Company	SKIL Ports & Logistics Limited
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SKIL Ports and Logistics Limited
("SPL" or the "Company")
Interim Report for the Period ended 30 June 2014

The Company is pleased to announce its interim results for the period ended 30 June 2014.

Chairman's statement

I am pleased to report that the level of activity on the ground has continued in line with management's expectations and in accordance with the plans agreed with the Company's EPC contractor. During the period and since the period end, work has continued to progress on two of the three key areas of the build out, including reclamation and dredging in the approach channel. The third key area of the build out consists of the laying of piles for jetty construction and will start to see significant progress following the monsoon, which is expected to conclude by the end of this month.

Over the next few months, works will continue to progress, with a particular focus on ground reclamation, casting of piles for the jetty and dredging within the harbour basin.

Based on the progress to date, as outlined above, I remain confident that SPL will deliver a fully developed and operational facility by the end of 2015. We constantly liaise with our contractors and engineers to identify delays and potential delays and thus far are satisfied that the build out of the facility would be operational by the close of 2015. We continue to evaluate our internal headcount to match the development of the Company. Our cash position reflects the progress and costs that have been incurred on the site and the Company has so far incurred capex of GBP 21.15 million by the end of the period. With cash balances of GBP 45.5 million as at June 30, 2014 and with the Company's credit facility of GBP 47.03 million in place, the Board believes that the Company has sufficient recourses to complete the project and incur the scheduled capex.

I believe that SPL is well positioned to benefit from one of the most optimistic environments in India's recent history. The formation of a new government has injected a 'can do' sense in all parts of society and this only bodes well for our project, which I believe remains of strategic importance for Maharashtra and India as a whole.

Nikhil Gandhi

Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2014

	Note	6 months to 30 June 2014	6 months to 30 June 2013	Year to 31 Dec 2013
		£000	£000	£000
CONTINUING OPERATIONS				
Revenue		-	-	-
Administrative expenses		(974)	(519)	(1,921)
OPERATING LOSS		**(974)**	**(519)**	**(1,921)**
Finance income		1,408	2,422	4,321
Finance cost		-	-	-
NET FINANCING INCOME		**1,408**	**2,422**	4,321
PROFIT BEFORE TAX		**434**	**1,903**	**2,400**
Tax expense for the period / year		(456)	(784)	(1,399)
PROFIT / (LOSS) FOR THE PERIOD / YEAR		**(22)**	**1,119**	**1,001**
Profit for the period / year attributable to:				
Non-controlling interest		1	4	5
Owners of the parent		(23)	1,115	996
Profit / (loss) for the period / year		**(22)**	**1,119**	**1,001**
Other comprehensive income/(expense)				
Exchange differences on translating foreign operations	4	(110)	(1,504)	(7,941)
Other comprehensive expense for the period / year		**(110)**	**(1,504)**	**(7,941)**
Total comprehensive expense for the period / year		**(132)**	**(385)**	**(6,940)**
Total comprehensive income for the period / year attributable to:				
Non-controlling interest		1	4	5
Owners of the parent		(133)	(389)	(6,945)
		(132)	**(385)**	**(6,940)**
Earnings per share (consolidated): Basic & Diluted, for the year/period attributable to ordinary equity holders (£)		(0.001)	0.025	0.023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Note	Period ended 30 June 2014	Period ended 30 June 2013	Year ended 31 Dec 2013
		£000	£000	£000
Assets				
Property, plant and equipment	7	11,248	2,023	6,463
Total non-current assets		**11,248**	**2,023**	**6,463**
Trade and other receivables		14,014	1,680	10,273
Cash and cash equivalents		45,502	62,796	45,796
Total current assets		**59,516**	**64,476**	**56,069**
Total assets		**70,764**	**66,499**	**62,532**
Equity				
Share premium		71,590	71,590	71,590
Retained earnings		5,246	5,388	5,269
Translation reserve		(21,751)	(15,204)	(21,641)
Equity attributable to owners of parent		**55,085**	**61,774**	**55,218**
Non-controlling interest		14	12	13
Total equity		**55,099**	**61,786**	**55,231**
Liabilities				
Non-current				
Borrowings		9,194	29	53
Non-current liabilities		**9,194**	**29**	**53**

Current			
Borrowings	8	-	-
Current tax liabilities	5,154	4,130	4,516
Trade and other payables	1,309	554	2,732
Current liabilities	**6,471**	**4,684**	**7,248**
Total liabilities	**15,665**	**4,713**	**7,301**
Total equity and liabilities	**70,764**	**66,499**	**62,532**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June 2014

	Note	6 months to 30 June 2014	6 months to 30 June 2013	Year to 31 Dec 2013
		£000	**£000**	**£000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		434	1,903	2,400
Adjustments	5	(1,218)	(2,500)	(4,616)
Operating profit before working capital changes		**(784)**	**(597)**	**(2,216)**
Net changes in working capital	5	(5,194)	(1,622)	(8,013)
Net cash used in operating activities		**(5,978)**	**(2,219)**	**(10,229)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(4,807)	(83)	(4,801)
Proceeds from disposals of property, plant and equipment		-	-	15
Finance income		1,408	2,422	4,321
Net cash from investing activities		**(3,399)**	**2,339**	**(465)**

CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of share capital (net of issue cost)	-	-	-
Proceeds from borrowing	9,180	-	-
Net cash from financing activities	**9,180**	**-**	**-**
Net change in cash and cash equivalents	**(197)**	**120**	**(10,694)**
Cash and cash equivalents, beginning of the period / year	45,796	64,180	64,180
Exchange differences on cash and cash equivalents	(97)	(1,504)	(7,690)
Cash and cash equivalents, end of the period / year	**45,502**	**62,796**	**45,796**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

SKIL Ports & Logistics Limited (the "Company") was incorporated in Guernsey under the Companies (Guernsey) Law 2008 on 24 August 2010. The condensed interim consolidated financial statements of the Company for the period ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the "Group"). The Company has been established to develop, own and operate port and logistics facilities.

2. General information and basis of preparation

The condensed interim consolidated financial statements are for the period ended 30 June 2014. The condensed interim consolidated financial statements are prepared under AIM 18 guidance. They have been prepared on the historical cost basis. They do not include all of the information required in annual financial statements in accordance with IFRS. The condensed interim consolidated financial statements are not audited.

The condensed interim consolidated financial statements are presented in Great British Pounds Sterling (£), which is the functional currency of the parent company. The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant judgments made by management applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the annual IFRS financial statements.

The Company's financing effort to date is considered sufficient to enable the Company to fund all aspects of its operations. As a result, the condensed interim consolidated financial statements have been prepared on a going concern basis.

The condensed interim consolidated financial statements have been approved for issue by the Board of Directors on September 4, 2014.

3. Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2013. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

4. The loss for the period is calculated after charging a loss of £ 110,000 on the retranslation of cash balances held in Indian rupees to Great British Pounds Sterling (£).

5. Cash Flow Adjustments and changes in working capital

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

	Period ended 30 Jun 2014 £000	Period ended 30 Jun 2013 £000	Year ended 31 Dec 2013 £000
Adjustments			
Depreciation	9	11	23
Finance income	(1,408)	(2,422)	(4,321)
Tax expense	(456)	(784)	(1,399)
Change in current tax liabilities	637	695	1,081
	(1,218)	**(2,500)**	**(4,616)**
Net changes in working capital			
Change in trade and other payables	(1,453)	(305)	1,908
Change in trade and other receivables	(3,741)	(1,317)	(9,911)
Change in borrowings	-	-	(10)
	(5,194)	**(1,622)**	**(8,013)**

6. Borrowing

Karanja Terminal & Logistics Private Limited (KTLPL), the Indian subsidiary has successfully tied-up rupee term loan of INR 480 crore (GBP 47.03 million) for part financing the port facility. The rupee term loan has been sanctioned by 4 Indian public sector banks and the loan agreement was executed on 28th February, 2014. The tenure of the loan is for 10 years with repayment beginning at the end of the third year. The repayment schedule is as follows:

	Repayment amount	
Payment falling due	**INR in Crore**	**GBP in Million**
Within 1 year	-	-
1 to 5 year's	144.00	14.11
After 5 year's	336.00	32.92
Total	**480.00**	**47.03**

The rate of interest will be a floating rate linked to the Canara bank base rate with an additional spread of 355 basis points. The present composite rate of interest is 13.50%. The borrowings are secured by the hypothecation of the port facility and pledge of its shares. The carrying amount of the bank borrowing is considered to be a reasonable approximation of the fair value.

KTLPL has utilised the rupee term loan facility of INR 93.70 crore (GBP 9.18 million) as of the reporting date.

7. Property, plant and equipment

During the six months ended 30 June 2014, the Group progressed construction of the facility and the carrying amount at 30 June 2014 was GBP 11.20 million (31 December 2013: GBP 6.41 million). The amount of borrowing costs capitalised during the six months ended 30 June 2014 was GBP 94,218 (31 December 2013: GBP Nil). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 13.50 %, which is the effective interest rate of the specific borrowing.

This information is provided by RNS
The company news service from the London Stock Exchange

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