Investments in Development Rights (India)**	**Investments in Government Tenanted Property (Germany)**	**Investment Advisory (UK/US)**	**Head Office and Reconciling Central Costs**	**Total Continued Operations**	**Gold Trading - Discontinued (Singapore)**	**Total**
Year ended 31 March 2017	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue (Note 5)	-	10,329,503	1,145,977	-	11,475,480	1,448,523	12,924,003
Net loss on fair value movement on investment property (Note 10)	-	(888,991)	-	-	(888,991)	-	(888,991)
Gain on bargain purchase	-	-	-	1,523,137	1,523,137	-	1,523,137
(Loss)/profit after tax	**(602,277)**	**3,303,405**	**(319,465)**	**(9,071,139)**	**(6,689,476)**	**(248,675)**	**(6,938,151)**
Assets							
Investment property (Note 10)	-	143,711,456	-	-	143,711,456	-	143,711,456
Property, plant and equipment (Note 9)	-	-	-	25,030,249	25,030,249	-	25,030,249
Other receivables (Advance development rights payments) (Note 11)	6,233,435	-	-	-	6,233,435	-	6,233,435
Deferred taxation	-	-	306,850	-	306,850	-	306,850
Trade debtors (Note 11)	-	-	-	-	-	-	-
Restricted cash (Note 11)	-	7,026,162	-	-	7,026,162	-	7,026,162
Cash and cash equivalents	114,421	(24)	-	809,923	924,320	-	924,320
Segment assets for reportable segments	**6,347,856**	**150,737,594**	**306,850**	**25,840,172**	**183,232,472**	**-**	**183,232,472**
Of which are non-current assets:	-	143,711,456	-	-	168,741,705	-	168,741,705
Liabilities							
Total borrowings (Note 13)	9,000,000	90,301,443	-	52,535,714	151,837,157	-	151,837,157
Deferred taxation	-	-	-	3,134,146	3,134,146	-	3,134,146
Contingent liability	-	-	605,000	-	605,000	-	605,000
Accruals	-	-	1,200,000	-	1,200,000	-	1,200,000
Other payables – promissory note	-	-	-	1,400,000	1,400,000	-	1,400,000
Segment liabilities for reportable segments	**9,000,000**	**90,301,443**	**1,805,000**	**57,069,860**	**158,176,303**	**-**	**158,176,303**

All revenue derived from Investments in Government Tenanted Property is derived from one external customer in Germany. Investment advisory income is derived from a number of external customers worldwide. Revenue from gold trading is derived from a number of external customers none of whom represent more than 10% of total revenue. The column Head Office and Reconciling Central Costs represents expenses, assets and liabilities that relate to the London property and also those which cannot be separately allocated between segments.

17. SEGMENT INFORMATION (CONTINUED)

Reportable segments' assets are reconciled to total assets as follows:

Period ended	**30 September 2017 $**	**30 September 2016 $**	**31 March 2017 $**
Total reportable segment assets	194,644,972	180,059,430	183,232,472
Other investments	37,179	76,425	115,992
Receivables and prepayments (Note 11)	6,511,362	11,011,715	10,132,854
Total assets per balance sheet	201,193,513	191,147,570	193,481,318

Reportable segments' liabilities are reconciled to total liabilities as follows:

Period ended	**30 September 2017 $**	**30 September 2016 $**	**31 March 2017 $**
Total reportable segment liabilities	162,680,284	163,284,730	158,176,303
Accruals and other payables	2,167,822	3,468,567	6,397,707
Other payables	108,893	115,951	313,625
Total liabilities per balance sheet	164,956,999	166,869,248	164,887,635

18. SUBSEQUENT EVENTS

New Loan Facility

On 21 November 2017 USIGHL entered into a loan agreement with an existing lender and shareholder of the group. The loan is for up to $15 million and will be used for general working capital purposes including other debt repayments. The facility will pay quarterly interest at the rate of 1.25% per annum and is repayable on 31 December 2028. USIGHL has drawn down approximately $12.2 million of this facility.

As a result of the positive on-going discussions involving a potential acquisition, the Board has decided to revert to a 31 December financial year end. As a result, the Company's next audited results will cover the nine month period ended 31 December 2017.

19. BOARD APPROVAL

The unaudited consolidated financial statements on pages 6 to 30 are subject to approval and have been authorised by the board of directors on 19 December 2017 and were signed on its behalf by:

Dr. Volkert Klaucke
Chairman

Date: 19 December 2017

Dr. Doraiswamy Srinivas
Vice Chairman

Date: 19 December 2017