

NEW FUTURES LTD

**ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2023**

NEW FUTURES LTD
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

TABLE OF CONTENTS	Pages
Report of Directors	1
Secretary's Certificate	2
Corporate Governance Report	3 - 13
Statement of Compliance	14
Independent Auditor's Report	15 - 15(c)
Audited Financial Statements	16 - 43

NOTICE

Unless otherwise stated, all references to Acts and Regulations in this Annual Report relate to legislations issued in the Republic of Mauritius.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED JUNE 30, 2023

The directors are pleased to present the Annual Report of New Futures Ltd for the financial year ended June 30, 2023 as set out on page 3 to 43.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

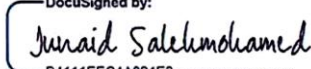
The directors collectively as a Board acknowledge their responsibilities for the following and state that:

- (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.

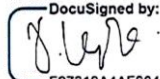
The external auditor is responsible for reporting on whether the financial statements are fairly presented.

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 Boards of Directors:

DocuSigned by:

B4111EE64A024E2.....

Director
Junaid Salehmohamed

DocuSigned by:

F27319A4AF904E4.....

Director
Olivier Wigniolle

This report was approved by the Board of Directors on September 27, 2023.

NEW FUTURES LTD

SECRETARY'S CERTIFICATE FOR YEAR ENDED JUNE 30, 2023

We 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 of Mauritius.



For and on behalf of

MCB Group Corporate Services Ltd
Company Secretary

Date: September 27, 2023

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023**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* (“DDGB”), a 135 unit senior serviced residence managed by AEGIDE-Domitys under a long term lease agreement. In parallel with the residences, the Company also owns certain apartments which are earmarked for sale.

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. Throughout the financial year ended 30 June 2023, to the best of the Board’s knowledge the organisation has complied with the Code in all material aspects except for certain sections of the Code as mentioned and explained in the table 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 2 independent and 3 non-executive directors. The company has outsourced all its activities and day-to-day operations under relevant agreements to competent organisations/individuals and given the nature of business, the company has no employees and therefore no executive directors.
7	Audit	The Company has no staff and all its activities and day-to-day operations have been outsourced under Management Agreement and Service Level Agreements. An internal audit function is not considered as relevant. All audit matters are taken up at Board level and constituting an audit committee was not considered as relevant for the time being.

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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 dated June 27, 2018.

1.3.3 Position Statements

Position Statements have been approved by the Board in September 2020 and shall be reviewed on a regular basis. The document provides a clear definition of the roles and responsibilities of the Chairperson, and the Company Secretary. The Board aims to review the document regularly to update the document as and when necessary.

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.

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. - Ensures that the development needs of the directors are identified and appropriate training is provided to continuously update their skills and knowledge.
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 judgement on the key issues relevant to the business of the Company and to protect the interests of clients and other stakeholders.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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 2022/2023 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. The Board has appointed two independent directors, namely Mr Robert Ip Min Wan and Mrs Margaret Wong Ping Lun on April 26, 2021. There are no executive directors as the company has outsourced all its activities and day-to-day operations.

The size of the Board and its level of diversity is commensurate with the size of the Company which is an investment holding company with no employee.

The Board 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
Frederic Walther (up to 07.06.23)	Director	Non-Executive	Male	France
Junaid Salehmohamed	Director	Non-Executive	Male	Mauritius
Robert Ip Min Wan	Director	Independent	Male	Mauritius
Margaret Wong Ping Lun	Director	Independent	Female	Mauritius
Olivier Wigniolle (as from 07.06.23)	Director	Non-Executive	Male	France

The Company has no employees and therefore 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. He 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 ("The Mauritius Commercial Bank") Group.

(ii) Olivier Wigniolle, Non-Executive Director

Former CEO of Icade from April 2015 to April 2023, Mr Olivier Wigniolle is a real estate professional with more than 30 years of experience in the sector, in housing, offices and retirement homes. Aged 59 and a graduate of HEC, he began his career in 1985 as an auditor with Arthur Andersen before joining Auguste Thouard from 1987 to 1992. He was then Sales Director and Deputy Chief Executive Officer and Chief Operating Officer of Société Foncière Lyonnaise from 1998 to 2005 and Chief Executive Officer of Crédit Agricole Immobilier from 2005 to 2009. In 2009, he was appointed Managing Director of Allianz Real Estate for France and Benelux before joining Icade in 2015.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023**(iii) Junaid Salehmohamed, Non-Executive Director**

Mr Junaid Salehmohamed is a 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.

(iv) Robert Ip Min Wan, Independent Director

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 a 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.

(v) Margaret Wong Ping Lun, Independent Director

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 a 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:

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 meetings 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	2
Directors	
Mr Ronald Lam Yan Foon	2
Mr Frederic Walther (up to 07.06.23)	2
Mr Junaid Salehmohamed	2
Mr Robert Ip Min Wan	2
Mrs Margaret Wong Ping Lun	2
Mr Olivier Wigniolle (as from 07.06.23)	N/A

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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

3.1 Directors Selection

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

3.2 Election and Re-election of Directors

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

3.3 Induction of new Directors

A new director to represent the shareholder Aegide Indian Ocean Ltd was appointed on June 07, 2023. The new director was given an induction pack, comprising of the constitutive documents and the minutes of the last Board proceedings of the Company.

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 to enable active participation in Board discussions.

3.4 Professional Development

The Chairperson regularly reviews and comes to an agreement with each director, if necessary, on his or her training and development needs. Upon request from the directors, the Company shall provide the necessary resources for developing and updating its directors' knowledge and capabilities.

3.5 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. The Directors allocate sufficient time to the Company's *operations (refer to note 2.5)*.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

4. BOARD PERFORMANCE AND EVALUATION

4.1 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.

4.2 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.

4.3 Directors' Remuneration

The Directors' fees and remuneration are in accordance with market rates and for financial year ended June 30, 2023 are as follows:

Directors	Amount (EUR)
Mrs Margaret Wong Ping Lun	1,570
Mr Robert Ip Min Wan	1,570

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 June 30, 2023 are detailed hereunder.

NUMBER OF SHARES AND/OR SECURITIES HELD BY DIRECTORS AS AT JUNE 30, 2023

DIRECTORS	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	-	151,833	-	22,500	-	-	-	-

The conversion of the Convertible Bonds of the Company has resulted in the following movement in the number of shares and securities:

MOVEMENT OF SHARES AND/OR SECURITIES FOR THE YEAR ENDED JUNE 30, 2023

DIRECTOR	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	-	-	-	85,500	-	-	-	-	-	(95)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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

Related party transactions have been conducted in accordance with the Conflicts of Interest and Related Party Transaction Policy and the Code of Ethics. For related party transactions, please refer to note 24 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.

4.8 Policies of the Company and Code of Ethics

The Conflicts of interest and Related Party Transaction Policy and the Code of Ethics have been approved by the Board on March 18, 2022 and shall be reviewed on a regular basis. Compliance with the Code of Ethics is regularly monitored and evaluated by the Board. Conflict of interests, if arise, are managed effectively.

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

4.10 Management of Information

The Board lays due emphasis on the confidentiality, integrity, availability and protection of information. The Company has no workforce. Day-to-day activities are outsourced to service providers, which have appropriate framework, policies and controls in place to manage information.

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.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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. REPORTING WITH INTEGRITY

6.1 Overview

The Company owns the Domaine de Grand Baie ("DDGB"), a 135-unit senior serviced residence at Grand Baie operated by Aegide-Domitys under a long-term lease agreement.

Following the soft-launch of the DDGB in October 2021 and a full opening in June 2022, the residence has recorded its first full year of operations for the year-ended June 30, 2023. The Company started received rental as from the date of the soft opening and has received a total rental income of EUR 2.8m and an operating profit before finance cost & fair value adjustment of EUR 2.7m for the year-ended June 30, 2023. The Company has conducted a fair valuation of its investment property by a qualified independent valuer, following which a fair value gain of EUR 7.7m has been recognised as at June 30, 2023.

6.2 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.

6.3 Corporate Social Responsibility

There was no contribution made with respect to Corporate Social Responsibility during the financial year ended June 30, 2023.

6.4 Charitable Donation

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

6.5 Political Donation

The Company did not make any political donation during the financial year ended June 30, 2023.

6.6 Environmental, Social and Governance

The Company is in the process of developing its ESG policy. Until such time as this policy is developed and implemented, the Company and the Board endeavours to adhere to the best practices of MCB Group Ltd.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023**6.7 Documents that are available on the Website**

The following documents which have been approved by the Board are available on the website of the Company and are monitored and updated in a timely manner further to any changes in laws, requirements from regulatory bodies or decisions taken by the Board:

- ⇒ 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
- ⇒ Code of Ethics
- ⇒ Conflict of Interest and related party transactions policy

7. AUDIT**External Auditors**

The external auditors are appointed by the shareholders in the Annual Meeting of Shareholders. BDO & Co Ltd 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.

The Board evaluates the performance of the external auditor and reviews the integrity, independence and objectivity of the external auditor by:

- Confirming that the external auditor is independent from the Company; and
- Considering whether the relationships that may exist between the Company and the external auditor impair the external auditor's judgement.

The Board of the Company thereafter recommends the appointment of the external auditors to the shareholders in the Annual Meeting of Shareholders for approval by way of an ordinary resolution.

Auditors' Fees

The fees paid to the auditors, for the statutory audit were:

	2023	2022
	EUR	EUR
AUDIT FEES - BDO & CO:	7,250	6,500

The auditor did not receive any fees for other services.

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.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

Having assessed the requirement for an Internal Audit Function and an Audit Committee at a Board meeting held on March 18, 2022, the members considered that for the time being these were not relevant for the Company.

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 June 27, 2018.

Following the conversion of 9,600 Convertible Bonds held by convertible bondholders (the 'bondholders') on June 28, 2023, into Class B shares of the Company, New Futures Ltd issued 8,640,000 Class B shares which were allotted proportionally to the bondholders on June 28, 2023, as indicated below.

Security holders	Total Class B shares	% Holding
Two Futures Ltd	3,036,665	22.7%
Aegide Indian Ocean Ltd	3,149,999	23.5%
MCB Equity Fund Ltd	6,293,332	47.1%
MCB Superannuation Fund	900,000	6.7%
Total	13,379,996	100%

The shareholding structure as at June 30, 2023 was as follows:

Entity Name	Number of Shares		
	Class A	Class B	Class C
Two Futures Ltd	34	3,036,665	450,000
MCB Equity Fund Ltd	33	6,293,332	-
Aegide Indian Ocean Ltd	33	3,149,999	300,000
MCB Superannuation Fund	-	900,000	-
Total	100	13,379,996	750,000

Class C shares were bought back and immediately cancelled on July 31, 2023.

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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	22.70%
MCB Equity Fund Ltd	47.03%
Aegide Indian Ocean Ltd	23.54%
MCB Superannuation Fund	6.73%
Total	100%

Share Option Plan

No such scheme currently exists within the Company.

Dividend Policy

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

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2023**STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2023**

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

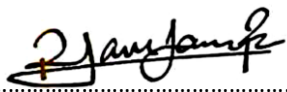
Name of Public Interest Entity: **New Futures Ltd ("NFL")**

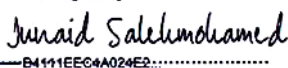
Reporting Period: **July 01, 2022 to June 30, 2023**

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 2 independent and 3 non-executive directors. The company has outsourced all its activities and day-to-day operations under relevant agreements to competent organisations/individuals and given the nature of business, the company has no employees and therefore no executive directors.
7	Audit	The Company has no staff and all its activities and day-to-day operations have been outsourced under Management Agreement and Service Level Agreements. An internal audit function is not considered as relevant. All audit matters are taken up at Board level and constituting an audit committee was not considered as relevant for the time being.

Signed for and on behalf of the board of directors on September 27, 2023.


.....
Chairman
Ronald Lam Yan Foon

DocuSigned by:

.....
Director

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 16 to 43 which comprise the statement of financial position as at June 30, 2023, 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 16 to 43 give a true and fair view of the financial position of the Company as at June 30, 2023, 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 Mauritian 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with 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 information included in the annual report, 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.



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 Mauritian 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.
- 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.

15(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)

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.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor 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.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual 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 annual report, the public interest entity has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian 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

Port Louis,
Mauritius.

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

September 27, 2023

15(c)

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

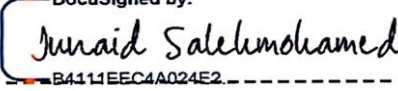
NEW FUTURES LTD

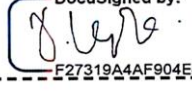
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 EUR	2022 EUR
ASSETS			
Non-current assets			
Investment property	6	49,350,000	41,603,207
Prepayments	9(b)	940,156	1,005,928
Deferred tax assets	7	-	830,335
		<u>50,290,156</u>	<u>43,439,470</u>
Current assets			
Inventory properties	8	4,300,747	5,101,447
Prepayments	9(b)	68,071	70,382
Financial assets at amortised cost	10	-	1,692,864
Current tax assets	21(c)	196,443	132,633
Cash and cash equivalents	23(c)	867,637	2,107,636
		<u>5,432,898</u>	<u>9,104,962</u>
Total Assets		<u><u>55,723,054</u></u>	<u><u>52,544,432</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	11	13,654,975	4,054,975
Retained earnings/(Revenue deficit)		<u>4,211,636</u>	<u>(1,417,226)</u>
Total Equity and Reserves		<u><u>17,866,611</u></u>	<u><u>2,637,749</u></u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	7	409,872	-
Borrowings	12(d)	<u>13,903,777</u>	<u>15,329,809</u>
		<u>14,313,649</u>	<u>15,329,809</u>
Current liabilities			
Trade and other payables	13	1,116,762	998,300
Borrowings	12(d)	<u>22,426,032</u>	<u>33,578,574</u>
		<u>23,542,794</u>	<u>34,576,874</u>
Total Liabilities		<u><u>37,856,443</u></u>	<u><u>49,906,683</u></u>
Total Equity and Liabilities		<u><u>55,723,054</u></u>	<u><u>52,544,432</u></u>

These financial statements have been approved for issue by the Board of Directors on September 27, 2023.

DocuSigned by:

B4111EEC4A024E2-----
Director

DocuSigned by:

F27319A4AF904E4...-----
Director

The notes on pages 20 to 43 form an integral part of these financial statements.
Independent Auditors' report on pages 15 to 15(c).

NEW FUTURES LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 EUR	2022 EUR
Rental income from investment property	6 & 14	2,810,600	1,950,000
Expenses relating to lease of investment property		(63,715)	(37,794)
Profit on lease of investment property		2,746,885	1,912,206
Revenue from sales of inventory properties	2(c)(i)	1,037,996	503,293
Cost of sales relating to sales of inventory properties	15	(969,116)	(371,482)
Other expenses relating to sales of inventory properties	16	(22,617)	(251,057)
Profit/(Loss) on sales of inventory properties		46,263	(119,246)
Net Income from operations		2,793,148	1,792,960
Other income	17	28,419	142,476
Administrative expenses	18	(88,323)	(57,013)
Operating expenses	19	(42,868)	(160,427)
Operating Profit before finance cost & fair value adjustment		2,690,376	1,717,996
Fair value gain on investment property		7,722,065	-
Net finance cost	20	(3,543,372)	(2,304,043)
Profit/(Loss) before tax		6,869,069	(586,047)
Income tax (charge)/credit	21(b)	(1,240,207)	23,576
Profit/(Loss) for the year		5,628,862	(562,471)
Other comprehensive income		-	-
Total comprehensive income for the year		5,628,862	(562,471)
Earnings/(Loss) per Share	22	1.18	(0.12)

The notes on pages 20 to 43 form an integral part of these financial statements.

Independent Auditors' report on pages 15 to 15(c).

NEW FUTURES LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Stated capital	Retained earnings /(Revenue deficit)	Total
	EUR	EUR	EUR
Balance at July 01, 2022	4,054,975	(1,417,226)	2,637,749
Profit for the year	-	5,628,862	5,628,862
Other comprehensive income for the year	-	-	-
Conversion of notes into shares	9,600,000	-	9,600,000
Balance at June 30, 2023	<u>13,654,975</u>	<u>4,211,636</u>	<u>17,866,611</u>
Balance at July 01, 2021	4,054,975	(854,755)	3,200,220
Loss for the year	-	(562,471)	(562,471)
Other comprehensive income for the year	-	-	-
Balance at June 30, 2022	<u>4,054,975</u>	<u>(1,417,226)</u>	<u>2,637,749</u>

The notes on pages 20 to 43 form an integral part of these financial statements.

Independent Auditors' report on pages 15 to 15(c).

NEW FUTURES LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 EUR	2022 EUR
Cash flows from operating activities			
Cash generated from operations	23 (d)	3,595,603	2,475,097
Income tax refund during the year	21 (c)	132,633	-
Net cash generated from operating activities		3,728,236	2,475,097
Cash flows from investing activities			
Interest received	10	22,724	38,694
Development costs		(159,169)	(516,756)
Purchase of financial assets at amortised cost		-	(2,645,732)
Proceeds from disposal of financial assets at amortised cost		1,743,009	3,842,108
Net cash generated from investing activities		1,606,564	718,314
Cash flows from financing activities			
Finance cost paid		(2,955,383)	(2,304,019)
Proceeds from short term borrowings/loan facility		21,000,000	1,385,300
Repayment of loan facility		(9,241,474)	(3,383,266)
Repayment of secured bonds		(15,100,000)	-
Net cash used in financing activities		(6,296,857)	(4,301,985)
Net decrease in cash and cash equivalents		(962,057)	(1,108,574)
Movement in cash and cash equivalents			
At the beginning of the reporting year		2,107,636	3,012,484
Net decrease in cash and cash equivalents		(962,057)	(1,108,574)
Effect of foreign exchange rate changes		(277,942)	203,726
At at the end of the reporting year	23 (c)	867,637	2,107,636

The notes on pages 20 to 43 form an integral part of these financial statements.

Independent Auditors' report on pages 15 to 15(c).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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 Company also owns certain apartments which are earmarked for sale. The Company's revenue sources originate from (i) the sale of serviced apartments, and (ii) rental income under the lease agreement.

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 for the investment property which is carried at fair value.

At June 30, 2023, the Company has a net current liabilities position of EUR 18,109,896 (2022: EUR 25,471,912). The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued financial support being made available by the shareholders. The directors are of the opinion that this support will be forthcoming over the next 12-months period from the date of signing of the financial statement. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

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

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018– 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Company's financial statements.

IFRS 3 Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Company's financial statements.

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018– 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Company's financial statements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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)

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Company's financial statements.

IAS 41 Agriculture

Annual Improvements to IFRS Standards 2018– 2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. 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 January 1, 2023 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:

Effective date January 1, 2023

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts.

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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)

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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)

The effective date of this amendment has been deferred indefinitely until further notice (cont'd)

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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 business model test and contractual cashflows of the asset. 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 expected credit loss.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (cont'd)

(iii) Equity instruments (cont'd)

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.

(iv) Financial liabilities

The Company classifies its financial liabilities under the "amortised cost" category, depending on the purpose for which the liability was acquired.

Financial liabilities

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

(i) Revenue is composed of:

- ***Sale of inventory properties***

This represents 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 at a given point of time.

- ***Rental income***

Rental income arising from the operating leases on the investment property is accounted for on a straight-line basis over the lease term, except for contingent rental income which is recognised when it arises. The rent is fixed at EUR 2,600,000 and is adjusted by an inflation index at the beginning of each period starting from year 1 under the lease agreement. As such, the rent for the subsequent financial years is equal to the annual rent paid during the (n-1)th financial year, multiplied by the percentage increase in the harmonised consumer price index, produced by the European Central Bank during the (n-1)th financial year. The annual percentage increase in the harmonised consumer price index shall be a minimum of 1.75% p.a.

Rental income is payable every quarter in advance and shown net of Value Added Tax (VAT) in the statement of profit or loss and other comprehensive income.

The company shall be also entitled to an incentive rent, which is equal to 75% of the EBITDA. The incentive fee shall become due and payable if the tenant's EBITDA for the financial year is greater than EUR 1.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Revenue recognition (cont'd)

(ii) 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).
- Reimbursable income are recognised in the accounting year in which the income are receivable.

(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 were directly attributable to the development, have been capitalised from the commencement of the development work until the date of practical completion, that is, when substantially all of the development works were 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Foreign currencies (cont'd)

(ii) Transactions and balances (cont'd)

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) 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.

(h) Investment Properties

Investment properties are the properties held to earn rental income 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 were measured initially at cost, including transaction costs. Investment properties comprise of 135 build to rent apartments that are occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income. The building is substantially rented to a tenant and is not intended to be sold in the ordinary course of business. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

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.

(i) Inventory Property

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.

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.

(j) Leases (Company as a lessor)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2(c)(i)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

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

- Liquidity risk;
- Credit risk; and
- Currency 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) 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. This is overseen by the directors who ensure that necessary funds are available at all times to meet payment commitments when due, without having recourse to additional external financing.

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

With regards to the borrowings, figures have been arrived at based on the undiscounted cash flow of borrowings based on the earliest date on which the Company may be required to settle the liabilities.

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
	EUR	EUR	EUR	EUR
At June 30, 2023				
Trade and other payables	1,116,762	-	-	1,116,762
Borrowings	22,426,032	5,713,019	8,190,758	36,329,809
	23,542,794	5,713,019	8,190,758	37,446,571
At June 30, 2022				
Trade and other payables	998,300	-	-	998,300
Borrowings	33,578,574	7,141,965	8,187,844	48,908,383
	34,576,874	7,141,965	8,187,844	49,906,683

(b) Credit risk

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

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

(c) Currency risk

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

	EUR	MUR	2023 EUR
FINANCIAL ASSET AT AMORTISED COST			
Current asset			
Cash and cash equivalent	63,252	804,385	867,637
TOTAL FINANCIAL ASSETS	63,252	804,385	867,637
FINANCIAL LIABILITIES AT AMORTISED COST			
Non-current liability			
Borrowings	13,903,777	-	13,903,777
Current liabilities			
Trade and other payables	979,163	137,599	1,116,762
Borrowings	22,426,032	-	22,426,032
	23,405,195	137,599	23,542,794
TOTAL FINANCIAL LIABILITIES	37,308,972	137,599	37,446,571

	EUR	MUR	Other Currencies	2022 EUR
FINANCIAL ASSETS AT AMORTISED COST				
Current assets				
Financial assets at amortised cost	-	1,692,864	-	1,692,864
Cash and cash equivalent	926,546	1,181,090	-	2,107,636
	926,546	2,873,954	-	3,800,500
TOTAL FINANCIAL ASSETS	926,546	2,873,954	-	3,800,500
FINANCIAL LIABILITIES AT AMORTISED COST				
Non-current liability				
Borrowings	15,329,809	-	-	15,329,809
Current liabilities				
Trade and other payables	765,019	225,214	8,067	998,300
Borrowings	33,578,574	-	-	33,578,574
	34,343,593	225,214	8,067	34,576,874
TOTAL FINANCIAL LIABILITIES	49,673,402	225,214	8,067	49,906,683

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

(c) Currency risk (cont'd)

The company is exposed to foreign exchange risk arising from currency exposures mainly 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.

At June 30, 2023, if EUR weakens/strengthens by 10% against foreign currencies, with other variables held constant, the effect on profit/(loss) would have been as follows:

	Impact on	
	Profit before taxation	Loss before taxation
	2023	2022
	EUR	EUR
EUR weakens by 10%	66,679	264,067
EUR strengthens by 10%	(66,679)	(264,067)

The percentage applied has been determined based on historical observations of exchange rates for the last three years.

3.2 Capital risk management

The debt-to-adjusted capital ratio as at June 30, 2023 and June 30, 2022 were as follows:

	2023	2022
	EUR	EUR
Total debt	36,329,809	48,908,383
Less: Cash at bank	(867,637)	(2,107,636)
Net debt	35,462,172	46,800,747
Shareholders' interests	17,866,611	2,637,749
Debt-to-adjusted capital ratio	2.0:1	17.7:1

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3 FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Capital risk management (cont'd)

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).

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

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations 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.

Critical judgement in applying accounting policies

(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. The Directors have determined that the functional currency of the company is Euro, as the income stream is denominated in Euro and the fund from financing activities are generated in Euro.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**(c) Deferred taxation****(i) 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.

(ii) Investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property that is measured using the fair value model, the directors have reviewed the Company's investment property and concluded that the Company's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, hence rebutting the sale presumption. As a result, the Company has recognised deferred taxes on changes in fair value of investment property.

(d) Going concern

The Directors are of the view that the Company will be a going concern based on the cash flow forecasts where the rental income generated as per the terms of the agreement and the sale of the inventory properties will enable the Company to meet its financial obligations over the next twelve months of the financial reporting date.

(e) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, 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.

Investment Property valuation

In arriving at the fair value of the investment property, which was determined on a discounted cash flow method, the directors in consultation with the independent valuer had to make assumptions and estimates that were mainly based on market conditions existing at June 30, 2023. Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

5. FUNCTIONAL CURRENCY

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

	2023	2022
	EUR/MUR	EUR/MUR
Year	46.75	48.38
As at 30 June	49.47	46.25

The mid-closing EUR/MUR rate as provided by the Bank of Mauritius at June 30, 2023 was MUR 49.56 (2022: MUR 47.51).

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6. INVESTMENT PROPERTY

	2023	2022
	EUR	EUR
At the beginning of the reporting year	41,603,207	41,537,237
Development costs during the year	24,728	65,970
Fair value adjustment	7,722,065	-
At the end of the reporting year	49,350,000	41,603,207

The land and the building have been treated as an investment property under IAS 40 and are stated at fair value. The rental income and direct expenses derived from/(incurred with regards to) the investment property were as follows:

	2023	2022
	EUR	EUR
Rental income from investment property	2,810,600	1,950,000
Expenses relating to lease of investment property	(63,715)	(37,794)

Valuation Process

The Company's policy is to fair value its investment property every year with a qualified independent valuer appointed every three years.

The management recommends the appointment of an independent external valuer, who is responsible for the Company's external valuation of the investment property in the annual report. Selection criteria for the independent valuer include market knowledge, reputation, independence, objectivity and whether professional standards are maintained.

As at June 30, 2023, the fair value of the investment property has been arrived on the basis of valuation performed by Jones Lang LaSalle (PTY) Ltd ("JLL"), a professional service company specialised in real estate and offering a range of services such as hotel advisory, valuation services, property and project management. Based on the income approach using the discounted cash flow method and a number of assumptions including a discount rate of 10.25% , JLL determined that the fair value of the investment property as June 30, 2023 was EUR 49,350,000.

The investment property has been classified within level 3 of the fair value hierarchy based on the following information:

	Valuation Technique	Significant Input(s)	Range
Residence located at Grand Baie	Income Approach - Discounted Cash Flow	- Rent growth p.a	2.00% - 2.50%
		- Discount rate	10.25%
		- Terminal Yield	8.25%

Significant increases/(decreases) in estimated rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the investment property. Significant increases/(decreases) in the discount rate and terminal yield would result in a significantly lower/(higher) fair value.

Although the risks associated with the rights that the Company retains in the investment property are not considered to be significant, the Company employs strategies to further minimise these risks. For example, ensuring the contract include clauses requiring that the tenant to compensate the Company when the investment property has been subject to excess wear and tear during the lease term.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7. DEFERRED TAX LIABILITIES/(ASSETS)

Deferred income taxes are calculated on all temporary differences under the liability method at 17%. (2022: 17%)

	Note	2023	2022
		EUR	EUR
At the beginning of the reporting year		(830,335)	(806,759)
Charge/(Credit) to Profit or Loss	21(b)	1,240,207	(23,576)
At the end of the reporting year		409,872	(830,335)
In respect of:			
Deferred tax liabilities on:			
- Accelerated capital allowances		62,904	-
- Fair value of investment property		1,312,751	-
Deferred tax assets on tax losses		(965,782)	(830,335)
Net deferred tax liabilities/(assets)		409,873	(830,335)

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

8. INVENTORY PROPERTIES

	Note	2023	2022
		EUR	EUR
At the beginning of the reporting year		5,101,447	5,421,112
Development costs incurred		55,844	28,181
Development costs relating to sale of inventory properties recognised in cost of sales	15	(856,544)	(347,846)
At the end of the reporting year		4,300,747	5,101,447

9. PREPAYMENTS

	2023	2022
	EUR	EUR
Prepayments	1,008,227	1,076,310

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

	2023	2022
	EUR	EUR
Mauritian Rupee	135,401	155,658
Euro	872,826	920,652
	1,008,227	1,076,310

(b) Analysed as:

	2023	2022
	EUR	EUR
Current	68,071	70,382
Non current	940,156	1,005,928
	1,008,227	1,076,310

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

10. FINANCIAL ASSETS AT AMORTISED COST

	2023	2022
	EUR	EUR
At the beginning of the reporting year	1,692,864	2,769,899
Additions during the year	-	2,645,477
Disposals during the year	(1,743,886)	(3,843,324)
Interest accrued	22,441	28,578
Interest received	(22,724)	(38,694)
Foreign exchange differences	51,305	130,928
At the end of the reporting year	-	1,692,864

11. STATED CAPITAL

	2023	2022
	EUR	EUR
<u>Issued and fully paid share capital</u>		
Class A shares	25	25
Class B shares	13,653,450	4,053,450
Convertible Class C shares	1,500	1,500
Total	13,654,975	4,054,975

	2023	2022
	Number	Number
<u>Issued share capital</u>		
Class A shares	100	100
Class B shares	13,379,996	4,739,996
Convertible Class C shares	750,000	750,000
Total	14,130,096	5,490,096

The board may issue shares at any time and there is no limit on the number of shares to be issued at no par value.

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 ;
- no right whatsoever to any distribution of surplus assets of the Company; and
- no par value shares which are denominated in MUR.

(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;
- right to an equal share in the distribution of surplus assets of the Company; and
- no par value shares which are denominated in EUR.

(c) Convertible Class C shares

- no right to vote at any meeting of the Company on any resolution;
- no right whatsoever to any dividend;

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. STATED CAPITAL (CONT'D)

(c) Convertible Class C shares (cont'd)

- 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; and

- no par value shares which are denominated in EUR.

12. BORROWINGS

(a) Debentures:

	2023	2022
	EUR	EUR
Convertible bonds	-	9,600,000
Secured bonds	-	15,100,000
Issue costs	-	(170,498)
At June 30,	-	24,529,502

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 carried interests ranging from 4% to 6% per annum and were secured by the assets held by the Company. The bonds matured during the financial year ended June 30, 2023.

(b) Loan Facility:

	2023	2022
	EUR	EUR
Loan facility	16,049,606	25,291,080
Issue costs	(719,797)	(912,199)
At June 30,	15,329,809	24,378,881

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 and carries interests ranging from 3% to 5% per annum.

(c) Short term borrowings:

	2023	2022
	EUR	EUR
Short term borrowings at June 30,	21,000,000	-

The short term borrowings relate to a 1-month period bridge loan, carrying interest ranging from 4% to 6% per annum.

	2023	2022
	EUR	EUR
Total Borrowings at 30 June	36,329,809	48,908,383

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. BORROWINGS (CONT'D)

	2023	2022
	EUR	EUR
(d) Analysed as:		
Current	22,426,032	33,578,574
Non current	13,903,777	15,329,809
	36,329,809	48,908,383

The carrying amounts of borrowings approximate their fair values.

13. TRADE AND OTHER PAYABLES

	2023	2022
	EUR	EUR
Finance cost payable	56,639	37,765
Other payables	1,060,123	960,535
	1,116,762	998,300

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

14. RENTAL INCOME FROM INVESTMENT PROPERTY

The table below shows the undiscounted rental payment to be received from Domitys Le Domaine de Grand Baie over the remaining term of the lease agreement.

	2023	2022
	EUR	EUR
Within 1 year	2,859,786	2,810,600
1 to 2 years	2,909,832	2,859,786
2 to 3 years	2,960,754	2,909,832
3 to 4 years	3,012,567	2,960,754
4 to 5 years	3,065,287	3,012,567
After 5 years	46,065,934	49,131,221
	60,874,160	63,684,760

15. COST OF SALES RELATING TO SALE OF INVENTORY PROPERTIES

Development costs relating to sale of inventory properties recognised in cost of sales

Notary fees and other expenses

Note	2023	2022
	EUR	EUR
8	856,544	347,846
	112,572	23,636
	969,116	371,482

16. OTHER EXPENSES RELATING TO SALES OF INVENTORY PROPERTIES

Marketing expenses

Other expenses

2023	2022
EUR	EUR
13,733	152,061
8,884	98,996
22,617	251,057

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

17. OTHER INCOME

	2023	2022
	EUR	EUR
Other income	3,362	408
Reimbursable income	25,057	142,068
	28,419	142,476

18. ADMINISTRATIVE EXPENSES

	2023	2022
	EUR	EUR
Directors' remuneration	3,141	3,215
Licence and permits	4,933	4,173
Other administrative expenses	8,073	2,578
Professional fees	72,176	45,699
Publications expenses	-	1,348
	88,323	57,013

19. OTHER OPERATING EXPENSES

	2023	2022
	EUR	EUR
Insurance cost	17,946	17,946
Other operating expenses	-	-
Reimbursable expense	24,922	142,481
	42,868	160,427

20. NET FINANCE COSTS

	2023	2022
	EUR	EUR
Bank charges	(1,142)	(1,291)
Finance cost	(3,337,157)	(2,664,514)
Foreign exchange (losses)/gains	(226,636)	334,655
Interest income	22,440	28,578
Transaction costs on financial assets	(877)	(1,471)
	(3,543,372)	(2,304,043)

21. INCOME TAX

(a) Tax losses carried forward

The income tax rate applicable to the Company is 17%. The Company does not have any current tax liability as it has tax losses which are available for offset against future taxable profits.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

21. INCOME TAX (CONT'D)

(a) Tax losses carried forward (cont'd)

As at June 30, 2023, the Company had accumulated tax losses of EUR 5,681,072 (2022: EUR 4,884,323).

	2023	2022
	EUR	EUR
The expiry dates for the losses are as follows:		
June 30, 2024	51,805	51,805
June 30, 2025	75,334	75,334
June 30, 2026	4,521,228	4,521,228
June 30, 2027	235,956	235,956
June 30, 2028	426,728	-
Tax losses being carried forward indefinitely	370,021	-
	5,681,072	4,884,323

The tax losses being carried forward indefinitely relate to capital allowances on acquisitions after July 01, 2006 and thus can be carried forward indefinitely.

(b) In the Statement of Profit or Loss

	Note	2023	2022
		EUR	EUR
Income tax on the adjusted profit for the year at 15%		-	-
Deferred tax charge/(credit) for the year	7	1,240,207	(23,576)
Income tax charge/(credit)		1,240,207	(23,576)

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

	Note	2023	2022
		EUR	EUR
Profit/(Loss) before Taxation		6,869,069	(586,047)
Tax calculated at a rate of 17%		1,167,742	(99,628)
Tax effect on:			
Tax loss brought forward		(830,335)	(806,759)
Income not subject to tax		(1,315,802)	(3,887)
Capital allowance on investment property		(62,904)	-
Expenses not deductible for tax purposes		75,517	63,402
Deferred tax expense/(credit) recognised	7	1,240,207	(23,576)
Unrelieved tax loss		-	16,537
Tax loss carried forward		965,782	830,335
		1,240,207	(23,576)

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.

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

21. INCOME TAX (CONT'D)

(c) In the Statement of Financial Position

	2023	2022
	EUR	EUR
At the beginning of the reporting year	(132,633)	-
Income tax on the adjusted profit/(loss) for the year	-	-
Tax deducted at source withheld during the year	(196,443)	(132,633)
Income tax refund during the year	132,633	-
At the end of the reporting year	(196,443)	(132,633)

22. EARNINGS/(LOSS) PER SHARE

Earnings/(Loss) per share is based on:

Profit/(Loss) after tax for the year

Weighted average number of class B shares in issue

Earnings/(Loss) per Class B share

	2023	2022
EUR	EUR	EUR
5,628,862	(562,471)	
4,774,352	4,739,996	
1.18	(0.12)	

23. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Non cash transactions

	2023	2022
	EUR	EUR
Issue costs	362,900	359,900

The principal non cash transactions for the year ended June 30, 2023 are:

- (i) the amortisation amounting to EUR 170,498 of issue costs relating to the bonds;
- (ii) the amortisation amounting to EUR 192,402 of issue costs relating to the loan facility; and
- (iii) the conversion of the convertible bonds amounting to EUR 9,600,000 into Class B share capital

The principal non cash transactions for the year ended June 30, 2022 are:

- (i) the amortisation amounting to EUR 169,322 of issue costs relating to the bonds; and
- (ii) the amortisation amounting to EUR 190,578 of issue costs relating to the loan facility

(b) Reconciliation of liabilities arising from financing activities

	2022	Net Cashflows	Conversion of convertible bonds into share capital	Issue Costs	2023
	EUR			EUR	EUR
Borrowings	48,908,383	(3,341,474)	(9,600,000)	362,900	36,329,809

	2021	Cashflows	Issue Costs	2022
	EUR	EUR	EUR	EUR
Borrowings	50,546,449	(1,997,966)	359,900	48,908,383

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

(c) Cash and cash equivalents

	2023	2022
	EUR	EUR
Cash at bank	867,637	2,107,636

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

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

	Notes	2023	2022
		EUR	EUR
Profit/(Loss) before taxation		6,869,069	(586,047)
Adjustment for:			
- Interest income	20	(22,440)	(28,578)
- Fair value gain on investment property	6	(7,722,065)	-
- Finance costs	20	3,337,157	2,664,514
- Foreign exchange losses/(gains)	20	226,636	(334,655)
- Transaction costs on financial assets	20	877	1,471
- Tax deducted at source		(196,443)	(132,633)
Changes in working capital:			
- Change in inventory properties		856,544	347,846
- Change in trade receivables		-	132,148
- Change in prepayments		68,083	699,418
- Change in trade and other payables		178,185	(288,387)
Cash generated from operations		3,595,603	2,475,097

24. 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 year under review are as follows:

	2023	2022
	EUR	EUR
(a) Rental income from investment property		
Entity under common control	2,810,600	1,950,000
(b) Expenses relating to lease of investment property		
Entity under common control	47,826	35,870

NEW FUTURES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. RELATED PARTY TRANSACTIONS (CONT'D)

	2023	2022
	EUR	EUR
(c) <u>Other expenses relating to sales of inventory properties</u>		
Holding entity	-	5,676
(d) <u>Other income</u>		
Entity under common control	25,057	142,068
(e) <u>Administrative expenses</u>		
Entities with significant influence	43,316	28,730
(f) <u>Net finance cost</u>		
Entities with significant influence	(902,427)	6,003
Entity under common control	(555,573)	(400,000)
Holding entities	(572,844)	(576,000)
	(2,030,844)	(969,997)
(g) <u>Key management personnel (Including Directors' Remuneration)</u>	3,141	3,215
(h) <u>Outstanding balances as at June 30.</u>		
Trade and other payables		
Entity under common control	745,512	702,650
Entities with significant influence	32,616	23,113
	778,128	725,763
Borrowings		
Holding entities	1,000,000	9,600,000
Entities with significant influence	28,871,641	25,541,401
	29,871,641	35,141,401
Financial assets at amortised cost		
Entities with significant influence	-	1,692,864
Cash and cash equivalents		
Entity with significant influence	820,808	2,072,607

All above transactions have been carried out at least under market terms and conditions. There have been no guarantees provided or received for any related party receivables or payables. At June 30, 2023, the amounts owed by the related parties were not impaired. Settlement for above transactions occur in cash.

25. EVENTS AFTER REPORTING DATE

The following events occurred after the reporting date:

- On July 28, 2023, the Company issued notes with a total aggregate nominal amount of EUR 22,000,000; and
- On July 31, 2023, the Class C shares were bought back and immediately cancelled.