

NEW FUTURES LTD

**ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2021**

NEW FUTURES LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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NEW FUTURES LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED JUNE 30, 2021

The directors have the pleasure in submitting the Annual Report of New Futures Ltd for the year ended June 30, 2021 as set out on pages 3 to 37.

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 27, 2021.



Director

RONALD LAM YAN FOON

DocuSigned by:
Junaid Salehmohamed
B4111EECA024E2

Director

JUNAID SALEHMOHAMED

SECRETARY'S CERTIFICATE FOR YEAR ENDED JUNE 30, 2021

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, appearing to read 'C. K. Sloan', is written over a dotted line.

For and on behalf of

MCB Group Corporate Services Ltd
Company Secretary

Date: September 27, 2021

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. In parallel with the residences, the project also have 20 high end apartments which are earmarked for sale. Despite the impacts of the COVID-19 pandemic, the residence are expected to open in last quarter of 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”). The Board has put in place the necessary framework to enable the organisation to comply with the Code in all material aspects for the financial year under review.

The Board of Directors will regularly reassess the requirements of the Code to ensure that the Company remains compliant thereto.

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 reviewed the Charter in July 2021 and no change was brought. 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 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, 2021

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 Board structure is unitary and consists of independent and non-executive directors with 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.

The external obligations of the Chairperson have not changed materially during the Financial Year 2020/2021 and those obligations have in no way hindered the discharge of his duties and responsibilities.

2.2 Composition of the Board

The Board has examined the size, composition and the essential competencies of its members, to ensure that there is an appropriate balance of skill, experience and gender representation on the Board to carry out its duties and responsibilities effectively. As recommended by the Code, the Board has appointed two independent directors, namely Mr Robert Ip Min Wan and Mrs Margaret Wong Ping Lun on 26th April 2021. There are no executive directors as the company has outsourced all its activities and day-to-day operations.

The Board therefore currently comprises of five directors, three non-executive directors, nominated respectively by the three shareholders of the Company, and two independent directors, as detailed below:

Name	Title	Category	Gender	Country of Residence
Ronald Lam Yan Foon	Chairperson	Non-Executive	Male	Mauritius
Aur�lie Park (Up to April 2021)	Director	Non-Executive	Female	Mauritius
Frederic Walther	Director	Non-Executive	Male	France
Junaid Salehmohamed (as from April 2021)	Director	Non-Executive	Male	Mauritius
Robert Ip Min Wan (as from April 2021)	Director	Independent	Male	Mauritius
Margaret Wong Ping Lun (as from April 2021)	Director	Independent	Female	Mauritius

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

The Company has no employees and no executive directors.

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**

Mr Rony Lam 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. Rony 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. He is a director of several companies within the MCB Group.

(ii) **Aurelie Park, Non-Executive Director (up to April 2021)**

Mrs Aurélie Park has graduated from the Centre du Droit de l'Entreprise- Université de Montpellier 1 in France and holds a Master 2- Droit de la Distribution et des Contrats d'Affaires. She has more than 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, deals and investments since six years.

(iii) **Frederic Walther, Non-Executive Director**

Mr Frédéric Walther 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 Groupe 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 (as from April 2021)**

Mr Junaid Salehmohamed 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.

(v) **Robert Ip Min Wan, Independent Director (as from April 2021)**

Mr Robert Ip Min Wan is a Fellow of the Institute of Chartered Accountants in England & Wales. He graduated with a B.Com Hons from the University of Edinburgh in 1999. For the next eight years, he trained and worked with Deloitte (London) where he acquired, as senior manager, an extensive knowledge of financial services with a focus on banking. Since 2008, he has been managing his distribution business in Mauritius. He is also an independent director of Holiday Villages Management Services (Mauritius) Ltd and chairs the Corporate Governance committee. He serves as director on several companies within the MCB Group.

Directorship in listed companies

Mauritian Eagle Insurance Ltd.

Compagnie des Villages de Vacances de l'Isle de France Ltée (COVIFRA)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

(vi) Margaret Wong Ping Lun, Independent Director (as from April 2021)

Mrs Margaret Wong Ping Lun holds a BA (Hons) in Business Studies (UK) and is a Fellow of the Institute of Chartered Accountants in England and Wales. Prior to her retirement in 2019 as lecturer in Accounting and Finance at the University of Mauritius, she was a Senior Manager at De Chazal Du Mée's Consultancy Department. She was a former member of the Listing Executive Committee of the Stock Exchange of Mauritius Ltd. She was appointed to the Board of MCB Ltd in 2004 and was a Director thereof until March 2014, after which she joined the Board of MCB Group Ltd, following the restructuring of the MCB Group, until November 2019. She is a Board member of several companies within the MCB Group acting either as Chairperson or Director.

Directorship in listed companies:

Terra Mauricia Ltd

Fincorp Investment Limited

Compagnie des Villages de Vacances de l'Isle de France Ltée (COVIFRA)

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 Meetings held during the financial year under review	3
Directors	
Mr Ronald Lam Yan Foon	3/3
Mr Frederic Walther	3/3
Mrs Aurélie Park (up to April 2021)	2/3
Mr Junaid Salehmohamed (as from April 2021)	1*
Mr Robert Ip Min (as from April 2021)	N/A
Mrs Margaret Wong Ping Lun (as from April 2021)	N/A

*Mr Salehmohamed attended a board meeting as alternate of Mrs Aurélie Park.

2.6 Board Committees

The Board does not consider it relevant to constitute an Audit Committee and all Audit related issues of the Company are taken up at Board level.

3. DIRECTORS APPOINTMENT PROCEDURES**a. Directors Selection**

The Board having reviewed the profile of the candidates who qualify as independent directors, propose the appointment of the suitable candidate, to the shareholders for approval by ordinary resolution. Other directors are appointed as per the Constitution of NFL.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

b. Election and Re-election of Directors

All directors are re-elected each year at the Annual Meeting of Shareholders.

c. Induction of new Directors

The new independent directors have been given an induction pack, comprising of the constitutive documents and the minutes of the last Board proceedings of the Company. Furthermore, the Chairperson briefed the new members on the business activities of the Company and its governing policies.

The Chairperson as well as the Company Secretary are readily available to answer to any queries that newly appointed directors may have with respect to the Company.

The above mentioned induction programme meets the specific needs of both the Company and the newly appointed directors and enable the latter to participate actively in Board discussions.

d. Professional Development

Directors are encouraged to keep themselves up to date with the professional practices and industry related developments.

e. Time Commitment

Each director is expected to devote sufficient time and attention to the affairs of the Company. The Company expects a time commitment of at least 10 days per year. This will include attendance at Board meetings, at Board committees (if applicable), the Annual Meeting of Shareholders and meetings as part of the Board evaluation process, and training and development programmes. There is always the possibility of additional time commitment in respect of ad hoc matters that may arise from time to time when the Company undergoes a period of increased activity.

4. BOARD PERFORMANCE AND EVALUATION

a. 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.

b. Remuneration Philosophy

The Board reviews the adequacy of remuneration for directors eligible to receive fees. The Company lays significant emphasis on appointing the right people with the relevant skills and appropriate behaviours and rewarding them in line with market practice.

The Company's remuneration philosophy in relation to independent directors consists of:

- a monthly basic retainer for membership of the Board; and
- an attendance fee per sitting of the Board.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

c. Directors' Remuneration

The Directors' fees and remuneration are in accordance with market rates and for financial 2020/2021 are as follows:

Directors	Amount (MUR)
Mrs Margaret Wong Ping Lun	10,400
Mr Robert Ip Min Wan	10,400

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.

4.4 Directors' interests in the securities of the Company

The directors' interests in the securities of the Company as at 30th June 2021 are detailed hereunder.

DIRECTORS	Number of shares and/or securities held by directors in the Company									
	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	-	1.70	-	66,333	-	22,500	-	-	-	95
Mr Frederic Walther	-	3.65	-	198,936	-	33,156	-	1,105	-	166

Further to the Rights Issues undertaken by the Company during the year, the movement in the number of Class B Shares held indirectly by the directors, in the Company, were as follows:

Directors	Movement in Class B shares (Increase in Indirect holdings)
Mr Junaid Salehmohamed	6,333
Mr Frédéric Walther	11,052

4.5 Directors' service contracts

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

4.6 Related Party Transactions

For related party transactions, please refer to note 26 of the Financial Statements.

4.7 Register of Interest

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

4.8 Board, Committees and Directors' Performance

The Board acknowledges the need of regularly reviewing the performance and effectiveness of the Board and its Directors. A review was therefore conducted internally for the financial year 2020/2021 by means of a questionnaire filled by each Director to assess the Board's effectiveness and whether directors continue to discharge their respective duties effectively. The questions were categorized as follows:

- Structure of the Board
- Board Efficiency and Effectiveness
- Strategy and Performance
- Risk Management and Governance
- Director's self-assessment
- Chairperson's appraisal

The results concluded that the Board is operating effectively and that the Chairperson and the directors are fulfilling their roles as required. No significant action has to be taken as a result of the evaluation.

5. 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.

6. OTHER REPORTING

The Company made a rights issue of EUR 288,786.60 in February 2021 and 320,874 Class B shares were issued. Another rights issue of EUR 287,210.96 was undertaken in June 2021 and 319,122 Class B shares were issued. Rights issues were made in lieu of payment of interest to Convertible Bondholders.

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.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

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 during the financial year ended June 30, 2021.

Charitable Donation

No donation was made by the Company during the financial year under review.

Political Donation

The Company did not make any political donations during the financial year ended June 30, 2021.

Documents that are available on the Website

The Company has set up a website where the following documents are available:

- ⇒ The Constitution
- ⇒ The full Annual Report of the Company including the financial statements
- ⇒ The Board Charter
- ⇒ The Position Statements of the Chairperson and the Company Secretary
- ⇒ The Nomination and Appointment Process
- ⇒ Profile of the Directors
- ⇒ Profile of the Company Secretary

7. 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 since 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 the statutory audit were:

	2021	2020
	EUR	EUR
Audit fees - BDO & Co Ltd:	6,000	5,250

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 regularly assess the need to establish an internal audit function.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021**8. RELATIONS WITH THE SHAREHOLDERS AND OTHER KEY STAKEHOLDERS**

The shareholders, equally represented on the Board, are kept properly informed on matters affecting the Company. The Annual Meeting of Shareholders is held in accordance with the Companies Act and upon consultation with the shareholders. Notices for the annual meeting and other shareholder meetings are duly sent to the shareholders.

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:

Entity Name	Number of Shares		
	Class A	Class B	Class C
Two Futures Ltd	34	1,326,665	450,000
MCB Equity Fund Ltd	33	1,613,332	-
Aegide Indian Ocean Ltd	33	1,799,999	300,000
Total	100	4,739,996	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:

Shareholder Name	Stake
Two Futures Ltd	27.99%
MCB Equity Fund Ltd	34.04%
Aegide Indian Ocean Ltd	37.97%

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, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

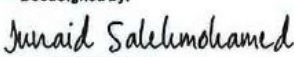
- (i) the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the result of operations and cash flows for the period;
- (ii) adequate accounting records and effective internal control systems and risk management have been maintained;
- (iii) 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

DocuSigned by:

.....B4111EEC4A024E2.....
Director

Date: September 27, 2021

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2021**STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2021**

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

Name of Public Interest Entity: **New Futures Ltd ("NFL")**

Reporting Period: **July 1, 2020 to June 30, 2021**

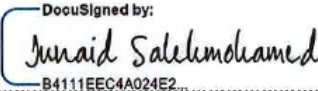
We, the directors of New Futures Ltd, confirm to the best of our knowledge that the Company has not complied with certain principles of the National Code of Corporate Governance for Mauritius (2016). Reasons for non-compliance are set out below:

Principle	Section relating to	Reasons for non-compliance
2	Board Structure with an appropriate combination of executive, non-executive and independent directors	The Board consists of non-executive and independent directors. The Company has no staff and therefore no executive directors.
5	Risk Governance and Internal Control	The build to rent (BTR) residences (135 BTR units out of total 155 residences) are expected to open and start generating lease rental income as from quarter December 2021. Accordingly, the company is not yet fully operational.
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 need for setting up an Audit Committee shall be assessed.

Signed for and on behalf of the board of directors on September 27, 2021.



Chairman

DocuSigned by:

B4111EEC4A024E2

Director

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14

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 15 to 37 which comprise the statement of financial position as at June 30, 2021 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 15 to 37 give a true and fair view of the financial position of the Company as at June 30, 2021, 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.

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14(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.



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14(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.

27 SEP 2021

NEW FUTURES LTD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2021 EUR	2020 EUR
ASSETS			
Non-current assets			
Investment property	6	41,537,237	-
Development costs	7	-	34,811,261
Deferred Tax Asset	8	806,759	38,151
		42,343,996	34,849,412
Current assets			
Inventory properties	9	5,421,112	-
Trade receivables	10	132,148	1,606
Other receivables	11	1,775,728	660,602
Financial assets at amortised cost	12	2,769,899	-
Cash and cash equivalents	25(d)	3,012,484	12,966,573
		13,111,371	13,628,781
Total Assets		55,455,367	48,478,193
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	13	4,054,975	3,478,979
Revenue deficit		(854,755)	(223,757)
Total Equity and Reserves		3,200,220	3,255,222
LIABILITIES			
Non-current liability			
Borrowings	14(iii)	45,336,784	43,678,425
Current liabilities			
Trade and other payables	15	1,708,698	1,103,713
Borrowings	14(iii)	5,209,665	440,833
		6,918,363	1,544,546
Total Liabilities		52,255,147	45,222,971
Total Equity and Liabilities		55,455,367	48,478,193

These financial statements have been approved for issue by the Board of Directors on September 27, 2021.



DIRECTORS

DocuSigned by:
Munaid Saleh Mohamed
B4111EEC4A024E2...

The notes on pages 19 to 37 form an integral part of these financial statements.
Auditors' report on pages 14 to 14(b).

NEW FUTURES LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 EUR	2020 EUR
Rental income from investment property		-	-
Expenses relating to lease of investment property	17	(1,575,025)	(5,229)
Loss on lease of investment property		(1,575,025)	(5,229)
Revenue from sales of inventory properties		2,521,408	-
Cost of sales relating to sales of inventory properties	18	(2,202,177)	-
Other expenses relating to sales of inventory properties	19	(23,252)	(18,960)
Profit/ (Loss) on inventory properties		295,979	(18,960)
Net Expense from operations		(1,279,046)	(24,189)
Other income	16	87,943	-
Administrative expenses	20	(39,951)	(37,386)
Operating expenses	21	(11,517)	(156)
Net finance cost	22	(157,035)	(5,504)
Loss before tax		(1,399,606)	(67,235)
Income tax credit	23	768,608	38,151
Loss for the year		(630,998)	(29,084)
Other comprehensive income		-	-
Total comprehensive income for the year		(630,998)	(29,084)
Loss per Share	24	(0.13)	(0.01)

The notes on pages 19 to 37 form an integral part of these financial statements.

Auditors' report on pages 14 to 14(b).

NEW FUTURES LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Stated capital	Revenue deficit	Total
		EUR	EUR	EUR
Balance at July 01, 2020		3,478,979	(223,757)	3,255,222
Loss for the year		-	(630,998)	(630,998)
Other comprehensive income for the year		-	-	-
Right issue of shares	13	575,996	-	575,996
Balance at June 30, 2021		<u>4,054,975</u>	<u>(854,755)</u>	<u>3,200,220</u>
Balance at July 01, 2019		3,478,979	(194,673)	3,284,306
Loss for the year		-	(29,084)	(29,084)
Other comprehensive income for the year		-	-	-
Balance at June 30, 2020		<u>3,478,979</u>	<u>(223,757)</u>	<u>3,255,222</u>

The notes on pages 19 to 37 form an integral part of these financial statements.
Auditors' report on pages 14 to 14(b).

NEW FUTURES LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 EUR	2020 EUR
Cash flows from operating activity			
Cash generated from operations	25 (c)	577,881	5,655
Net cash generated from operating activity		577,881	5,655
Cash flows from investing activities			
Interest received		19,894	37,948
Development costs		(13,973,246)	(17,722,320)
Purchase of financial assets at amortised cost	12	(3,591,220)	-
Proceeds from sale of financial assets at amortised cost		735,157	-
Net cash used in investing activities		(16,809,415)	(17,684,372)
Cash flows from financing activities			
Proceeds from loan facility		6,070,265	20,913,131
Proceeds from issue of share capital		288,786	-
Net cash generated from financing activities		6,359,051	20,913,131
Net (decrease)/increase in cash and cash equivalents		(9,872,483)	3,234,414
Movement in cash and cash equivalents			
Balance at the beginning of the reporting period		12,966,573	9,721,059
Net (decrease)/increase in cash and cash equivalents		(9,872,483)	3,234,414
Effect of foreign exchange rate changes		(81,606)	11,100
Balance at the end of the reporting period	25 (d)	3,012,484	12,966,573

The notes on pages 19 to 37 form an integral part of these financial statements.

Auditors' report on pages 14 to 14(b).

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 significantly completed and the handover date is expected to occur no later than 31 December 2021. 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.

Amendments to Published Standards effective in the reporting period

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Company's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Company's financial statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. The amendments have no impact on the Company's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. The amendments have no impact on the Company's financial statements.

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. The amendment has no impact on the Company's financial statements.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before January 1, 2023. The amendments have no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (cont'd)****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 January 1, 2021 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
- 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)
- Amendments to IFRS 17
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Definition of accounting estimates (Amendments to IAS 8)
- Disclosure of accounting policies (Amendments to IAS 1)
- Deferred tax related to assets and liabilities arising from a single transaction (IAS 12)

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.

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

(b) Financial Instruments**(i) Financial assets**

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 (e.g. 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.

Expected credit losses 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.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (cont'd)

(i) Financial assets (cont'd)

Expected credit losses 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.

The Company's financial assets measured at amortised cost comprise of inventory properties, trade receivables, other receivables, financial assets at amortised cost 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.

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 represent income derived from sales of inventory properties and are recognised at the fair value of the consideration received or receivable. Revenue is 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 the 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, that is, when substantially all of the development works have been completed.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Taxation (cont'd)****(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'). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

(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.

(i) Investment Property

Investment properties are properties held to earn rental incomes and/or for capital appreciation, rather than for sale in the ordinary course of business or for use in production or administrative functions. Investment properties are measured initially and subsequently at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(j) Inventory Properties

Properties acquired and/or constructed for sale in the ordinary course of business, rather than to be held for rental and/or capital appreciation, are held as inventory properties and are measured at the lower of cost and net realisable value (NRV).

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventory Properties (cont'd)

Principally, these are residential properties that the Company has developed and has started selling in 2021.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

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.

Included in the tables below are the Company's assets and liabilities at carrying amounts classified by currency.

	EUR	MUR	Other Currencies	2021
ASSETS				EUR
Current assets				
Trade receivables	-	132,148	-	132,148
Other receivables	-	645,934	-	645,934
Financial assets at amortised cost	-	2,769,899	-	2,769,899
Cash and cash equivalents	113,625	2,898,859	-	3,012,484
	113,625	6,446,840	-	6,560,465
LIABILITIES				
Non-current liability				
Borrowings	45,336,784	-	-	45,336,784
Current liabilities				
Trade and other payables	1,004,194	693,282	11,222	1,708,698
Borrowings	5,209,665	-	-	5,209,665
	6,213,859	693,282	11,222	6,918,363
TOTAL LIABILITIES	51,550,643	693,282	11,222	52,255,147

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

At June 30, 2021, if the euro weakens/strengthens by 10% against foreign currencies, with other variables held constant, profit after tax would have been EUR 574,234 (2020: EUR 999,851) higher/lower mainly as a result of translation of foreign bank balances, foreign trade receivables, investment in financial assets and trade payables.

	EUR	MUR	2020 EUR
ASSETS			
Current assets			
Trade receivables	-	1,606	1,606
Other receivables	-	624,373	624,373
Cash and cash equivalents	2,503,784	10,462,789	12,966,573
	2,503,784	11,088,768	13,592,552
LIABILITIES			
Non-current liability			
Borrowings	43,678,425	-	43,678,425
Current liabilities			
Trade and other payables	13,457	1,090,256	1,103,713
Borrowings	440,833	-	440,833
	454,290	1,090,256	1,544,546
TOTAL LIABILITIES	44,132,715	1,090,256	45,222,971

The other receivables amounts mentioned in above tables as at June 30, 2021 and June 30, 2020 exclude the prepayment amounts.

(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.

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 EUR	Between 1 and 5 years EUR	More than 5 years EUR	Total EUR
At June 30, 2021				
Trade and other payables	1,708,698	-	-	1,708,698
Borrowings	5,209,665	36,534,212	8,802,572	50,546,449
	6,918,363	36,534,212	8,802,572	52,255,147
At June 30, 2020				
Trade and other payables	1,103,713	-	-	1,103,713
Borrowings	440,833	37,488,400	6,190,025	44,119,258
	1,544,546	37,488,400	6,190,025	45,222,971

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

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 June 30, 2021 and June 30, 2020 was as follows:

	2021	2020
	EUR	EUR
Total debt	50,546,449	44,119,258
Less: Cash at bank	(3,012,484)	(12,966,573)
Net debt	47,533,965	31,152,685
Shareholders' interests	3,200,220	3,255,222
Debt-to-adjusted capital ratio	14.9:1	9.6:1

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

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.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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.

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 Euro, as the income stream will be denominated in Euro and the fund from financing activities are generated in Euro.

(c) Deferred taxation on taxable losses

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

5. FUNCTIONAL CURRENCY

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

	2021	2020
	MUR/EUR	MUR/EUR
Year	47.58	41.29
As at 30 June	50.55	44.85

The mid-closing EUR/MUR rate as provided by the Bank of Mauritius at 30 June 2021 was MUR 50.69 (30 June 2020: MUR 45.09).

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6. INVESTMENT PROPERTY

	2021	2020
	EUR	EUR
At July 1,	-	-
Transfer from development costs (Note 7(a))	41,537,237	-
At June 30,	41,537,237	-
Fair Value	41,537,237	-

The land and the development costs relating to the build to rent residences have been treated as investment property under IAS 40 and are stated at cost. No depreciation has been charged for the year ended June 30, 2021 as the construction was completed at the end of the financial year 2021.

In arriving at the fair value of the property, which was determined on a depreciated replacement cost approach basis, the directors had to make assumptions and estimates that were mainly based on physical deterioration, functional obsolescence and external (or economic) obsolescence. Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

7. DEVELOPMENT COSTS

		2021	2020
		EUR	EUR
Build to rent	(a)	-	29,792,053
Build to sell	(b)	-	5,019,208
		-	34,811,261
(a) <u>Build to rent</u>			
At July 1,		29,792,053	14,723,760
Development costs incurred		8,089,823	12,346,966
Interest capitalised		1,906,880	1,209,414
Foreign exchange differences capitalised		1,446,878	1,238,458
Issue cost on borrowings		301,603	273,455
		41,537,237	29,792,053
Transfer to investment property (Note 6)		(41,537,237)	-
At June 30,		-	29,792,053
(b) <u>Build to sell</u>			
At July 1,		5,019,208	3,142,101
Development costs incurred		1,681,586	1,377,929
Interest capitalised		349,783	221,845
Foreign exchange differences capitalised		265,404	227,172
Issue cost on borrowings		55,323	50,161
		7,371,304	5,019,208
Transfer to inventory properties (Note 9)		(7,371,304)	-
At June 30,		-	5,019,208

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8. DEFERRED INCOME TAX

Deferred income taxes are calculated on all temporary differences under the liability method at 17%. (2020: 17%)

	2021	2020
	EUR	EUR
At July 01,	(38,151)	-
Credit to Profit or Loss (Note 23(a))	(768,608)	(38,151)
At June 30,	(806,759)	(38,151)
In respect of: Tax Losses	(806,759)	(38,151)

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

9. INVENTORY PROPERTIES

	2021	2020
	EUR	EUR
Development costs incurred (See note 7(b))	7,371,304	-
Development costs relating to sale of inventory properties recognised in cost of sales (Note 18)	(1,950,192)	-
At June 30,	5,421,112	-

10. TRADE RECEIVABLES

	2021	2020
	EUR	EUR
Trade receivables	132,148	1,606

Trade receivables are measured initially at fair value and are subsequently stated at amortised cost using the effective interest method less loss allowance.

The loss allowance as at June 30, 2021 and June 30, 2020 was determined to Nil and the impairment on expected credit losses is expected to be insignificant.

- (a) The carrying amounts of the Company's trade receivables are denominated in the following currency:

	2021	2020
	EUR	EUR
Mauritian Rupee	132,148	1,606

- (b) The maximum exposure to credit risk at the reporting date is the fair value of the class of receivable mentioned above. The Company does not hold any collateral as security.
- (c) As of June 30, 2021, none of the trade receivables (2020: EUR 1,606) was past due. The ageing analysis of these receivables is as follows:

	2021	2020
	EUR	EUR
Current	132,148	-
More than 30 days past due	-	1,606
	132,148	1,606

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11. OTHER RECEIVABLES

	2021	2020
	EUR	EUR
Prepayments	1,129,794	36,229
VAT Refundable from Mauritius Revenue Authority (MRA)	645,934	624,373
	1,775,728	660,602

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.

- (a) The carrying amounts of the Company's other receivables are denominated in the following currency:

	2021	2020
	EUR	EUR
Mauritian Rupee	819,206	660,602
Euro	956,522	-
	1,775,728	660,602

12. FINANCIAL ASSETS AT AMORTISED COST

	2021	2020
	EUR	EUR
Additions during the year	3,591,220	-
Disposal during the year	(735,525)	-
Interest accrued	15,162	-
Interest received	(14,997)	-
Foreign exchange differences	(85,961)	-
At June 30,	2,769,899	-

The financial assets at amortised cost consist of notes subscribed by the Company during the financial year ended June 30, 2021 and carrying interests within the range of 1.25% to 2% per annum.

13. STATED CAPITAL

	2021	2020
	EUR	EUR
<u>Issued and fully paid share capital</u>		
Class A shares	25	25
Class B shares	4,053,450	3,477,454
Convertible Class C shares	1,500	1,500
Total	4,054,975	3,478,979

	2021	2020
	Number	Number
<u>Issued share capital</u>		
Class A shares	100	100
Class B shares	4,739,996	4,100,000
Convertible Class C shares	750,000	750,000
Total	5,490,096	4,850,100

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

13. STATED CAPITAL (CONT'D)

During the financial year ended June 30, 2021, there were 2 right issues of Class B shares during:

- (i) quarter March 2021 where 320,874 Class B shares at EUR 0.90 each were issued; and
- (ii) quarter June 2021 where 319,122 Class B shares at EUR 0.90 each were issued.

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.

14. BORROWINGS

	2021	2020
	EUR	EUR
(i) Debentures:		
Convertible bonds	9,600,000	9,600,000
Secured bonds	15,100,000	15,100,000
Issue costs	(339,820)	(507,972)
At June 30,	<u>24,360,180</u>	<u>24,192,028</u>

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.

	2021	2020
	EUR	EUR
(ii) Loan Facility:		
The Mauritius Commercial Bank Ltd (MCB)	17,189,171	13,833,748
State Bank of Mauritius Ltd (SBM)	10,099,875	7,385,033
Issue costs	(1,102,777)	(1,291,551)
At June 30,	<u>26,186,269</u>	<u>19,927,230</u>
Total Borrowings at 30 June	<u><u>50,546,449</u></u>	<u><u>44,119,258</u></u>

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14. BORROWINGS (CONT'D)

In September 2018, the Company entered in a bank loan facility of EUR 30,565,000 with The Mauritius Commercial Bank (MCB) Ltd and State Bank of Mauritius (SBM) Ltd. The loan facility comprises of EUR 19,900,000 of Facility A and EUR 10,665,000 of Facility B. As at 30 June 2021, a total amount of EUR 27,289,046 has been drawn comprising of EUR 16,624,046 from Facility A and the full amount of Facility B. The loan facility carries interests ranging from 3% to 5% per annum.

	2021	2020
	EUR	EUR
(iii) Analysed as:		
Current	5,209,665	440,833
Non current	45,336,784	43,678,425
	<u>50,546,449</u>	<u>44,119,258</u>

The carrying amounts of borrowings approximate their fair values.

15. TRADE AND OTHER PAYABLES

	2021	2020
	EUR	EUR
Development suppliers	532,359	1,081,425
Interest payable	37,171	8,207
Other payables	1,139,168	14,081
	<u>1,708,698</u>	<u>1,103,713</u>

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

16. OTHER INCOME

	2021	2020
	EUR	EUR
Reimbursable income	87,943	-

17. EXPENSES RELATING TO INVESTMENT PROPERTY

	2021	2020
	EUR	EUR
Marketing expenses	1,565,299	2,395
Other expenses	9,726	2,834
	<u>1,575,025</u>	<u>5,229</u>

18. COST OF SALES RELATING TO SALE OF INVENTORY PROPERTIES

	2021	2020
	EUR	EUR
Development costs (Note 9)	1,950,192	-
Notary fees and other expenses	251,985	-
	<u>2,202,177</u>	<u>-</u>

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

19. OTHER EXPENSES RELATING TO SALES OF INVENTORY PROPERTIES

	2021	2020
	EUR	EUR
Marketing expenses	23,252	18,441
Other expenses	-	519
	23,252	18,960

20. ADMINISTRATIVE EXPENSES

	2021	2020
	EUR	EUR
Application fees	239	1,484
Debenture representative fees	2,243	2,374
Directors' remuneration	412	-
Licence and permits	4,727	4,871
Other administrative expenses	3,937	2,619
Professional fees	26,374	23,307
Publications expenses	2,019	2,731
	39,951	37,386

21. OPERATING EXPENSES

	2021	2020
	EUR	EUR
Insurance cost	11,517	-
Other operating expenses	-	156
	11,517	156

22. NET FINANCE COSTS

	2021	2020
	EUR	EUR
Agency charges	(7,444)	-
Bank charges	(1,715)	(54,552)
Foreign exchange (losses) /gains	(167,567)	11,100
Interest income	20,059	37,948
Loss on disposal of financial assets	(368)	-
	(157,035)	(5,504)

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

23. INCOME TAX

	2021	2020
	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 (Note 8)	768,608	38,151
Income tax credit for the year	768,608	38,151

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:

	2021	2020
	EUR	EUR
Loss before Taxation	(1,399,606)	(67,235)
Tax calculated at a rate of 17%	(237,933)	(11,430)
Tax effect on:		
Tax loss brought forward	(38,151)	(25,344)
Income not subject to tax	(532,497)	(5,161)
Expenses not deductible for tax purposes	1,822	3,784
Deferred tax recognised (Note 8)	768,608	38,151
Tax loss carried forward	806,759	38,151
	768,608	38,151

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 2021, the Company had accumulated tax losses of EUR 4,745,644 (30 June 2020: EUR 224,416).

24. LOSS PER SHARE

	2021	2020
Loss per share is based on:		
Loss after tax for the year	EUR (630,998)	(29,084)
Number of Class B shares	4,739,996	4,100,000
Loss per Class B share	EUR (0.13)	(0.01)

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

25. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Non cash transactions

	2021	2020
	EUR	EUR
Issue costs	644,136	818,909

The principal non cash transactions for the year ended June 30, 2021 are:

- (i) the amortisation amounting to EUR 168,152 of issue costs relating to the bonds;
- (ii) the amortisation amounting to EUR 188,774 of issue costs relating to the loan facility; and
- (iii) the issue of Class B Shares amounting to EUR 287,210 in lieu of interest payment to convertible bondholders.

The principal non cash transactions for the year ended June 30, 2020 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

	2020	Cashflows	Issue Costs	2021
	EUR	EUR	EUR	EUR
Proceeds from bonds	24,192,028	-	168,152	24,360,180
Loan Facility	19,927,230	6,070,265	188,774	26,186,269
	44,119,258	6,070,265	356,926	50,546,449

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

(c) Reconciliation of loss before tax for the year to cash generated from operations:

	2021	2020
	EUR	EUR
Loss before taxation	(1,399,606)	(67,235)
- Interest Income	(20,059)	(37,948)
- Foreign exchange losses/(gains)	167,567	(11,100)
- Loss on disposal of financial assets	368	-
Changes in working capital:		
- Change in inventory properties	1,950,192	-
- Change in trade receivables	(130,542)	448
- Change in other receivables	(1,115,126)	139,365
- Change in trade and other payables	1,125,087	(17,875)
Cash generated from operations	577,881	5,655

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	2021	2020
	EUR	EUR
(d) Cash and cash equivalents		
Cash at bank	3,012,484	12,966,573

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

26. 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:

	2021	2020
	EUR	EUR
(a) <u>Expenses relating to lease of investment property</u>		
Entities under common control	1,565,217	2,834
(b) <u>Other expenses relating to sales of inventory properties</u>		
Entity with significant influence	5,676	519
(c) <u>Other income</u>		
Entity under common control	87,943	-
(d) <u>Administrative expenses</u>		
Entities with significant influence	14,912	16,412
(e) <u>Net finance income/(cost)</u>		
Entities with significant influence	6,003	(54,552)
(f) <u>Key management personnel (Including Directors' Remuneration)</u>	412	-
(g) <u>Outstanding balances as at June 30,</u>		
Trade and other payables		
Entity under common control	148,365	-
Entities with significant influence	7,267	8,276
	155,632	8,276
Borrowings		
Entities with significant influence	36,789,171	33,433,748
Development Costs		
Entity under common control	6,389,618	3,083,056
Entities with significant influence	3,791,749	2,133,440
	10,181,367	5,216,496

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

27. CAPITAL COMMITMENT

The company has a capital commitment of EUR 59.3 million excluding VAT for the construction of Le Domaine de Grand-Baie ("LDGB"), a 155 unit senior serviced residences located in Grand-Baie, Mauritius.

28. IMPACT OF COVID-19

Due to Covid-19 pandemic, the opening of residences has been delayed. In June 2021, the Government of Mauritius announced a re-opening phase of the Mauritian borders. Based on this announcement, as from 1st October 2021, vaccinated tourists shall be exempt from the 14-day quarantine period. Accordingly, the Company and tenants are in discussions in relation to the opening of the residences in October 2021 which will result in start of lease rentals. In spite of Covid-19, the company has also been able to receive sales revenue to the tune of EUR 2.5m and has been servicing all its debt obligations in a timely manner for the entire period.