

NEW FUTURES LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020**

NEW FUTURES LTD

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

TABLE OF CONTENTS	Pages
Report of Directors	1
Secretary's Certificate	2
Corporate Governance Report	3 - 10
Statement of Compliance	11
Independent Auditor's Report	12 - 12(b)
Financial Statements	13 - 33

NEW FUTURES LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED JUNE 30, 2020

The directors have the pleasure in submitting the Annual Report of New Futures Ltd for the year ended June 30, 2020 as set out on pages 3 to 33.

The shareholder agrees that in conformity with Section 221 (4) of The Companies Act 2001 (the "Act"), the Annual Report of the Company need not comply with paragraphs (a), (d) and (e) of Section 221 (1) of the Act.

This report was approved by the Board of Directors on September 28, 2020.



Director

Ronald Lam Yan Foon



Director

Aurelie Park

SECRETARY'S CERTIFICATE FOR YEAR ENDED JUNE 30, 2020

I certify that, to the best of my knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001.

A handwritten signature in black ink is written over a circular blue stamp. The stamp contains the text "MCB Group Corporate Services Ltd" around the perimeter and a small star at the top.

For and on behalf of

MCB Group Corporate Services Ltd
Company Secretary

Date: 28th September 2020

1. GOVERNANCE STRUCTURE

1.1 Overview

New Futures Ltd (the “Company” or “NFL”) is a public company limited by shares. As from the financial year 2019/2020, it has become a Public Interest Entity. The Company is committed to the highest standard of business integrity, transparency and professionalism to ensure that its activities are managed ethically and responsibly to enhance business value for all stakeholders.

The Company owns the *Domaine de Grand Baie*, a 135 unit senior serviced residence managed by AEGIDE-Domitys under a long term lease agreement. Despite the impacts of the COVID-19 pandemic, the residence is due to open in early 2021.

The Company has no staff and all its activities and day-to-day operations have been outsourced under Management Agreement and Service Level Agreements.

1.2 Statement of Compliance

The board of directors has given due consideration to the principles of good corporate governance which are applicable to the Company under the National Code of Corporate Governance for Mauritius (2016) (the “Code”). For the period under review, the Company has complied with the Code partially and recognises the need to improve the principles and practices so as to be fully compliant with the Code. The Board is putting in place the necessary framework to enable the organisation to comply with the Code in all material aspects as from financial year 2020/2021.

1.3 Constitutive documents or Charter documents

1.3.1 Board Charter

A Board Charter defining the roles, responsibilities and authorities of the Board of directors, has been duly approved by the Board in September 2020. The Board aims to review the Charter regularly to update the document as and when necessary.

1.3.2 Constitution

The Company has a Constitution approved on 27th June 2018.

1.3.3 Position Statements

Position Statements have also been approved by the Board and provides a clear definition of the roles and responsibilities of the Chairperson, and the Company Secretary.

1.3.4 Organisation Chart

The Company has no staff and all its activities and operations have been outsourced under Management and Service Level Agreements.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2020

1.3.5 Statement of Main Accountabilities

The Board is responsible and accountable for the long-term success of the Company and as such, has approved and set the main accountabilities of the Board collectively as follows:

Main Accountabilities	
Chairperson	-Provides overall leadership to the Board. -Ensures that the Board is effective in its tasks of setting and implementing the Company's direction and strategy. -Maintains sound relations with the shareholders and other stakeholders.
Board	-Ensures compliance by the Company with applicable legislation, regulation and policies. -Safeguards the assets of the Company. -Approves material agreements with third parties. -Ensures Board decisions are being implemented and the long-term interests of the shareholders are being served. -Ensures that the Company's rights and interests under its key agreements are being implemented and delivered upon.

2. THE BOARD STRUCTURE

2.1 Board and Chairperson's roles and responsibilities

The Board is responsible for leading and controlling the organisation and meeting all legal and regulatory requirements. The directors have the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on the key issues relevant to the business of the Company and to protect the interests of clients and other stakeholders.

The Chairperson's primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy. The Chairperson is also responsible for ensuring that appropriate policies and procedures are in place for the effective management of the Company.

2.2 Composition of the Board

The Board currently consists of three non-executive directors, nominated respectively by the three shareholders of the Company, to achieve the strategic goals of the Company. The Board is in the process of appointing independent directors as recommended by the Code.

Details of the members of the Board are as follows:

Name	Title	Category	Gender	Country of Residence
Ronald LAM YAN FOON	Chairperson	Non-Executive	Male	Mauritius
Aur�lie PARK (as from June 2020)	Director	Non-Executive	Female	Mauritius
Frederic WALTHER	Director	Non-Executive	Male	France
Junaid SALEHMOHAMED (as from June 2020)	Alternate Director	Non-Executive	Male	Mauritius

The Company has no employees and no executive directors.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2020

2.3 Profile of Directors

A brief profile of each director along with their directorships is set out below:

(i) Ronald Lam Yan Foon (Rony Lam), Non-Executive Director and Chairperson

Rony started his career with KPMG in Beijing and London, where he qualified as a Chartered Accountant. Since 2000, he has pursued a career in investment banking at HSBC Investment Bank and Barclays in London and Asia. From 2007 to 2012, he was a Partner at Fenchurch Advisory Partners, a leading UK investment banking firm focused exclusively on advising financial institutions on mergers and acquisitions and capital markets transactions. Mr Rony Lam was a Cambridge Commonwealth Trust scholar and holds a BA (Honours) and MA (Cantab) in Economics from Cambridge University. He also has a Diploma in Mandarin Chinese from Renmin University of China.

(ii) Aurelie Park, Non-Executive Director

Aurelie has graduated from the Centre du Droit de l'Entreprise- Université de Montpellier 1, France and holds a Master 2- Droit de la Distribution et des Contrats d'Affaires. She has 10 years' experience acting as an in-house corporate legal adviser. She started her career at the head office of Ciel Group before heading to Alteo and ultimately to 2Futures where she heads the legal department and is involved in all corporate matters including the group's structuring, dealings and investments since five years.

(iii) Frederic Walther, Non-Executive Director

Frédéric is an E.S.S.E.C Graduate from Superior School of Economic and Commercial Sciences. He is currently the General Manager and partner of the Group Aegide which he joined in 1996 and is in charge of DOMITYS Residences' management and of the financial management of the Group. He was from 1990 to 1996, the financial director of Group Pierre 1er, an international and independent real estate group which developed and managed more than a hundred property deals in several European countries such as France, Germany, Austria, Belgium, Spain, Italy and Portugal. Pierre 1er also managed property, hotel and financial assets on behalf of major investors and financial institutions in France, England, United States and Netherlands.

(iv) Junaid Salehmohamed (Non-Executive Director up to June 2020 and currently alternate director)

Junaid is Chartered Surveyor with the RICS (UK). He has also qualified in Quantity Surveying from the University of Cape Town and in Real Estate Investment & Finance from Heriot-Watt University. He carries a wealth of experience in the management of several high profile and successful projects in the retail, upmarket residential and leisure sectors around the island. He was formerly an Associate at an international practice of construction cost consultants before joining 2Futures in 2015.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2020

2.4 Company Secretary

The Company has appointed MCB Group Corporate Services Ltd, a private company incorporated in Mauritius having its registered office at 9-15 Sir William Newton Street, Port Louis, as its Company Secretary. All board members have access to the Company Secretary for information relating to Board matters.

2.5 Board Attendance

Board meeting are held on a regular basis but may be convened at any time in case urgent matters need to be discussed.

Number of Meeting held during the year ended June 30, 2020	1
Directors	
Mr Ronald Lam Yan Foon	1
Mr Junaid Salehmohamed (up to 25 June 2020)	1
Mr Frederic Walther	1
Mrs Aurelie Park (as from 25 June 2020) previously alternate director	1

3. BOARD PERFORMANCE AND EVALUATION

3.1 Legal duties of Directors

The directors are aware of their legal duties under the Act and other relevant legislation. They exercise the required level of care, skill and diligence, which a reasonably prudent and competent director in such a position would exercise.

3.2 Directors' Remuneration

The non-executive directors who have been nominated by the shareholders to represent them on the Company, are not remunerated. The non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

3.4 Directors' interests in the securities of the Company

The directors' interests in the securities of the Company as at 30th June 2020 are detailed hereunder.

DIRECTORS	Number of Securities held in NFL									
	Class A Shares		Class B Shares		Class C Shares		Secured Bonds		Convertible Bonds	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mr Junaid Salehmohamed	-	1.7	-	60,000	-	22,500	-	-	-	95
Mr Frederic Walther	-	3.6	-	187,884	-	33,156	-	1,105	-	166

3.5 Directors' service contracts

There are no fixed term contracts or service contracts between the Company and the directors.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2020

3.6 Related Party Transactions

For related party transactions, please refer to note 18 of the Financial Statements.

3.7 Register of Interest

An interests' register is maintained by the Company Secretary and is available for consultation by the shareholders upon request.

4. RISK GOVERNANCE AND INTERNAL CONTROL

The Board is responsible for risk management, the procedures in place within the organisation and the definition of the overall strategy for risk tolerance.

Currently, the key risks for the Company are legal, regulatory, operational, reputational, performance and financial risks and the Board is responsible for these matters.

Legal risks are managed by Board, taking advice from the Company's legal advisor where appropriate. The Board also takes out appropriate insurance cover.

Regulatory risks are managed by the Board and involve, where applicable, the setting out of proper processes and procedures in order to comply with all relevant legislations in force to safeguard the assets of the Company.

Operational risks are managed by the Board and involves the identification of proper operational and administrative procedures to mitigate the risk of losses through errors or omissions.

Reputational and performance risks are managed by the Board.

The identification and management of the **financial risks** are discussed in note 3 to the Financial Statements.

5. OTHER REPORTING

Health and Safety Issues

The Company is committed to high standards of integrity and ethical conduct in dealing with all its stakeholders.

The health and safety of clients and visitors are paramount and all reasonable measures are taken to ensure a sound and healthy working environment.

The Company is an equal opportunity employer and does not discriminate in any way with regard to race, religion or gender. All employment opportunities are openly advertised.

Corporate Social Responsibility

There was no contribution made with respect to Corporate Social Responsibility.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2020

Charitable Donation

No donation was made by the Company during the period under review.

Political Donation

The Company did not make any political donations during the year ended June 30, 2020.

Documents that shall be available on the Website

The Company is considering setting up a website where the following documents shall be available:

- ⇒ The Constitution
- ⇒ The full Annual Report of the Company including the financial statements
- ⇒ The Board Charter
- ⇒ Profile of the Directors
- ⇒ Profile of the Company Secretary

6. AUDIT

External Auditors

The external auditors are appointed by the shareholders in the Annual Meeting of Shareholders. BDO & Co has been appointed as the auditors of the Company in December 2018. The external auditors did not carry out non-audit services for the Company during the financial year under review.

Auditors' Fees

The fees paid to the auditors, for audit and other services were:

	2020	2019
	EUR	EUR
Audit fees - BDO & Co:	5,250	5,000

Internal Auditors

The Company has no workforce and all decisions are taken by the Board of Directors either by way of written resolutions or by convening board meetings when required. Moreover, given the size and structure of the Company and the nature of the business, the requirement for an internal audit function is so far not considered relevant. However, the Board of Directors will assess the need to establish an internal audit function regularly.

7. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS

The shareholders, equally represented on the Board, are kept properly informed on matters affecting the Company. The Annual Meeting of Shareholder is held in accordance with the Companies Act and

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2020

upon consultation with the shareholders. Notices for the annual meeting and other shareholder meetings are duly sent to the shareholder.

Shareholders Agreement Affecting the Governance of the Company by the Board

There is currently a shareholders' agreement between Two Futures Ltd, Aegide Indian Ocean Ltd and MCB Equity Fund Ltd dated 27 June 2018.

The shareholding structure is as follows:

	Two Futures Ltd	Aegide Indian Ocean Ltd	MCB Equity Fund Ltd	Total
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Class A	34	33	33	100
Class B	1,200,000	1,700,000	1,200,000	4,100,000
Class C	450,000	300,000	-	750,000

Major Transaction

No major transaction as defined under section 130(2) of the Act was undertaken.

Third Party Management Agreement

The Company entered into a lease agreement with Aegide Indian Ocean Ltd whereby the Company will lease the property it owns to Aegide Indian Ocean Ltd for a period of twenty (20) years. Aegide Indian Ocean Ltd subsequently assigned all its rights under the lease agreement to Domitys Le Domaine De Grand Baie Ltd, its wholly owned subsidiary.

Shareholders holding more than 5% of the Company

The shareholders of the Company and their stake are as follows:

Aegide Indian Ocean Ltd	: 41.4%
MCB Equity Fund Ltd	: 29.3%
Two Futures Ltd	: 29.3%

Share Option Plan

No such scheme currently exists within the Company.

Dividend Policy

The Company intends to use any free cash flows to the firm towards the repayment of its bank debts and notes outstanding. No dividend was declared for the year under review.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors collectively as a Board acknowledge their responsibilities for the following and state that:

- (i) the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the result of operations and cash flows for the period;
- (ii) adequate accounting records and effective internal control systems and risk management have been maintained;
- (iii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iv) the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), the Companies Act 2001 and the Financial Reporting Act 2004;
- (v) the financial statements have been prepared on a going concern basis;
- (vi) they are responsible for safeguarding the assets of the Company;
- (vii) they are responsible for leading and controlling the organisation and meeting all legal and regulatory requirements;
- (viii) they have taken reasonable steps for the prevention and detection of fraud and other irregularities.

The external auditor is responsible for reporting on whether the financial statements are fairly presented.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, we are satisfied that the annual report taken as a whole are fair, balanced and understandable.

For and on behalf of the board of directors:



.....
Director



.....
Director

Date: September 28, 2020

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2020**STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2020**

As per Section 75(3) of the Financial Reporting Act

Name of Public Interest Entity : **New Futures Ltd**

Reporting Period : **July 1, 2019 to June 30, 2020**

We, the directors of New Futures Ltd, confirm to the best of our knowledge that the Company has not complied with certain principle of the National Code of Corporate Governance for Mauritius (2016).

Reasons for non-compliance are set out below:

Principle	Section relating to	Reasons for non-compliance
2	The Structure of Board and its Committees	The Board consists of non-executive directors and is currently in the process of reviewing its composition to that effect. Given the current size of the Board there are no sub Committees of the Board.
3	Director Appointment Procedures	The current directors were nominated by the shareholders of the Company. Procedures with regards to director's appointment are being put in place for the appointment of new directors.
4	Director Performance Evaluation	The current directors being nominated by the shareholders aim to achieve the strategic goals and objectives of the Company. Performance evaluation of the Board and its directors has not been carried out at this stage.
5	Risk Governance and Internal Control	The Company's residences are still under construction. Accordingly, the company is not yet fully operational.
6	Reporting with Integrity	The construction of the Company's website shall be undertaken in due course and once completed the required reports, documents and disclosures shall be posted on the Website.
7	Audit	Currently there is no internal audit function within the Company and there is no Audit Committee. Audit matters are taken up at Board level. Implementing an internal audit function shall be considered at a later stage since the Company is not yet fully operational. The Company will consider setting up an Audit Committee once the composition of the Board is reviewed.

Signed for and on behalf of the board of directors on September 28, 2020.



Chairman



Director

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NEW FUTURES LTD

12

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of New Futures Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of New Futures Ltd ("the Company"), on pages 13 to 33 which comprise the statement of financial position as at June 30, 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 13 to 33 give a true and fair view of the financial position of the Company as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors and the Company Secretary's Certificate, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the Corporate Governance report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance report, the company has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

NEW FUTURES LTD

12(a)

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of New Futures Ltd

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

NEW FUTURES LTD

12(b)

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of New Futures Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Other Matter

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



BDO & Co

Chartered Accountants



Ameenah Ramdin, FCCA, ACA

Licensed by FRC

Port Louis,
Mauritius.

NEW FUTURES LTD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 EUR	2019 EUR
ASSETS			
Non-current asset			
Development costs	6	34,811,261	17,865,861
Deferred Tax Asset	7	38,151	-
		<u>34,849,412</u>	<u>17,865,861</u>
Current assets			
Other receivables	10	662,208	1,944,545
Cash and cash equivalents	17(d)	12,966,573	9,721,059
		<u>13,628,781</u>	<u>11,665,604</u>
Total Assets		<u>48,478,193</u>	<u>29,531,465</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	3,478,979	3,478,979
Revenue deficit		(223,757)	(194,673)
Total Equity and Reserves		<u>3,255,222</u>	<u>3,284,306</u>
LIABILITIES			
Non-current liability			
Borrowings	9(iii)	43,678,425	24,025,035
Current liabilities			
Trade and other payables	11	1,103,713	2,222,124
Borrowings	9(iii)	440,833	-
		<u>1,544,546</u>	<u>2,222,124</u>
Total Liabilities		<u>45,222,971</u>	<u>26,247,159</u>
Total Equity and Liabilities		<u>48,478,193</u>	<u>29,531,465</u>

These financial statements have been approved for issue by the Board of Directors on September 28, 2020.



DIRECTORS



The notes on pages 17 to 33 form an integral part of these financial statements.
Auditors' report on pages 12 to 12(b).

NEW FUTURES LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 EUR	2019 EUR
INCOME			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income	12	-	1,816
Distribution costs	13	(26,920)	(57,390)
Administrative expenses	14	(34,655)	(80,860)
Other expenses		(156)	-
Net Finance (Cost)/ Income	15	(5,504)	39,038
Loss before tax		(67,235)	(97,396)
Income tax credit	16	38,151	-
Loss for the year		(29,084)	(97,396)
Other comprehensive income		-	-
Total comprehensive income for the year		(29,084)	(97,396)

The notes on pages 17 to 33 form an integral part of these financial statements.

Auditors' report on pages 12 to 12(b).

NEW FUTURES LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Stated capital	Revenue deficit	Total
	EUR	EUR	EUR
Balance as at July 1, 2019	3,478,979	(194,673)	3,284,306
Total comprehensive income for the year	-	(29,084)	(29,084)
Balance as at June 30, 2020	<u>3,478,979</u>	<u>(223,757)</u>	<u>3,255,222</u>
Balance as at July 1, 2018	3,478,979	(97,277)	3,381,702
Total comprehensive income for the year	-	(97,396)	(97,396)
Balance as at June 30, 2019	<u>3,478,979</u>	<u>(194,673)</u>	<u>3,284,306</u>

The notes on pages 17 to 33 form an integral part of these financial statements.

Auditors' report on pages 12 to 12(b).

NEW FUTURES LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 EUR	2019 EUR
Cash flows from operating activities			
Cash generated from / (used in) operations	17 (c)	54,703	(3,105,487)
Cash flows from investing activity			
Development costs		(17,722,320)	(9,520,191)
Net cash used in investing activity		(17,722,320)	(9,520,191)
Cash flows from financing activity			
Proceed from loan		20,913,131	-
Net cash generated from financing activity		20,913,131	-
Net increase/(decrease) in cash and cash equivalents		3,245,514	(12,625,678)
Movement in cash and cash equivalents			
Balance at the beginning of the reporting period		9,721,059	22,346,737
Net increase/(decrease) in cash and cash equivalents		3,245,514	(12,625,678)
Balance at the end of the reporting period	17 (d)	12,966,573	9,721,059

The notes on pages 17 to 33 form an integral part of these financial statements.

Auditors' report on pages 12 to 12(b).

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION

New Futures Ltd, the 'Company' is a public limited company incorporated and domiciled in Mauritius. Its registered office is C/O MCB Capital Markets Ltd, Sir William Newton Street, Port Louis, Mauritius. The Company is involved in development of senior serviced residences. The Company has succeeded in raising debt finance from investors to fund its project in form of secured bonds, convertible bonds and a senior-ranked loan facility. The development is in progress and the handover date is expected to occur no later than 31 December 2020. The senior serviced residences shall be rented and managed by a subsidiary of AEGIDE SA.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These principles have been consistently applied since last year, unless otherwise stated.

(a) Basis of preparation

The financial statements of New Futures Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are that of an individual entity. The financial statements are presented in Euro and all values are rounded to the nearest Euro (EUR), except where otherwise stated.

The financial statements are prepared under the historical cost convention except that:

- (i) Relevant financial assets and liabilities are stated at their fair value; and
- (ii) Relevant financial assets and financial liabilities are stated at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The standard has no impact on the Company's financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

Annual Improvements to IFRSs 2015–2017 Cycle

- IFRS 3 – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 – clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 – clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 – clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2020 or later periods, but which the Company has not early adopted.

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

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 17 Insurance Contracts
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Annual Improvements 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Covid-19-Related Rent Concessions (Amendment to IFRS 16)
- Amendments to IFRS 17
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(b) Financial Instruments

(i) Financial assets

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (cont'd)

(i) Financial assets (cont'd)

The Company's financial assets measured at amortised cost comprise other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(ii) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(iii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (cont'd)

(iv) Financial liabilities

The Company classifies its financial liabilities into the "other financial liabilities" category, depending on the purpose for which the liability was acquired.

Other financial liabilities

Other financial liabilities include the following items:

-Debentures and bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

-Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire.

(c) Revenue recognition

Revenue shall represent income derived from sales and rental of properties under construction and shall be stated net of value added tax and discounts. Revenue shall be recognised when control of the goods or services are transferred to the customer.

Other revenues earned by the Company are recognised on the following bases:

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(d) Development costs

These costs are associated with property development and are capitalised when incurred.

All borrowing costs and foreign exchange gains or losses that are directly attributable to the development, are capitalised from the commencement of the development work until the date of practical completion, i.e. when substantially all of the development work is completed.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Taxation

The tax expense for the period comprises of current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly to equity.

(i) Current Tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(f) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using Euro, the currency of the primary economic environment in which the entity operates ('functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

(g) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources, that can be reasonably estimated, will be required to settle the obligation. No provisions were made during the year under review.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Related Party Transaction

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or to exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The company's activities expose it to a variety of financial risks, including:

- Credit risk.
- Currency risk; and
- Liquidity risk.

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

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

(a) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions whereby only independently rated parties are accepted.

(b) Currency risk

The company is exposed to foreign exchange risk arising from currency exposures in Mauritian Rupees, given that its development contracts are in Mauritian Rupees. However, the company seeks to mitigate its exposure to foreign exchange risk via forward contracts where possible.

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The company aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk over the next two years.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year	Between 1 and 5 years	More than 5 years
	EUR	EUR	EUR
<u>At June 30, 2020</u>			
Trade and other payables	1,103,713	-	-
Borrowings	440,833	37,488,400	6,190,025
	1,544,546	37,488,400	6,190,025
<u>At June 30, 2019</u>			
Trade and other payables	2,222,124	-	-
Borrowings	-	24,025,035	-
	2,222,124	24,025,035	-

The COVID-19 pandemic outbreak is not expected to have significant impact on the recoverable value of the Company. The company believes its liquidity position and facilities in place are adequate to ensure any future commitments and obligations that may arise are settled. As such, the financial statements as presented have been prepared on a going concern basis.

3.2 Capital risk management

The company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to reduce debt.

The company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt to capital. Net debt is calculated as total borrowings (as shown on the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital and revenue deficit).

The debt-to-adjusted capital ratio at 30 June 2020 and 30 June 2019 was as follows:

	2020	2019
	EUR	EUR
Total debt	44,119,258	24,025,035
Less: Cash at bank	(12,966,573)	(9,721,059)
Net debt	31,152,685	14,303,976
Shareholders' interests	3,255,222	3,284,306
Debt-to-adjusted capital ratio	9.6:1	4.4:1

There were no changes in the company's approach to capital risk management during the year.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation

The fair values of those financial assets and liabilities not presented on the company's statement of financial position at their fair values are not materially different from their carrying amounts.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

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

(a) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and the other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risks that only represent the company's view of possible near-term market changes that cannot be predicted with any certainty.

(b) Determination of functional currency

Functional currency is the currency of the primary economic environment in which the company operates. When indicators of the primary economic environment are mixed, management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Management has determined that the functional currency of the company is the Euro as the income stream will be denominated in Euro and the fund from financing activities are generated in Euro.

5. FUNCTIONAL CURRENCY

The following exchange rates applicable during the current and previous financial years were as follows:

	2020	2019
	MUR/EUR	MUR/EUR
Year	41.29	39.48
As at 30 June	44.85	40.32

The mid-closing EUR/MUR rate as provided by the Bank of Mauritius at 30 June 2020 was MUR 45.09 (30 June 2019: MUR 40.32).

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6. DEVELOPMENT COSTS

		2020	2019
		EUR	EUR
Build to rent	(a)	29,792,053	14,723,760
Build to sell	(b)	5,019,208	3,142,101
		34,811,261	17,865,861
(a) <u>Build to rent</u>			
At July 1,		14,723,760	4,773,498
Development costs incurred		12,346,966	8,852,825
Interest capitalised		1,209,414	998,649
Foreign exchange differences capitalised		1,238,458	(41,347)
Issue Cost on borrowings		273,455	140,135
At June 30,		29,792,053	14,723,760
(b) <u>Build to sell</u>			
At July 1,		3,142,101	1,216,164
Development costs incurred		1,377,929	1,724,632
Interest capitalised		221,845	183,184
Foreign exchange differences capitalised		227,172	(7,584)
Issue Cost on borrowings		50,161	25,705
At June 30,		5,019,208	3,142,101

7. DEFERRED INCOME TAX

Deferred income taxes are calculated on all temporary differences under the liability method at 17%.

	2020	2019
	EUR	EUR
At July 01,	-	-
Credit to Profit or Loss	(38,151)	-
At June 30,	(38,151)	-
In respect of: Tax Losses	(38,151)	-

Deferred income tax assets are recognised only to the extent that realisation of the related tax benefit is probable.

8. STATED CAPITAL

	2020	2019
	EUR	EUR
<u>Issued and fully paid share capital</u>		
Class A shares	25	25
Class B shares	3,477,454	3,477,454
Convertible Class C shares	1,500	1,500
Total	3,478,979	3,478,979

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8. STATED CAPITAL (CONT'D)

	2020	2019
	Number	Number
<u>Issued share capital</u>		
Class A shares	100	100
Class B shares	4,100,000	4,100,000
Convertible Class C shares	750,000	750,000
Total	4,850,100	4,850,100

The class of shares have the rights set out hereunder:

(a) **Class A Shares**

- right to one vote per share at any meeting of the company on any resolution;
- no right whatsoever to any dividend ; and
- no right whatsoever to any distribution of surplus assets of the Company.

(b) **Class B Shares**

- right to one vote per share at any meeting of the Company on any resolution;
- right to an equal share in dividends authorised by the Board in respect of Class B Shares and
- right to an equal share in the distribution of surplus assets of the Company.

(c) **Convertible Class C shares**

- no right to vote at any meeting of the Company on any resolution;
- no right whatsoever to any dividend; and
- entitled to an aggregate amount of EUR 1,000 in the distribution of surplus assets of the Company, which shall be distributed proportionately among them.

9. BORROWINGS

	2020	2019
	EUR	EUR
(i) <u>Debentures:</u>		
Convertible bonds	9,600,000	9,600,000
Secured bonds	15,100,000	15,100,000
Issue costs	(507,972)	(674,965)
	24,192,028	24,025,035
(ii) <u>Loan Facility-EUR 30.565 M:</u>		
MCB	13,833,748	-
SBM	7,385,033	-
Issue costs	(1,291,551)	-
At 30 June,	19,927,230	-
	44,119,258	24,025,035

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. BORROWINGS (CONT'D)

	2020	2019
	EUR	EUR
(iii) Analysed as:		
Current	440,833	-
Non current	43,678,425	24,025,035
	44,119,258	24,025,035

(a) Debentures

In the financial year 2018, the Company issued 9,600 convertible bonds at an issue price of EUR 1,000 each, totaling EUR 9,600,000 and 15,100 secured bonds at an issue price of EUR 1,000 each, totaling EUR 15,100,000.

The bonds carry interests ranging from 4% to 6% per annum and are secured by assets held by the company. The bonds shall mature automatically 5 years after the issue date. The issue costs will be amortised over the lifetime of the bonds.

(b) Loan Facility

In September 2018, a bank loan facility of EUR 30,565,000 was signed comprising of EUR 19,900,000 of Facility A and EUR 10,665,000 of Facility B. As at 30 June 2020, a total amount of EUR 21,218,781 has been drawn comprising of EUR10,553,781 from Facility A and the full amount of Facility B.

10. OTHER RECEIVABLES

	2020	2019
	EUR	EUR
Prepayments	36,229	1,189,749
VAT Refunds	624,373	752,742
Other Receivables	1,606	2,054
	662,208	1,944,545

These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. Other receivables are due and payable within 1 year from the end of the reporting period.

Due to the short-term nature of other receivables, their carrying amount is considered to be the same as their fair value.

All of the other receivables are denominated in MUR.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

11. TRADE AND OTHER PAYABLES

	2020	2019
	EUR	EUR
Audit and tax fees	5,696	11,246
Debenture representative fees	-	2,480
Development suppliers	1,081,425	2,190,168
Interest on loan facility	8,207	-
Management charge	-	2,139
Marketing fees	-	2,725
Registrar fees	1,174	1,284
Secretarial fees	871	951
Sundry expenses	6	10
Tax deduction at source	6,334	11,121
	1,103,713	2,222,124

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

12. OTHER INCOME

	2020	2019
	EUR	EUR
Sale of soil	-	1,816

13. DISTRIBUTION COSTS

	2020	2019
	EUR	EUR
Marketing fees	23,566	24,881
Overseas travelling	3,354	32,509
	26,920	57,390

14. ADMINISTRATIVE EXPENSES

	2020	2019
	EUR	EUR
Application fees	1,484	256
Debenture representative fees	2,374	-
Licence and permits	4,871	5,206
Professional fees	23,307	70,761
Other administrative expenses	2,619	4,637
	34,655	80,860

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15. NET FINANCE (COSTS)/ INCOME

	2020	2019
	EUR	EUR
Bank charges	(54,552)	(9,713)
Interest Income	37,948	48,751
Foreign Exchange Gains	11,100	-
	<u>(5,504)</u>	<u>39,038</u>

16. INCOME TAX

	2020	2019
	EUR	EUR

(a) In the Statement of Profit or Loss

Income tax on the adjusted profit for the year at 17%	-	-
Deferred tax credit for the year (See Note 7 above)	(38,151)	-
Credit for the year	<u>(38,151)</u>	<u>-</u>

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

	2020	2019
	EUR	EUR
Loss before Taxation	<u>(67,235)</u>	<u>-</u>
Tax calculated at a rate of 15%	(10,085)	-
Tax effect on:		
Tax Loss brought forward	(22,362)	-
Income not subject to tax	(4,554)	-
Expenses not deductible for tax purposes	3,339	-
Deferred Tax Rate Differential on Corporate Social Responsibility Levy	(4,489)	-
	<u>(38,151)</u>	<u>-</u>

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16. INCOME TAX (CONT'D)

The current tax charge is based on chargeable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income.

The Company does not have any current tax liability as it has tax losses which are available for offset against future taxable profits.

At 30 June 2020, the Company had accumulated tax losses of EUR 224,416 (30 June 2019: EUR 149,081).

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Non cash transactions

	2020	2019
	EUR	EUR
Issue costs	818,909	-

The principal non cash transactions are:

- (i) the amortisation amounting to EUR 166,993 of issue costs relating to the bonds;
- (ii) issue costs of EUR 1,142,525 arising on the loan facility of EUR 30.565m received during the financial year ended June 30, 2020; and
- (iii) the amortisation amounting to EUR 156,623 of issue costs relating to the loan facility;

(b) Reconciliation of liabilities arising from financing activities

	2019	Cashflows	Issue Costs	Conversion	Foreign exchange movement	2020
	EUR	EUR	EUR	EUR	EUR	EUR
Proceeds from bonds	24,025,035	-	166,993	-	-	24,192,028
Loan Facility-MCB & SBM	-	21,218,781	(1,291,551)	-	-	19,927,230
	24,025,035	21,218,781	(1,124,558)	-	-	44,119,258

	2018	Cashflows	Issue Costs	Conversion	Foreign exchange movement	2019
	EUR	EUR	EUR	EUR	EUR	EUR
Proceeds from bonds	23,859,195	-	165,840	-	-	24,025,035
	23,859,195	-	165,840	-	-	24,025,035

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

17. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

	2020	2019
	EUR	EUR
(c) Cash generated from / (used in) operations		
Loss before taxation	(67,235)	(97,396)
Changes in working capital:		
- Change in other receivables	139,813	(1,944,545)
- Change in trade and other payables	(17,875)	(1,063,546)
Cash generated from /(used in) operations	54,703	(3,105,487)
(d) Cash and cash equivalents		
	2020	2019
	EUR	EUR
Cash at bank	12,966,573	3,040,321
Treasury Bills	-	6,680,738
	12,966,573	9,721,059

18. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control. The transactions of the Company with related parties during the period under review are as follows:

(a) Other operating costs	2020	2019
	EUR	EUR
Entities with significant influence	70,964	29,005
(b) Trade and other payables	2020	2019
	EUR	EUR
Entity under common control	-	66,395
Entities with significant influence	8,276	4,374
	8,276	70,769

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Borrowings	2020	2019
	EUR	EUR
Entities with significant influence	27,153,033	19,768,000

(d) Development Costs	2020	2019
	EUR	EUR
Entity under common control	3,083,056	2,435,781
Entities with significant influence	2,146,963	1,266,122
	5,230,019	3,701,903

19. CAPITAL COMMITMENT

The company has a capital commitment of EUR 58.5 million excluding VAT for the construction of Le Domaine de Grand-Baie ("LDGB"), a 155 unit senior serviced residences located in Grand-Baie, Mauritius.

20. IMPACT OF COVID-19

The COVID-19 pandemic has affected the Company's prospects in two major ways: (i) The sanitary curfew imposed in March 2020, resulted in construction works being halted for a period of about 3 months; and (ii) Disruptions in global trade have affected the Company's supply chain.

As a result, the construction of the residences is due to end by 31 December 2020 (as opposed to 30 October 2020). Furthermore and subject to sanitary restrictions and flight available, the lease agreement is expected to start as from 1 April 2021.

