





## CORPORATE INFORMATION YEAR ENDED JUNE 30, 2021

### DIRECTORS

Jean Didier Merven  
Laurent Bourgault Du Coudray  
Mark Colin Cridlan  
Omabhinavsingh Juddoo  
Marie Christine Dove

### Date appointed

December 8, 2005  
April 3, 2014  
June 30, 2018  
June 30, 2018  
June 30, 2018

### SECRETARY

NWT Secretarial Services Ltd  
6th Floor, Dias Pier Building,  
Le Caudan Waterfront,  
Caudan, Port Louis.

### REGISTERED OFFICE

C/o NWT Secretarial Services Ltd  
6th Floor, Dias Pier Building,  
Le Caudan Waterfront,  
Caudan, Port Louis.

### AUDITORS

Mazars  
4th Floor, Unicorn Centre  
Frère Felix de Valois Street,  
Port Louis, Mauritius

### BANKERS

The Mauritius Commercial Bank Limited  
Sir William Newton Street,  
Port Louis.

## STATUTORY DISCLOSURES YEAR ENDED JUNE 30, 2021

### PRINCIPAL ACTIVITY

The principal activity of the Company is property development for sale and/or rent.

### BUSINESS REVIEW

#### RESULTS

##### Company

The results for the year are shown on page 7

The Company's rental, investment and other income for the year amounted to Rs.10,907,540 (2020: Rs.9,202,283). The profit for the year after taxation amounted to Rs.6,122,343 (2020: Rs.4,665,860)..

##### Group

The Group's rental, investment and other income for the year amount to Rs.15,274,107 (2020: Rs.15,349,310) and the profit for the year after tax amounted to Rs.6,375,728 (2020: Rs.6,410,007).

### DIRECTORS

The name of directors of the Company and each subsidiary at the end of the accounting period are:

#### Novus Properties Ltd

Mr. Jean Didier Merven  
Mr. Laurent Bourgault Du Coudray  
Mr. Mark Colin Cridlan  
Mr. Omabhinavsingh Juddoo  
Mrs. Marie Christine Dove

#### Novus Industrial Properties Ltd

Mr. Jean Didier Merven  
Mr. Laurent Bourgault Du Coudray  
Mr. Omabhinavsingh Juddoo

#### Novus GRNW Properties Ltd

Mr. Laurent Bourgault Du Coudray  
Mr. Omabhinavsingh Juddoo

#### Novus Northern Properties Ltd

Mr. Jean Didier Merven  
Mr. Omabhinavsingh Juddoo

### DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company and its subsidiaries have service contracts.

### DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received, or due and receivable:

	FROM THE COMPANY		FROM SUBSIDIARIES	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
<b>Executive Director</b>				
Mr. Omabhinavsingh Juddoo	-	-	-	-
<b>Non Executive Director</b>				
Mr. Jean Didier Merven	-	-	-	-
Mr. Laurent Bourgault Du Coudray	-	-	-	-
Mr. Mark Colin Cridlan	100,000	200,000	-	-
Mrs. Marie Christine Dove	-	-	-	-
	<b>100,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>

### CONTRACT OF SIGNIFICANCE WITH DIRECTORS

There was no contract of significance subsisting during the period to which the Company and its subsidiaries is a party and in which a director is or was materially interested, either directly or indirectly.

### DONATIONS

The Company and its subsidiaries did not make any political or charitable donations during the year (2020: Nil).

### AUDITORS' FEES

	THE GROUP		THE COMPANY	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
The fees to the auditors for audit and other services were accrued as follows:				
Audit fees	180,000	145,000	180,000	145,000
Other services	-	70,000	-	70,000
	<b>180,000</b>	<b>215,000</b>	<b>180,000</b>	<b>215,000</b>

Approved by the Board of Directors on 28 September 2021 and signed on its behalf by:

  
Didier Merven  
Chairman

  
Omabhinavsingh Juddoo  
Director

# CHAIRMAN'S STATEMENT



Dear Shareholders,

It is the time of year again when I have the pleasure to address you and to report on the performance of NOVUS Properties Ltd ("NOVUS") for the year ending 30 June 2021. In what was another year marred by the uncertainty of COVID-19, the company fared relatively well, with steady performance in the face of some significant headwinds.

## Portfolio Activity

There has been no change to the NOVUS portfolio of assets over the course of the year as the Board took a defensive approach to potential acquisitions, whilst management focussed on consolidating the assets and securing relationships with existing tenants and new occupiers.

## Office Space

- NOVUS Properties Ltd owns 23 multi let office units located within Phase 2 of Grand Bay Business Park ("GBBP").

## Light Industrial

- NOVUS Industrial Properties ("NIP") owns a mixed office, warehouse and workshop property in Pailles.
- NOVUS GRNW Properties ("NGL") owns a single let headquarters facility providing workshop, storage and office accommodation, situated at Grand River North West ("GRNW").

Due to the nature of the NOVUS portfolio, being focussed on the light industrial and office sectors, the direct impact of the COVID-19 lockdown measures has been minimal, but occupiers were not completely immune to the wider economic slowdown.

The most significant impact was within NIP, where the main occupier has been severely impacted by local trading conditions, causing it to fall into quite significant rental arrears. Fortunately, management was able to capitalise on a strong pre-existing relationship with the tenant to reach a settlement agreement which recouped the majority of the outstanding amount without the need for lengthy and expensive legal action. Nevertheless, the space will become vacant, presenting an asset management challenge for the coming financial year.

Elsewhere in the portfolio, the picture has been more optimistic. The headquarters facility at GRNW remains fully let and the occupier has continued to pay its rent in full. There are plans to improve the quality of the

asset through programmed maintenance and upgrades, which will enhance the appeal of the property and improve operating conditions for the long-term tenant.

At GBBP, it has been a busy year of asset management with a number of incoming and outgoing tenants. By the end of the year, agreements were signed taking occupancy to 87%, up from 80% a year earlier. The link road between the motorway and Point Aux Cannoniers finally opened to traffic, cutting travel time and giving significant prominence to the Business Park.

## Results

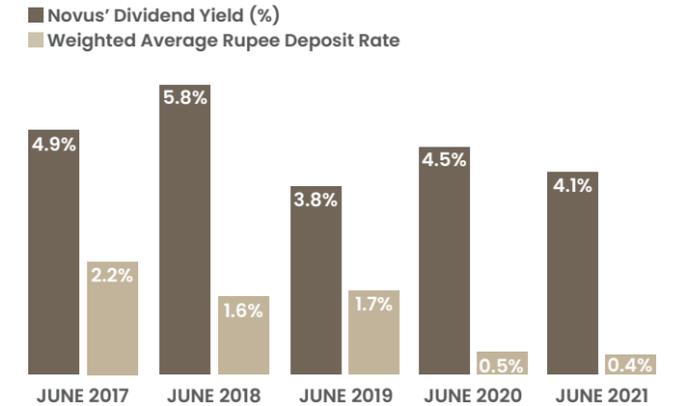
All things considered, the portfolio of assets performed well, with increased occupancy at GBBP and contractual rental increases both there and at GNRW offsetting some of the loss of rent at NIP. Ultimately, income was relatively steady at Rs 15.25M against Rs 15.32M a year earlier.

An increase in Administrative Expenses reflected the first full financial year of dedicated resources both on the asset management and accounting front, however this was again offset by lower borrowing costs. Capital expenditure was low, with only routine works carried out, and Operating Expenses once again reduced, leading to a slight increase in Operating Profit. Management is focussed on detailed planning of maintenance to avoid large and unexpected once off costs.

Overall, Profit after Tax ("PAT") reduced slightly to Rs 6.38M (2020 Rs 6.41M), which, given the prevailing business and economic environment, represents a satisfactory performance for the year. Whilst EPS remained steady at Rs 46 cts (2020: Rs 47 cts), the Board took into account the lower income forecast at NIP, as well as wider ongoing economic uncertainty, in declaring a total dividend of Rs 41 cts for the year ending 30 June 2021 (2020: Rs 43 cts).

## Outlook

Actively managed commercial real estate has continued to offer attractive income characteristics, against historically low bank deposit rates. With inflationary pressures coming to bear across the globe, interest rates might be dragged upwards to narrow that gap, however, index linked leases should offer some hedge against rising rates. The management and Board of NOVUS will continue to apply an active asset management strategy which seeks to enhance income through a focus on tenant relationships, whilst looking ahead to efficiently manage operating costs.



\* Source: Bank of Mauritius - Principal Interest Rates in Mauritius Report

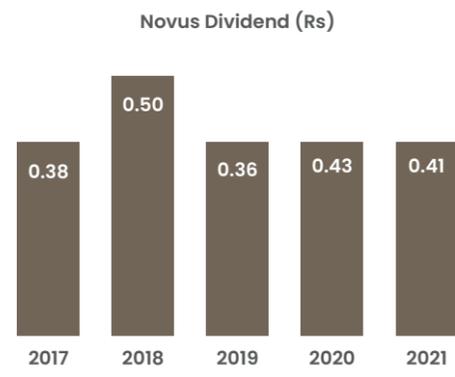
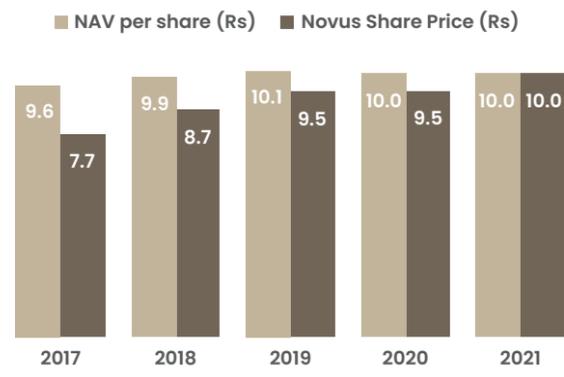
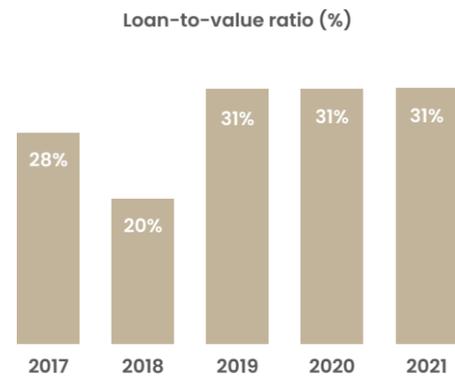
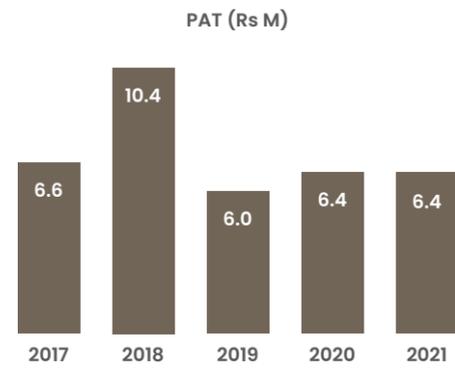
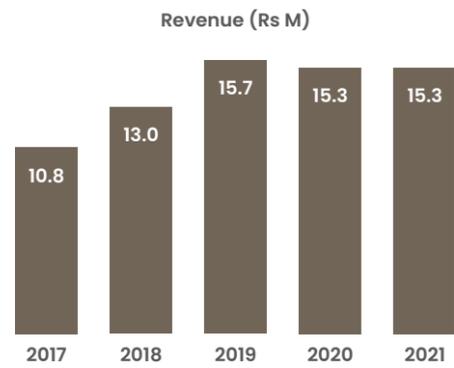
One of the starker realisations of this unprecedented pandemic has been of the risks presented by a global reliance on cheap shipping costs and "just in time" logistics management. In established real estate markets worldwide, this has hastened a trend away from investing in other traditional asset classes and towards the supply chain. In an environment such as Mauritius, where supply delays can be particularly damaging, the Board believes that this will present investment opportunities in the target sectors of light industrial and logistics warehousing.

Once again, I would like to thank my fellow Board members for their continued support, experience and insight as well as the management team for their efforts in the day to day running of the company.

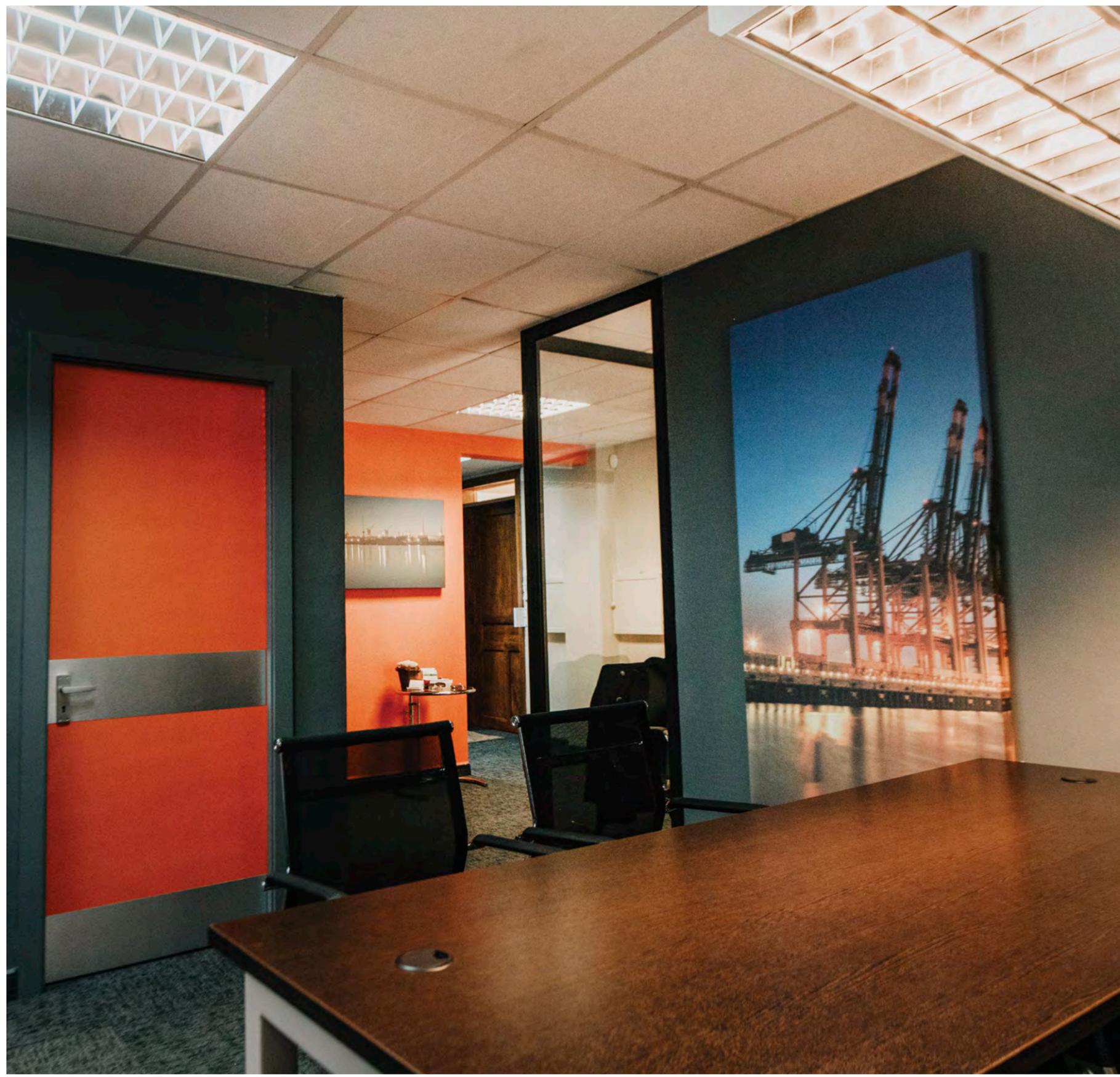
Finally, on behalf of the Board of Directors, I would also sincerely thank our shareholders for their ongoing support, trust and confidence.

Didier Merven  
Chairman

# FIVE YEAR REVIEW



\* In 2019, final dividend of 18 cents with respect to the financial year end 30 June 2019, was declared after year end.



# CORPORATE GOVERNANCE REPORT

## YEAR ENDED JUNE 30, 2021

### INTRODUCTION

Novus Properties Ltd ('Novus' or the 'Company') and its subsidiaries (together referred to as the 'Group') are committed to achieving high standards of corporate governance and recognises the importance of good governance to ensure continued growth and create sustainable value for all its stakeholders. The principal activity of the Group is property development for sale and/or rent. As a Public Interest Entity ('PIE'), the Board of Directors (the 'Board') has made concerted effort to apply the principles as set out in the National Code of Corporate Governance for Mauritius (2016) (the 'Code') which is based on a 'apply and explain' basis.

### PRINCIPLE 1: GOVERNANCE STRUCTURE

#### The Role of the Board

The Board is collectively responsible for the Group's leadership, strategy, values, standards, control, management and the long-term success of the Group. It is also responsible for providing strong leadership and independent judgement for complying with all legal and regulatory requirements.

#### Constitution and Governance Charters

The Constitution, Board Charter and the Terms of Reference of the Audit Committee are available on the Company's website <https://novusproperties.mu/>. The following documents, once approved by the Board, will also be available on the website:

#### Code of Ethics

The Board is committed to doing business within high standards of conduct and ethical behaviour which are fundamental to the preservation of the Group's reputation and to the success of its operation. A code of Ethics will be approved by the Board by latest 30 November 2021.

#### Organisational Chart and Statement of Accountabilities

The Group operates within a defined governance framework with clear lines of authority, accountability and responsibility. The Organisational Chart and Statement of Accountabilities will be approved by the Board by latest 30 November 2021.

#### Key Governance Positions

##### Chairman of the Board

The key responsibilities of the Chairman of the Board are as follows:

- To preside over meetings, encourage participation of Directors in Board matters and mediate differences of opinion;
- To participate in the nomination of Directors to ensure that the Board has the right mix of competencies, skills, objectivity and expertise;
- To monitor and evaluate Board and Directors' appraisals;
- To guide the Board and Senior Management, ensuring time for consultation, preparing of Board's agenda and minutes, and supervision of implementation of resolutions;
- To ensure adequate succession planning for the Directors and Management;
- To ensure that all relevant information on financial and operating matters are placed before the Board to enable Directors to reach informed decisions;
- To ensure adoption of good corporate governance practices; and
- To maintain relations with the shareholders of the Company and ensure that information is clearly communicated to them through appropriate disclosure.

Mr Jean Didier Merven is the Chairman of the Board and a brief profile is found on page 12.

##### Executive & Managing Director

The key responsibilities of the Executive & Managing Director are as follows:

- To develop and implement the Group's long and short-term strategy with a view to creating shareholder value;
- To responsible for the day to day management of the Group;
- To monitor and supervises all processes, work in progress and the activities of the Group as a whole; and
- To be the main point of contact between the Board and Management.

Mr. Omabhinavsingh Juddoo is the Executive & Managing Director and a brief profile is found on page 12.

The Company does not have any employees in senior governance positions and has an accounting services contract with UHY Advisory Ltd.

##### Consultant

The Company has retained the services of Mr Calum Flockhart as a consultant to the Company. Mr Flockhart is responsible for providing advice on portfolio structure, acquisition and sales strategy as well as managing all day to day asset management activities including new lettings, capital works and tenant relationships. Hereunder is a brief profile of Mr Flockhart.

Calum is a qualified chartered surveyor with over 20 years of experience in the acquisition, asset management and sale of commercial investment property. Having initially worked for one of the largest real estate advisory firms in the world, Calum then managed a family office with responsibility for more than £350 million of commercial real estate assets, before becoming an Investment Manager with a large regulated fund management business in UK. During that period, Calum was responsible for a portfolio valued at over £650 million and acquired over £250M of investment assets across the UK in the retail, industrial and office sectors. In Mauritius, Calum has worked in a senior leadership role in the residential development sector and as Managing Director of a fund management business specializing in the retail sector in Sub-Saharan Africa.

##### Company Secretary

All Directors have access to the advice and services of the Company Secretary, NWT Secretarial Services Ltd, through its representative V.Oomadevi (Lavineea) Chetty, who is responsible for providing guidance to the Board as to their duties, responsibilities and powers. The Company Secretary is appointed by the Board in accordance with the Company's Constitution.

The Company Secretary ensures that the Board procedures are followed and that applicable rules and regulations as well as principles of good governance are adhered to.

Lavineea graduated in Economics and Finance from the University of Natal, South Africa. She is an Associate of the Institute of Chartered Secretaries and Administrators (UK). She previously worked as Underwriter in the Motor and General Insurance Department at Swan Insurance for ten years and as Company Secretary at Executive Services Ltd for 8 years. Lavineea joined NWT (Mauritius) Ltd as Company Secretary since 2015 and through NWT Secretarial Services Ltd provides company secretarial services to various companies within the AXYS Group.

### PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board has aimed to create the right balance and composition in such a way as to best serve the Group. Given the size and the sector of activities of the Group, the Directors consider that the current Board is of reasonable size and possesses the appropriate mix of competencies, experience, skill, independence including gender to efficiently manage the affairs of the Group. A majority of the Directors has a relationship with the Company.

The Group is currently managed by a unitary Board of five members (5) who are all residents of Mauritius, out of whom one (1) Executive Director, three (3) Non-Executive Directors and one (1) Independent Non-Executive Director.

Members of the Board at June 30, 2021 are as follows:

# BOARD OF DIRECTORS



From left to right:  
Omabhinavsingh Juddoo, Christine Dove, Didier Merven,  
Laurent Bourgault Du Coudray, Mark Colin Cridlan

# BOARD OF DIRECTORS



**Jean Didier Merven**  
*Non-Executive Director & Chairman*

Jean Didier Merven spent many years in Australia and moved back to Mauritius in 1988. He started portfolio management on an individual basis before setting up Portfolio & Investment Management Ltd (PIM) in 1992, the very first professional portfolio management company in Mauritius. Over the following 22 years, PIM developed the AXYS Group which evolved from these beginnings into a diversified financial services company.

Directorship in other listed companies: United Investments Ltd.



**Omabhinavsingh Juddoo**  
*Executive Director & Managing Director*

Omabhinavsingh Juddoo holds a Masters in International Business from Curtin University of Australia and is a member of the ACCA (UK) and Member of the Chartered Institute of Bankers in Scotland. His fields of expertise are Project Management, Treasury and Transaction Advisory. He has been involved in the operations of the Company and its subsidiaries since he joined AXYS Group in 2013 and contributes to the expansion of the Group.

Directorship in other listed companies: None.



**Laurent Bourgault Du Coudray**  
*Non-Executive Director*

Laurent Bourgault du Coudray graduated in accounting and finance from Curtin University in Perth, Australia and is a member of the Institute of Chartered Accountants in Australia. He has worked over four years in Perth providing corporate and international tax services before joining United Investments Limited (UIL) in January 2013 where he acted as Project Manager and Business Developer. With a focus on the hospitality sector, Laurent joined in April 2019 one of UIL's investees, namely Attitude Hospitality Management Ltd, as the Chief Business Development Officer.

Directorship in other listed companies: Les Gaz Industriels Ltd.



**Marie Christine Dove**  
*Non-Executive Director*

Marie Christine Dove is a qualified member of ACCA (UK). She has previously worked for three years in the Audit department at DCDM and a further 3-years in the Accounting team of Rogers Group. She joined AXYS Group in 2005 as Financial Accountant, where she headed the Accounts and Finance department. In August 2010, Christine was appointed Financial Accountant for UIL Group.

Directorship in other listed companies: None.

## BOARD OF DIRECTORS (CONT'D)



**Mark Colin Cridlan**  
*Independent Director*

Mark Cridlan is a Chartered Quantity Surveyor (RICS) and a member of the Mauritius Association of Quantity Surveyors. He is director of Milestone Construction Consultants Ltd and has more than 38 years of experience in the construction industry. He has vast experience in the construction of large mass housing projects, high end houses under the PDS / RES / IRS schemes, office buildings and showrooms, refurbishment of offices including fit-out, power stations, commercial developments, new hotels and renovation of hotels as well as residential developments..

Directorship in other listed companies: None.

## PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

### Directors' and officers' interests in Novus shares

The Directors follow the principles of the model code on securities transactions as detailed in the Mauritius Stock Exchange listing rules and in accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties in the shares of the Company are kept in a Register of Directors' Interests by the Company Secretary. The register is available to shareholders upon request to the Company Secretary.

As soon as a Director becomes aware that he is interested in a transaction or that his holdings or his associates' holdings have changed, the interest should be reported to the Group in writing. The Register of Interests is updated with every transaction entered into by the Directors and persons closely associated with them. When it appears to be a conflict of interest, any Director who could have such a conflict of interest will abstain from discussions at Board meetings when the relevant matter is tabled.

Moreover, pursuant to the Securities Act 2005, Novus registered itself as a reporting issuer with the Financial Services Commission ('FSC') and makes every effort to follow the relevant disclosure requirements. The Group keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other insiders of Novus.

### List of Directors' Direct and Indirect Interest in Novus as at June 30, 2021

Directors	Direct Shareholding		Indirect Shareholding
	Number of shares	Percentage (%)	Percentage (%)
Jean Didier Merven	-	-	0.37
Omabhinavsinh Juddoo	4,400	0.03	0.09
Laurent Bourgault Du Coudray	23,000	0.17	-
Marie Christine Dove	-	-	0.00
Mark Colin Cridlan	-	-	-

### Board Committees

The Audit Committee (the 'AC') provides assistance to the Board and its Directors in discharging their duties through a more comprehensive evaluation of specific issues. The AC reports regularly to the Board to whom it submits its recommendations. The Company Secretary also acts as secretary to the AC. The AC operates within clearly defined Terms of Reference which is available on the Company's website.

Composition of the Audit Committee:

- Laurent Bourgault Du Coudray (Chairperson)
- Marie Christine Dove
- Mark Cridlan

The profiles and qualification of the members of the AC are disclosed on pages 13 and 14. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities their role requires. Reasonable resources are made available to the AC to discharge its functions properly with the cooperation of Management. The internal & external Auditors have unrestricted access to the members of the AC.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## YEAR ENDED JUNE 30, 2021

### PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

#### Board Committees (cont'd)

The core functions of the Audit Committee are to:

- Review the appropriateness of the accounting policies and assess the effectiveness of the systems of internal controls and auditing processes in the day-to-day management of the Group;
- Determine the balance between the scope of financial and operational priorities to ensure, procedurally, a value-added contribution to the interactive processes governing both the economic imperatives and effectiveness of internal controls of the Company;
- Facilitate communication between the Board, Management and internal and external auditors; and
- Serve as an independent arbitrator to the stakeholders of the Group.

During the year under review, the Audit Committee met on 4 occasions and the external and internal auditors are requested to attend the meetings as and when required.

#### Board and Committees Attendance

During the year under review, attendance at Board and Committee meetings were as follows:

Directors	Board	Audit Committee
Number of meetings	4	4
Jean Didier Merven	4	-
Omabhinavsingh Juddoo	4	-
Laurent Bourgault Du Coudray	2	2
Marie Christine Dove	3	3
Mark Colin Cridlan	4	4

### PRINCIPLE 3: DIRECTOR'S APPOINTMENT PROCEDURES

The Board is responsible in appointing Directors and major factors that are considered in the appointment procedures are:

- Skills, knowledge and expertise required on the Board and of the proposed Director;
- Balance on the Board such as gender and age;
- Fees requested by prospective Director; and
- Potential conflict of interest.

The appointment of new directors is subject to confirmation by shareholders at the next Annual Meeting of Shareholders following their appointment.

#### Succession planning and Board Induction

The Board is responsible for succession planning of senior executives which involves the identification and development of candidates for leadership role in the Company in order to ensure continuity of management and leadership. The Board is also responsible for the induction of new Directors and the newly appointed Directors receive a complete induction pack which includes their duties and responsibilities under the respective legislations.

Though the Board does not organise or enrol its members on specific training session, it encourages all its Directors to keep on enhancing their knowledge and competencies through development programmes offered by various institutions in Mauritius.

#### Board Evaluation

Good governance encourages the Board to undertake a formal, regular and rigorous evaluation of its own performance and that of its Committees and individual Directors and produce a development plan on an annual basis.

A performance evaluation of the Board, its committees and its individual directors was conducted last year and no independent evaluator was employed since the exercise was carried out by way of questionnaires. There were no major issues noted a result of the evaluation requiring significant actions to be taken.

### PRINCIPLE 4: DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE

All the Directors on the Board are fully apprised of their legal and fiduciary duties as laid out in the Companies Act 2001.

The Group is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on the fundamental belief that business should be conducted honestly, fairly and legally.

#### Related Party Transactions

Related party transactions are disclosed on note 21 of the financial statements.

#### Remuneration Policy

The remuneration policy is focused on optimizing performance within the Group while taking into account the efforts and merits of the personnel. The remuneration of Directors is dealt with at

Board level and only the independent directors are remunerated. A fee of Rs 100,000 has been paid to the independent director during financial year ended June 30, 2021.

#### Information Technology and information IT Security

The Board of Directors is aware that a strategic alignment of information security with business strategy is important to achieve organisational goals. As such, it ensures that appropriate resources are allocated for the implementation of an information and IT security framework within the organisation.

The Board is responsible to ensure that adequate controls and information systems are in place to implement the Group's policy on IT which also falls under the Operational Risks of the Group.

In performing their functions, the Board of Directors has unrestricted access to the records of the Company and possibility to seek independent professional advice at the Company's expense to enable them to discharge their responsibilities at their utmost abilities.

### PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of risk management and internal control. The governance of risk, the nature and risk appetite of the Group remain the ultimate responsibility of the Board which is assisted by management to monitor, implement and enforce internal controls to minimise risk as well as achieve strategic objectives.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Group has an established risk management process to manage and mitigate those key risks which could impact on its activities.

The following key risks have been identified:

- **Financial risk**  
The Group maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. This risk is addressed by Internal Control, Accounting, Auditing and Internal Audit practices (as detailed below).
- **Compliance risk**  
The Board takes the necessary actions to ensure compliance to the applicable laws and regulations in the operations of the Group.

- **Technological risk**  
The Board ensures that IT systems are in place to provide financial and operational performance data for management accounting purposes.
- **Business continuity**  
Daily back-ups of data are made and are kept offsite.
- **Solvency and liquidity risk**  
Prudent solvency and liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market conditions. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.
- **Physical, operational and human resource risk**  
The Group has a renewal insurance contract covering the Group's assets against disasters, loss of rent and public liability.

For each major risk identified, a mitigating or correcting measure is taken.

#### Internal controls

The Board has overall responsibility for the system of internal control. A sound system of internal control is designed to manage the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control put in place by management to respond to the above includes:

- Maintaining proper accounting records to ensure effective operation of the business and compliance;
- Implementing the strategies and policies adopted by the Board, and for managing all of the activities, including the operation of the internal control system.

The Board has also established key processes for monitoring the system of internal control as follows:

- IT systems are in place to provide financial and operational performance data for management accounting purposes; and
- Review of the accounting information takes place on a regular basis at Board level and remedial action is taken promptly, where necessary.

During the year under review there were no significant deficiencies in the Company's system of internal controls.

# CORPORATE GOVERNANCE REPORT (CONT'D)

## YEAR ENDED JUNE 30, 2021

### PRINCIPLE 6: REPORTING WITH INTEGRITY

The Board is responsible for the preparation of the financial statements in accordance to the International Financial Reporting Standards which fairly present the state of affairs of the Group. The financial, environmental, social, governance position as well as the operational performance of the Group is detailed in the Annual Report which is published in full on the Company's website.

#### Safety, Health and Environment

Novus has its registered address at the office of United Investments Ltd, which believes in providing and maintaining a safe and healthy work environment for all Directors of Novus and its project administrators. The Group through its established policies encourages the enhancement of safety and health standards in the workplace.

#### Code of Ethics

Though the Group has not yet adopted a formal Code of Ethics, it is committed to the highest standards of integrity and ethical conduct in dealing with all stakeholders. The Group firmly believes in values such as honesty, respect, fairness, steadiness and courtesy.

### PRINCIPLE 7: AUDIT

#### Internal Auditors

No internal audit investigation was requested during the year ended June 30, 2021 (2020: Nil).

#### External Auditors

The current auditors are Mazars since September 2021 and their tenure of office will be reviewed in due course in line with good governance.

The Audit Committee is responsible for reviewing the external auditors' the letter of engagement, terms and nature of the audit scope and approach and ensure that no restrictions or limitations have been placed on their scope. The external auditors report directly to the Audit Committee which is also responsible for monitoring the external auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements. The Audit Committee did not meet the external auditor without management presence in view of their recent appointment.

The financial statements and accounting policies applicable as well as the effectiveness of the external audit process are discussed in the Audit Committee. Issues in relation to the financial statements which the Audit Committee considers significant are then addressed by the external auditors.

Auditors are expected to observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner. Audit fees are set in a manner that enables an effective external audit and are as per table below for the year under review.

The fees to the auditors (2021: Mazars and 2020: BDO & Co) for audit and other services were accrued as follows:

	THE GROUP		THE COMPANY	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Audit fees	180,000	145,000	180,000	145,000
Other services	-	70,000	-	70,000
	<b>180,000</b>	<b>215,000</b>	<b>180,000</b>	<b>215,000</b>

#### Non-audit related services

No non-audit related services have been provided by Mazars during the year under review (2020: Nil).

### PRINCIPLE 8: RELATIONS WITH SHAREHOLDER AND OTHER KEY STAKEHOLDERS

#### Shareholder's Information

The Board of Directors places great importance on an open and transparent communication with all the stakeholders of the Group. It also endeavours to regularly inform the shareholders on matters affecting the Group by announcements in the press, disclosures in the Annual Report and at the Annual Meeting of shareholders.

#### Key stakeholders

The Company is committed to engage actively with its stakeholders to meet their expectations and interests in an effective and efficient manner and takes into consideration their contribution to the Company's organisational performance and outlook. The Company's key stakeholders and the way it has responded to their expectations are described below:

**Shareholders:** Send notice of annual meetings within the prescribed delay imposed by law and promote dialogue.

**Regulators:** The Company ensures that at all times it complies with the regulatory provisions and guidelines in the conduct of its activities.

**Employees:** The Company ensures a pleasant working environment for all its staff.

**Customers:** Each customer is important to the Company which ensures a personalised service to each and every client.

The following shareholders held 5% or more of the shareholding of the Group as at June 30, 2021:

Shareholders	% Holding
Firefox Ltd	34.44
Mr Marie Adrien Robert Michel PITOT	9.92
Mr Paul Andre Jacques Pierre-Henri LESCURAS	9.10
United Investments Ltd	6.70

The shareholding structure of the Group as at June 30, 2021 was as follows:



# CORPORATE GOVERNANCE REPORT (CONT'D)

## YEAR ENDED JUNE 30, 2021

### PRINCIPLE 8: RELATIONS WITH SHAREHOLDER AND OTHER KEY STAKEHOLDERS (CONT'D)

#### Calendar

November 2021	Publication of 1 <sup>st</sup> quarter results
December 2021	Annual Meeting of Shareholders
February 2022	Publication of 2 <sup>nd</sup> quarter results
May 2022	Publication of 3 <sup>rd</sup> quarter results
September 2022	Publication of audited financial statements for the year ending June 30, 2022

#### Agreements

No major agreements, other than those in the ordinary course of business, were contracted by Novus during the year under review.

#### Dividend Policy

The Company does not have any formal dividend policy and the dividend pay-out is subject to the performance of the Company and to the satisfaction of the solvency test as defined in the Companies Act 2001.

A dividend of MUR 5,649,267 (41 cents per share) has been declared during the financial year and paid in August 2021.

#### Employee Share Option Plan

The Group does not have any Share Option Plan.

#### Donations

The Group made no social or political donations during the year under review (2020: Nil).

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AT JUNE 30, 2021

The Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at June 30, 2021 the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes for the year ended June 30, 2021, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Financial Reporting Act 2004.

The Director's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting judgments and estimates that have been used consistently.

The Directors have made an assessment of Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The Directors report that the external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors confirm that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently; and
- (iii) International Financial Reporting Standards have been complied with.

The Directors confirm that the Code of Corporate Governance has been adhered to, except to those disclosed in the Statement of Compliance on page 21.



**Didier Merven**  
Chairman

**Omabhinavsingh Juddoo**  
Director

28 September 2021

### STATEMENT OF COMPLIANCE

**Name of PIE: Novus Properties Ltd**

**Reporting Period: 30 June 2021**

We, the Directors of the Company confirm that to the best of our knowledge that the Group has complied with all its obligations and requirements under the Code of Corporate Governance except for the following:

Principles	Reasons for non-compliance
Principle 1: Code of ethics, Board Charter and Statement of Accountabilities	The Code of Ethics and Statement of Accountabilities are in process of being finalised and will be published on the Company's website once approved by the Board.
Principle 5: Whistle-Blowing procedures Documentation on internal whistle-blowing rules and procedures	Whistle-blowing procedures will be elaborated within the Code of Ethics and will be published on the Company's website..



**Didier Merven**  
Chairman



**Omabhinavsingh Juddoo**  
Director

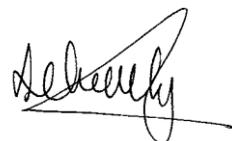
28 September 2021

# COMPANY'S SECRETARY CERTIFICATE

## YEAR ENDED JUNE 30, 2021

(Pursuant to Section 166 (d) of the Companies Act 2001)

We certify that, based on the records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2021, all such returns as are required of the Company under the Companies Act 2001.



**V. Oomadevi Chetty**

Per NWT Secretarial Services Ltd  
Company Secretary  
7<sup>th</sup> Floor, Dias Pier Building,  
Le Caudan Waterfront,  
Caudan, Port Louis, Mauritius.

28 September 2021

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of Novus Properties Ltd

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated and separate financial statements of Novus Properties Limited (the "company") and its subsidiaries (the "group") set out on page 28 to 60 which comprise the statements of financial position as at 30 June 2021 and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2021 and of their financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

#### 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 Auditors' Responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company and its subsidiaries in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

#### Other information

The Directors are responsible for the other information. The other information comprises the Commentary of Directors and the Secretary's Certificate as required by the Mauritius Companies Act 2001 which we have obtained prior to date of the audit report. Other information does not include the financial statements

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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, we have determined the matters described overleaf to the key audit matters to be communicated in our report.

**Valuation on Investment Properties (Refer to Note 2.3 for accounting policies and Note 6 relating to Investment Properties.)**

#### Matter

- Investment Properties is the group's most significant asset comprising of 91% of the total assets and is valued at Rs 188M as at 30 June 2021.
- The Group measures its Investment Properties at fair value. Valuations are performed by an independent professionally accredited expert, in accordance with Royal Institute of Chartered Surveyors (RICS) Standards and performed with sufficient regularity to ensure that the carrying value is not materially different from the fair value at the Statement of Financial Position date.
- The policy of the Group is to value its Investment Properties by External Valuers, every 3 years, the last one being performed in June 2019.

#### Audit response

Our procedures in relation to valuation of investment properties included the following:

- Assessment and discussion of management's process for the valuation exercise and appointment of the External Valuers. We also assessed the competence, independence and integrity of the External Valuers;

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of Novus Properties Ltd

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (cont'd)

**Valuation on Investment Properties (Refer to Note 2.3 for accounting policies and Note 6 relating to Investment Properties.) (cont'd)**

#### Audit response (cont'd)

- Obtaining the external valuation reports and discussion with the External Valuers about the result of their work. We discussed and challenged the valuation process, forecasted performance, significant judgments and assumptions applied to the valuation model.

**Assessment of the carrying value of goodwill (Refer to Note 2.6 for accounting policies and Note 7 relating to goodwill)**

#### Matter

- The impairment review of goodwill with a carrying value of Rs 2,038,641 is considered to be a risk area due to the size of the balance as well as the fact that it involves significant judgment by management. Judgment aspects include: future rental yield, occupancy and lease tenor

#### Audit response

Our procedures in relation to valuation of goodwill included the following:

- Our audit procedures involved the assessment of controls over the group process for the recognition and measurement of goodwill impairment including the assumptions used. We also tested the key assumptions forming the Group's value-in-use calculation including cashflow projections and discount rates.

**Amount due from subsidiaries (Financial assets) (Refer to the Note 2.8 for the accounting policies and Note 11 relating to financial assets at amortised cost)**

#### Matter

- As at 30 June 2021, the amount due from subsidiaries amounted to Rs 20,915,645.
- Under IFRS 9 "expected loss" model, a credit event (or impairment "trigger") no longer has to occur before credit losses are recognised. 12 month expected credit losses is recognised in the profit or loss or lifetime expected losses recognised on assets for which there is a significant increase in credit risk after initial recognition.
- As at 30 June 2021, no impairment indicators were identified. As at Balance Sheet date, the directors assessed the receivables from subsidiaries taking into account the financial health, the carrying value of the assets and the ability of the subsidiaries to repay their financial obligations. Based on the assessment

made by the directors, no provision for impairment have been booked with respect to balance receivables.

#### Audit response

Our procedures in relation to impairment on amount due from subsidiaries included the following:

- Evaluation of the financial performance of the subsidiaries, including its solvency and liquidity position, as evidenced by the latest audited financial summary.
- We challenged the assumption used by management on recoverability assessment:
  - (a) Applying our knowledge and understanding of the subsidiaries and the industry in which they operate;
  - (b) Obtaining the valuation reports for properties owned by the subsidiaries and evaluating whether the market value of the properties is sufficient to cover their obligations towards the Company;
  - (c) Assessing the credit history of the subsidiaries based on their historical trends of repayments.
  - (d) We have evaluated whether the impairment assessment of the amount due from subsidiaries and the related assumptions and judgments applied are adequately disclosed in the financial statements.

#### 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 Mauritius 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 Group and 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 Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and 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 and

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 judgment 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 group and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 audit report. However, future events or conditions may cause the Group and 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

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

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

- We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and the company;
- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

#### Other Matter

(i) The financial statements of the Group for the year ended 30 June 2020 were audited by another auditor whose audit report dated 30 September 2020, expressed an unqualified opinion on these financial statements.

(ii) This report, including the opinion has been prepared for and only the company's shareholders, as a body, in accordance with Section 205 of the Mauritius 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. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into those whose hands it may come save where expressly agreed by our prior consent in writing.

**Mazars**  
Audit, Tax and Advisory Services

**Udaysingh Taukoordass, FCA**  
Licensed by FRC

Port Louis,  
Mauritius.

28 September 2021



# STATEMENTS OF FINANCIAL POSITION

## JUNE 30, 2021

Notes	THE GROUP		THE COMPANY		
	2021	2020	2021	2020	
	Rs.	Rs.	Rs.	Rs.	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	1,763,433	1,648,152	1,019,713	550,072
Investment properties	6	188,000,000	188,000,000	94,500,000	94,500,000
Intangible assets	7	2,038,641	2,038,641	-	-
Investment in subsidiaries	8	-	-	22,149,272	22,149,371
Other financial assets at amortised cost	11	-	-	20,915,645	-
Deferred tax assets	9(a)	503,145	688,691	503,145	688,691
		<b>192,305,219</b>	<b>192,375,484</b>	<b>139,087,775</b>	<b>117,888,134</b>
<b>Current assets</b>					
Trade receivables	10	2,245,977	1,417,389	68,776	286,750
Other financial assets at amortised cost	11	1,191,305	1,385,130	3,771,347	23,271,075
Cash and cash equivalents	21	11,404,991	8,876,664	4,792,718	3,269,791
		<b>14,842,273</b>	<b>11,679,183</b>	<b>8,632,841</b>	<b>26,827,616</b>
<b>TOTAL ASSETS</b>		<b>207,147,492</b>	<b>204,054,667</b>	<b>147,720,616</b>	<b>144,715,750</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	12	106,042,887	106,042,887	106,042,887	106,042,887
Retained earnings		32,344,014	31,617,553	11,515,105	11,042,029
Total equity		<b>138,386,901</b>	<b>137,660,440</b>	<b>117,557,992</b>	<b>117,084,916</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	9(a)	152,957	66,965	152,957	66,965
Borrowings	13	59,000,000	59,000,000	22,000,000	22,000,000
		<b>59,152,957</b>	<b>59,066,965</b>	<b>22,152,957</b>	<b>22,066,965</b>
<b>Current liabilities</b>					
Trade and other payables	14	3,236,602	3,719,846	2,360,400	2,670,342
Current tax liabilities	19(b)	721,765	713,889	-	-
Dividends payable	15(a)	5,649,267	2,893,527	5,649,267	2,893,527
		<b>9,607,634</b>	<b>7,327,262</b>	<b>8,009,667</b>	<b>5,563,869</b>
Total liabilities		<b>68,760,591</b>	<b>66,394,227</b>	<b>30,162,624</b>	<b>27,630,834</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>207,147,492</b>	<b>204,054,667</b>	<b>147,720,616</b>	<b>144,715,750</b>

These financial statements have been approved for issue by the Board of Directors on 28 September 2021.



**Didier Merven**  
Chairman



**Omabhinavsingh Juddoo**  
Director

The notes on pages 35 to 60 form an integral part of these financial statements.  
Auditor's report on pages 23 to 25.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME YEAR ENDED JUNE 30, 2021

Notes	THE GROUP		THE COMPANY		
	2021	2020	2021	2020	
	Rs.	Rs.	Rs.	Rs.	
<b>REVENUE</b>					
Rental income	16	15,245,159	15,318,671	6,330,931	6,042,742
Investment and other income	16	28,948	30,639	4,576,609	3,159,541
		<b>15,274,107</b>	<b>15,349,310</b>	<b>10,907,540</b>	<b>9,202,283</b>
<b>EXPENSES</b>					
Direct operating expenses relating to investment properties		(657,357)	(1,140,467)	(484,170)	(701,964)
Administrative expenses		(4,611,310)	(3,454,315)	(3,017,390)	(2,316,157)
Impairment Loss		-	-	(99)	-
Finance costs	17	(2,714,000)	(3,410,846)	(1,012,000)	(1,271,841)
		<b>(7,982,667)</b>	<b>(8,005,628)</b>	<b>(4,513,659)</b>	<b>(4,289,962)</b>
Increase in fair value of investment properties	6	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>	18	<b>7,291,440</b>	<b>7,343,682</b>	<b>6,393,881</b>	<b>4,912,321</b>
Income tax charge	19(a)	(915,712)	(933,675)	(271,538)	(246,461)
<b>PROFIT FOR THE YEAR</b>		<b>6,375,728</b>	<b>6,410,007</b>	<b>6,122,343</b>	<b>4,665,860</b>
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>6,375,728</b>	<b>6,410,007</b>	<b>6,122,343</b>	<b>4,665,860</b>
<b>EARNINGS PER SHARE</b>	20	<b>0.46</b>	<b>0.47</b>		

The notes on pages 35 to 60 form an integral part of these financial statements.  
Auditor's report on pages 23 to 25.

## STATEMENT OF CHANGES IN EQUITY YEAR ENDED JUNE 30, 2021

Note	Share capital	Retained earnings	Total
	Rs.	Rs.	Rs.
<b>THE GROUP</b>			
Balance at July 1, 2020	106,042,887	31,617,553	137,660,440
Profit for the year	-	6,375,728	6,375,728
Dividends - 2021	15	(5,649,267)	(5,649,267)
<b>Balance at June 30, 2021</b>	<b>106,042,887</b>	<b>32,344,014</b>	<b>138,386,901</b>
Balance at July 1, 2019	106,042,887	33,612,553	139,655,440
Profit for the year	-	6,410,007	6,410,007
Dividends - 2020	15	(8,405,007)	(8,405,007)
<b>Balance at June 30, 2020</b>	<b>106,042,887</b>	<b>31,617,553</b>	<b>137,660,440</b>
<b>THE COMPANY</b>			
Balance at July 1, 2020	106,042,887	11,042,029	117,084,916
Profit for the year	-	6,122,343	6,122,343
Dividends - 2021	15	(5,649,267)	(5,649,267)
<b>Balance at June 30, 2021</b>	<b>106,042,887</b>	<b>11,515,105</b>	<b>117,557,992</b>
Balance at July 1, 2019	106,042,887	14,781,176	120,824,063
Profit for the year	-	4,665,860	4,665,860
Dividends - 2020	15	(8,405,007)	(8,405,007)
<b>Balance at June 30, 2020</b>	<b>106,042,887</b>	<b>11,042,029</b>	<b>117,084,916</b>

The notes on pages 35 to 60 form an integral part of these financial statements.  
Auditor's report on pages 23 to 25.

# STATEMENTS OF CASH FLOWS

## YEAR ENDED JUNE 30, 2021

Notes	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from operating activities</b>				
Profit before taxation	<b>7,291,440</b>	7,343,682	<b>6,393,881</b>	4,912,321
<i>Adjustments for:</i>				
Depreciation on property, plant and equipment	5(a)/(c) <b>671,119</b>	644,754	<b>125,555</b>	48,988
Interest expense	16 <b>2,714,000</b>	3,410,846	<b>1,012,000</b>	1,271,841
Dividend income	15(a) -	-	<b>(3,000,000)</b>	(1,500,000)
Interest income	15(a) <b>(28,948)</b>	(30,639)	<b>(976,609)</b>	(1,059,541)
Impairment Loss	-	-	<b>99</b>	-
<i>Changes in working capital:</i>				
- trade and other payables	<b>(483,244)</b>	1,001,695	<b>(309,942)</b>	551,725
- trade receivables	<b>(828,588)</b>	(1,274,172)	<b>217,974</b>	(168,533)
- financial assets at amortised cost	<b>193,825</b>	15,757	<b>84,083</b>	1,603,562
<b>Cash generated from operations</b>	<b>9,529,604</b>	11,111,923	<b>3,547,041</b>	5,660,363
Tax paid	18(b) <b>(636,298)</b>	(784,701)	-	-
Interest paid	<b>(2,714,000)</b>	(3,410,846)	<b>(1,012,000)</b>	(1,271,841)
Interest received	<b>28,948</b>	30,639	<b>976,609</b>	1,059,541
<b>Net cash from operating activities</b>	<b>6,208,254</b>	6,947,015	<b>3,511,650</b>	5,448,063
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	5(a)/(c) <b>(786,400)</b>	(665,115)	<b>(595,196)</b>	(432,540)
Dividends from subsidiaries	-	-	<b>1,500,000</b>	-
Additions to investment properties	-	-	-	-
<b>Net cash (used in) / from investing activities</b>	<b>(786,400)</b>	(665,115)	<b>904,804</b>	(432,540)

Notes	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from financing activities</b>				
Dividends paid to Company's shareholders	<b>(2,893,527)</b>	(5,511,480)	<b>(2,893,527)</b>	(5,511,480)
Proceeds from long-term borrowings	-	-	-	-
Payment of long-term borrowings	-	-	-	-
<b>Net cash used in financing activities</b>	<b>(2,893,527)</b>	(5,511,480)	<b>(2,893,527)</b>	(5,511,480)
<b>Net increase/(decrease) in cash and cash equivalents</b>				
	<b>2,528,327</b>	770,420	<b>1,522,927</b>	(495,957)
<b>Movement in cash and cash equivalents</b>				
At July 1,	<b>8,876,664</b>	8,106,244	<b>3,269,791</b>	3,765,748
(Decrease)/increase	<b>2,528,327</b>	770,420	<b>1,522,927</b>	(495,957)
<b>At June 30,</b>	<b>11,404,991</b>	8,876,664	<b>4,792,718</b>	3,269,791

The notes on pages 35 to 60 form an integral part of these financial statements.  
Auditor's report on pages 23 to 25.



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

## 1. GENERAL INFORMATION

Novus Properties Ltd (the "Company") is a limited liability company incorporated in Mauritius under the Companies Act 2001. The address of its registered office and principal place of business is at 6th/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307. The principal activity of the Company is property development for sale and/or rent. As from October 20, 2014, the Company is listed on the Development & Enterprise Market. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1. Basis of preparation

The financial statements of Novus Properties Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The "Group") and the separate financial statements of the parent company (The "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest unit, except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- (i) investment properties are stated at fair values; and
- (ii) relevant financial assets and financial liabilities are stated at their fair values

The preparation of the financial statements in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group'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 described in Note 4.

#### *Going concern*

The directors made an assessment of the Group's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

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

Covid-19-related Rent concessions - Amendments to IFRS 16 (effective - 01 June 2020 / 01 April 2021)

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

provides lessees with an option to treat a qualifying rent concession in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.

However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.

Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39 and IFRS 7 (effective – 01 January 2021)

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

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

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

Several standards and Interpretations have been issued, but not yet effective, up to the date of issuance of the Group's financial statements. The Group has not early adopted any standards, Interpretations or amendments that have been issued but are not yet effective. None of the following new standards, amendments and interpretations to standards are expected to have a significant impact on the Group's financial statements:

	%
IFRS 17 Insurance Contracts	01 January 2023 (deferred from 01 January 2021)
Property, plant and equipment Proceeds before intended use – Amendments to IAS 16	01 January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 2022
Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Annual Improvement to IFRS Standards 2018–2020	01 January 2022
Classification of Liabilities as Current or Non-current 0 Amendments to IAS 1	01 January 2023 (deferred from 01 January 2021)
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practical Statement 2	01 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4. Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives. The annual rates used are as follows:

	%
Office Equipment	10
Furniture & Fittings	20
Plant & Equipment	10 – 15
Computer Equipment	33

#### 2.5. Investment properties

Investment properties, held to earn rentals or capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open market value determined by external valuers.

Changes in the fair values are included in profit or loss and in the period in which they arise.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use. Changes in fair values are included in profit or loss as part of other income.

#### 2.6. Intangible assets

##### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

#### 2.7. Investment in subsidiaries

##### Separate financial statements of the investor

In the separate financial statements of the investor, investment in subsidiaries is carried at cost. The carrying amount is reduced to recognise any impairment in the value of the individual investments.

##### Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.8. Financial assets

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

##### (i) Amortised cost

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

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

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

be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

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

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

#### 2.9. Financial liabilities

Financial liabilities include the following items:

- 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.

#### 2.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.11. Current and deferred income tax

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

##### 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.

##### 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 at the reporting date 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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within 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.

#### 2.12. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

#### 2.13. Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

#### 2.14. Trade and other payables

Trade payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.15. Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

#### 2.16. Foreign currencies

##### (i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian rupees, which is the Group'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, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2. Foreign currencies (cont'd)

##### (ii) Transactions and balances (cont'd)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

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.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

#### 2.17. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

#### 2.18. Revenue recognition

##### (a) Revenue from contracts with customers

###### *Performance obligations and timing of revenue recognition*

Revenue is derived from selling services with revenue recognised at a point in time when control of the services has transferred to the customer. This is generally when the services are delivered to the customer.

The Group's revenue is derived from the rental income received on letting the investment properties. There

is limited judgement needed in identifying the point control passes; once services have been rendered, the Group will have a present right to payment and retains none of the significant risks and rewards of the services in question.

###### *Determining the transaction price*

Revenue is derived from the fixed price for each contract and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

###### *Allocating amounts to performance obligations*

For all contracts, there is a fixed unit price for each service rendered, with yearly increment equivalent of the Mauritian CPI. Therefore, there is no judgement involved in allocating the contract price to each service ordered in such contracts (it is the total contract price divided by the type of services rendered).

###### *Practical Exemptions*

The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

##### (b) Other revenues earned by the Group 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).
- Other income is recognised as it accrues unless collectability is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.

#### 2.19. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

### 3. FINANCIAL RISK MANAGEMENT

#### 3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks, including liquidity risk, credit risk, cash flow and fair value interest rate risk and insurable risks.

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

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

##### (i) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations 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 marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.1. Financial risk factors (cont'd)

##### i) Liquidity risk (cont'd)

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>THE GROUP</b>					
<b>At June,</b>					
Bank borrowings	-	-	59,000,000	-	59,000,000
Trade and other payables	3,236,602	-	-	-	3,236,602
	<b>3,236,602</b>	<b>-</b>	<b>59,000,000</b>	<b>-</b>	<b>62,236,602</b>
<b>At June 30,</b>					
Bank borrowings	-	-	59,000,000	-	59,000,000
Trade and other payables	3,719,846	-	-	-	3,719,846
	<b>3,719,846</b>	<b>-</b>	<b>59,000,000</b>	<b>-</b>	<b>62,719,846</b>
<b>THE COMPANY</b>					
<b>At June 30, 2021</b>					
Bank borrowings	-	-	22,000,000	-	22,000,000
Trade and other payables	2,360,400	-	-	-	2,360,400
	<b>2,360,400</b>	<b>-</b>	<b>22,000,000</b>	<b>-</b>	<b>24,360,400</b>
<b>At June 30, 2019</b>					
Bank borrowings	-	-	22,000,000	-	22,000,000
Trade and other payables	2,670,342	-	-	-	2,670,342
	<b>2,670,342</b>	<b>-</b>	<b>22,000,000</b>	<b>-</b>	<b>24,670,342</b>

##### (ii) Credit risk

Credit risk arises from cash and cash equivalents and credit exposure to customers, including outstanding receivables.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that property is rented to customers with an appropriate credit history. Advance payments are requested where necessary until positive credit rating is established.

### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.1. Financial risk factors (cont'd)

##### (iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the market interest rates.

		THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		Rs.	Rs.	Rs.	Rs.
Increase in interest rates	0.10%	(59,000)	(59,000)	(22,000)	(22,000)
Decrease in interest rates	0.10%	59,000	59,000	22,000	22,000

##### (iv) Insurable Risks

The Group has adequate insurance cover for its properties and material contents, loss of profits and public liability. The sum insured for each insurance cover are reviewed annually in accordance with recommendations from professional advisers, where applicable.

#### 3.2. Financial instruments by category

##### Financial assets

The carrying amounts of each of the categories of the financial instruments as at the date of the statement of financial position are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	11,404,991	8,876,664	4,792,718	3,269,791
Trade and other receivables	2,245,977	1,417,389	68,776	286,750
Other financial assets at amortised cost	1,191,305	1,385,130	24,686,992	23,271,075
	<b>14,842,273</b>	<b>11,679,183</b>	<b>29,548,486</b>	<b>26,827,616</b>
<b>Financial liabilities</b>				
Trade and other payables	3,236,602	3,719,846	2,360,400	2,670,342
Borrowings	59,000,000	59,000,000	22,000,000	22,000,000
	<b>62,236,602</b>	<b>62,719,846</b>	<b>24,360,400</b>	<b>24,670,342</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.3. Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

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

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

Specific valuation techniques used to value financial instruments include:

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

#### 3.4. Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sells assets to reduce debt.

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by shareholders' fund. Net debt is calculated as total borrowings (including current and non current borrowings) less cash and cash equivalents. The shareholders' fund comprise of issued capital, reserves and shareholders funding.

The gearing ratio at June 30, 2021 and June 30, 2020 were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Total debt (Note 13)	59,000,000	59,000,000	22,000,000	22,000,000
Less cash and cash equivalents (Note 12 (a))	(11,404,991)	(8,876,664)	(4,792,718)	(3,269,791)
Net debt	47,595,009	50,123,336	17,207,282	18,730,209
Total equity	138,386,901	137,660,440	117,557,992	117,084,916
Net debt to equity ratio	34%	36%	15%	16%

There has been no major fluctuation in the debt-to-equity ratio for both the Group and the Company.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

#### 4.1. Critical accounting estimates and assumptions

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

##### a. Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6.

If the actual gross margin had been higher or the pre-tax discounted rate lower than management's estimates, the Group would not be able to reverse any prior impairment losses that had arisen on goodwill.

##### b. Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit and loss and other comprehensive income. The Group engaged independent valuation specialists (the 'Valuer') on a regular basis to determine fair value of its investment properties held for capital appreciation or rental. The Valuer has assessed the fair value on an open-market basis, valuation which is based on a number of assumptions using their best expertise as well as judgements. The estimated fair value could differ from actual market value.

##### c. 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 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 Group's assets and liabilities are managed. Other limitations

include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

##### d. Asset lives and residual values

Plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

##### e. Depreciation policies

Plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group and the Company would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of the assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

##### f. Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### 4.1. Critical accounting estimates and assumptions (cont'd)

##### f. Impairment of assets (cont'd)

Cash flows which are utilised in these assessments are extracted from annual budgeted figures. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

##### g. Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors reviewed the Group's and the Company's investment property portfolio and concluded that none of the Group's and the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's and the Company's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group and the Company are not subject to any capital gain taxes on disposal of its investment properties.

##### h. Going concern

The Group made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue its business for the foreseeable future, Therefore, the financial statements have been prepared on a going concern basis.

### 5. PLANT AND EQUIPMENT

	Office Equipment	Furniture & Fittings	Plant & Equipment	Computer Equipment	Total
<b>(a) THE GROUP</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>		<b>Rs.</b>
<b>COST</b>					
At July 1, 2020	882,130	101,457	3,762,754	128,990	4,875,331
Additions	556,500	38,696	191,204	-	786,400
<b>At June 30, 2021</b>	<b>1,438,630</b>	<b>140,153</b>	<b>3,953,958</b>	<b>128,990</b>	<b>5,661,731</b>
<b>DEPRECIATION</b>					
At July 1, 2020	329,533	100,737	2,775,413	21,496	3,227,179
Charge for the year	109,091	3,740	515,296	42,992	671,119
<b>At June 30, 2021</b>	<b>438,624</b>	<b>104,477</b>	<b>3,290,709</b>	<b>64,488</b>	<b>3,898,298</b>
<b>NET BOOK VALUE</b>					
<b>At June 30, 2021</b>	<b>1,000,006</b>	<b>35,676</b>	<b>663,249</b>	<b>64,502</b>	<b>1,763,433</b>
<b>(b) THE GROUP</b>					
<b>COST</b>					
At July 1, 2019	578,580	101,457	3,530,179	-	4,210,216
Additions	303,550	-	232,575	128,990	665,115
<b>At June 30, 2020</b>	<b>882,130</b>	<b>101,457</b>	<b>3,762,754</b>	<b>128,990</b>	<b>4,875,331</b>
<b>DEPRECIATION</b>					
At July 1, 2019	299,985	99,777	2,182,663	-	2,582,425
Charge for the year	29,548	960	592,750	21,496	644,754
<b>At June 30, 2020</b>	<b>329,533</b>	<b>100,737</b>	<b>2,775,413</b>	<b>21,496</b>	<b>3,227,179</b>
<b>NET BOOK VALUE</b>					
<b>At June 30, 2020</b>	<b>552,597</b>	<b>720</b>	<b>987,341</b>	<b>107,494</b>	<b>1,648,152</b>
<b>(c) THE COMPANY</b>					
<b>COST</b>					
At July 1, 2020	524,897	-	-	128,990	653,887
Additions	556,500	38,696	-	-	595,196
<b>At June 30, 2021</b>	<b>1,081,397</b>	<b>38,696</b>	<b>-</b>	<b>128,990</b>	<b>1,249,083</b>
<b>DEPRECIATION</b>					
At June 30, 2021	82,319	-	-	21,496	103,815
Charge for the year	79,543	3,020	-	42,992	125,555
<b>At June 30, 2021</b>	<b>161,862</b>	<b>3,020</b>	<b>-</b>	<b>64,488</b>	<b>229,370</b>
<b>NET BOOK VALUE</b>					
<b>At June 30, 2021</b>	<b>919,535</b>	<b>35,676</b>	<b>-</b>	<b>64,502</b>	<b>1,019,713</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED JUNE 30, 2021

## 5. PLANT AND EQUIPMENT (CONT'D)

	Office Equipment	Furniture & Fittings	Plant & Equipment	Computer Equipment	Total
<b>(d) THE COMPANY</b>					
<b>COST</b>					
At July 1, 2019	221,347	-	-	-	221,347
Additions	303,550	-	-	128,990	432,540
<b>At June 30, 2020</b>	<b>524,897</b>	<b>-</b>	<b>-</b>	<b>128,990</b>	<b>653,887</b>
<b>DEPRECIATION</b>					
At July 1, 2019	54,827	-	-	-	54,827
Charge for the year	27,492	-	-	21,496	48,988
<b>At June 30, 2020</b>	<b>82,319</b>	<b>-</b>	<b>-</b>	<b>21,496</b>	<b>103,815</b>
<b>NET BOOK VALUE</b>					
<b>At June 30, 2020</b>	<b>442,578</b>	<b>-</b>	<b>-</b>	<b>107,494</b>	<b>550,072</b>

(d) Depreciation charge of Rs.671,119 (2020: Rs.644,754) for the Group and Rs.125,555 (2020: Rs.48,988) for the Company has been included in administrative expenses.

## 6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
At July 1,	188,000,000	188,000,000	94,500,000	94,500,000
Additions	-	-	-	-
Increase in fair value	-	-	-	-
<b>At June 30,</b>	<b>188,000,000</b>	<b>188,000,000</b>	<b>94,500,000</b>	<b>94,500,000</b>

## 6. INVESTMENT PROPERTIES (CONT'D)

(a) The freehold land and building included in investment properties have been valued at June 30, 2019 on an open-market basis by Elevante Investments Limited, an independent professional qualified valuer. Investment properties are valued every three years by external valuers.

Details of the Group's and the Company's investment properties and information about the fair value hierarchy as at June 30, 2021 are as follows:

	THE GROUP		THE COMPANY	
	Level 2			
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Land	64,607,171	64,607,171	40,207,171	40,207,171
Buildings	123,392,829	123,392,829	54,292,829	54,292,829
<b>Total</b>	<b>188,000,000</b>	<b>188,000,000</b>	<b>94,500,000</b>	<b>94,500,000</b>

There were no transfers between levels during the year.

(b) Details of rental income and the direct operating expenses relating to investment properties are shown on the statement of profit or loss and other comprehensive income.

(c) Bank borrowings are secured by floating charges on the assets of the Group including investment properties.

## 7. INTANGIBLE ASSETS

	2021 & 2020 Rs.
<b>THE GROUP</b>	
At July 1, 2020 and June 30, 2021	2,038,641

Intangible assets represent goodwill arising on acquisition of subsidiaries. Based on the impairment test performed at the reporting date, the directors have not identified an impairment of goodwill.

## 8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2020 Rs.	2019 Rs.
At July 1,	22,149,371	22,149,371
Additions	-	-
Impaired amount	(99)	-
<b>At June 30,</b>	<b>22,149,272</b>	<b>22,149,371</b>

Following an assessment made by the directors, they are of the opinion that the investment into Novus Northern Properties Ltd should be impaired to Rs 1 as at the reporting date, as indicated above.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED JUNE 30, 2021

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows:

Name	Year end	Country of incorporation and operation	Class of shares held	Proportion of direct ownership interest	
				2021	2020
Novus Industrial Properties Ltd	June 30	Mauritius	Ordinary	100%	100%
Novus GRNW Properties Ltd	June 30	Mauritius	Ordinary	100%	100%
Novus Northern Properties Ltd	June 30	Mauritius	Ordinary	100%	100%

## 9. DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2020: 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relates to the same fiscal authority on the same entity. The following amounts are shown in the statement of financial position.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Deferred tax assets	503,145	688,691	503,145	688,691
Deferred tax liabilities	(152,957)	(66,965)	(152,957)	(66,965)
	350,188	621,726	350,188	621,726

At the end of the reporting period, the Company had unused tax losses of Rs. 3,529,596 (2020: Rs. 4,591,274) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses. The tax losses is not subject to expiry since they comprise of tax losses on capital allowances.

(b) The movement in the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
<b>Net deferred tax assets</b>				
At July 1,	621,726	868,187	621,726	868,187
Profit or loss charge (note 19(a))	(271,538)	(246,461)	(271,538)	(246,461)
<b>At June 30,</b>	<b>350,188</b>	<b>621,726</b>	<b>350,188</b>	<b>621,726</b>

## 9. DEFERRED INCOME TAX (CONT'D)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

	Net deferred tax assets	Accelerated capital allowance	Tax losses	Total
	Rs.	Rs.	Rs.	Rs.
<b>THE GROUP</b>				
At July 1, 2019	(24,977)	893,164	868,187	
Charged to statement of profit or loss	(41,988)	(204,473)	(246,461)	
At June 30, 2020	(66,965)	688,691	621,726	
Charged to statement of profit or loss	(85,992)	(185,546)	(271,538)	
<b>At June 30, 2021</b>	<b>(152,957)</b>	<b>503,145</b>	<b>350,188</b>	
<b>THE COMPANY</b>				
At July 1, 2019	(24,977)	893,164	868,187	
Charged to statement of profit or loss	(41,988)	(204,473)	(246,461)	
At June 30, 2020	(66,965)	688,691	621,726	
Charged to statement of profit or loss	(85,992)	(185,546)	(271,538)	
<b>At June 30, 2021</b>	<b>(152,957)</b>	<b>503,145</b>	<b>350,188</b>	

## 10. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Trade receivables	4,526,689	2,902,926	611,526	800,552
Less provisions for impairment	(2,280,712)	(1,485,537)	(542,750)	(513,802)
Trade debtors - net	2,245,977	1,417,389	68,776	286,750

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 10. TRADE RECEIVABLES (CONT'D)

#### (a) Impairment of trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of rental income over a period of 36 months before June 30, 2021 or July 1, 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of Mauritius, where it sells its services, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at June 30, 2021 and July 1, 2020 was determined as follows for the trade receivables.

	Current	Less than 30 days past due	More than 30 days past due	More than 90 days past due	Total
<b>THE GROUP</b>	Rs.	Rs.	Rs.	Rs.	Rs.
<b>At June 30, 2021</b>					
Expected loss rate	0.00%	0.00%	100.00%	56.40%	
Gross carrying amount - trade receivables	-	638,426	201,178	3,687,085	4,526,689
Loss allowance	-	-	201,178	2,079,534	2,280,712
<b>At June 30, 2020</b>					
Expected loss rate	0.00%	6.57%	32.64%	63.31%	
Gross carrying amount - trade receivables	-	450,705	314,573	2,137,648	2,902,926
Loss allowance	-	29,612	102,679	1,353,246	1,485,537
<b>THE COMPANY</b>					
<b>At June 30, 2021</b>					
Expected loss rate	0.00%	0.00%	0.00%	93.33%	
Gross carrying amount - trade receivables	-	30,000	-	581,526	611,526
Loss allowance	-	-	-	542,750	542,750
<b>At June 30, 2020</b>					
Expected loss rate	0.00%	0.00%	65.33%	100.00%	
Gross carrying amount - trade receivables	-	247,972	111,845	440,735	800,552
Loss allowance	-	-	73,067	440,735	513,802

### 10. TRADE RECEIVABLES (CONT'D)

#### (a) Impairment of trade receivables (cont'd)

The closing loss allowances for trade receivables as at June 30, 2021 reconcile to the opening loss allowances as follows:

	Trade receivables			
	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
At July 1,	1,485,537	1,231,520	513,802	533,163
Loss allowance recognised in profit or loss during the year	795,175	254,017	28,948	-
Unused amount reversed	-	-	-	(19,361)
<b>At June 30,</b>	<b>2,280,712</b>	<b>1,485,537</b>	<b>542,750</b>	<b>513,802</b>

(b) The carrying amounts of the trade receivables are denominated in Mauritian Rupees.

(c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

### 11. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
<b>NON CURRENT ASSETS</b>				
Receivable from related parties (note 22)	-	-	20,915,645	-
	-	-	20,915,645	-
<b>CURRENT ASSETS</b>				
Receivable from related parties (note 22)	-	-	3,000,000	22,328,526
Other receivables (see note (a) below)	1,191,305	1,385,130	771,347	942,549
	1,191,305	1,385,130	3,771,347	23,271,075

#### (a) Financial assets at amortised cost

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

#### (b) Impairment and risk exposure

(i) Financial assets at amortised cost did not include any loss allowance at June 30, 2020.

(ii) All of the financial assets at amortised cost are denominated in Mauritian rupee. As a result, there is no exposure to foreign currency risk.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED JUNE 30, 2021

## 12. SHARE CAPITAL

THE GROUP AND THE COMPANY	
Number of shares	Amount Rs.
At July 1, 2020 and June 30, 2021	13,778,700
	106,042,887

- The shares are issued at no par value.
- All issued shares are fully paid.
- Fully paid ordinary shares carry one vote per share and carry a right to dividends.

## 13. BORROWINGS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
<b>Non-current</b>				
Bank loans	<b>59,000,000</b>	59,000,000	<b>22,000,000</b>	22,000,000

### (a) THE GROUP

The Group's borrowings include secured liabilities amounting to Rs. 59,000,000 (2020: Rs.59,000,000). The bank borrowings are secured by a floating charge and a fixed charge on the Group's assets comprising of its investment properties (note 6). The rate of interest on those borrowings is 4.60% per annum (2020: 4.60% to 6.25%).

### THE COMPANY

The Company's borrowings include secured liabilities amounting to Rs.22,000,000 (2020: Rs.22,000,000). The bank borrowings are secured by a floating charge and a fixed charge on the Company's assets comprising of its investment properties (note 6). The rate of interest on those borrowings is 4.60% per annum (2020: 4.60% to 6.25%).

- (b) The exposure of the Group's and the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Borrowings (more than 6 months)	<b>59,000,000</b>	59,000,000	<b>22,000,000</b>	22,000,000

- (c) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
2 - 5 years	<b>59,000,000</b>	59,000,000	<b>22,000,000</b>	22,000,000

- (d) The carrying amounts of the Group's and the Company's borrowings are denominated in Mauritian Rupees.

- (e) The carrying amounts of borrowings are approximate to their fair values.

## 14. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Deposits on rent	<b>1,534,708</b>	1,664,294	<b>842,646</b>	961,232
Other payables and accrued expenses	<b>1,701,894</b>	2,055,552	<b>1,517,754</b>	1,709,110
	<b>3,236,602</b>	3,719,846	<b>2,360,400</b>	2,670,342

## 15. DIVIDENDS

At July 1,

Amounts recognised as distributions to equity holders during the year:

### Interim

Dividend for the year ended June 30, 2020 of Re.0.40 per share and paid in the year

	-	5,511,480	-	5,511,480
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### Final

Dividend for the year ended June 30, 2021 of Re.0.21 per share and paid in August 2020

	-	2,893,527	-	2,893,527
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Dividend for the year ended June 30, 2021 of Re.0.41 per share and payable in August 2021

	<b>5,649,267</b>	-	<b>5,649,267</b>	-
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**At June 30,**

	<b>5,649,267</b>	8,405,007	<b>5,649,267</b>	8,405,007
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### (a) Statement of financial position

At July 1,

Dividend for the year ended June 30, 2021 of Re.0.41 per share (2020: Re.0.61 per share)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
	<b>2,893,527</b>	-	<b>2,893,527</b>	-
	<b>5,649,267</b>	8,405,007	<b>5,649,267</b>	8,405,007
	<b>(2,893,527)</b>	(5,511,480)	<b>(2,893,527)</b>	(5,511,480)
	<b>5,649,267</b>	2,893,527	<b>5,649,267</b>	2,893,527

Paid during the year

**At June 30,**

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D) YEAR ENDED JUNE 30, 2021

## 16. TOTAL REVENUE

The following is an analysis of the Group's and the Company's revenue for the year:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Rental income	15,245,159	15,318,671	6,330,931	6,042,742
Investment and other income (see note (a) below)	28,948	30,639	4,576,609	3,159,541
	<b>15,274,107</b>	<b>15,349,310</b>	<b>10,907,540</b>	<b>9,202,283</b>
Timing of revenue recognition				
At a point in time	15,274,107	15,349,310	10,907,540	9,202,283
Over time	-	-	-	-
	<b>15,274,107</b>	<b>15,349,310</b>	<b>10,907,540</b>	<b>9,202,283</b>
<b>(a) Investment and other income</b>				
Interest income	28,948	30,639	976,609	1,059,541
Dividend income	-	-	3,000,000	1,500,000
Management fees	-	-	600,000	600,000
	<b>28,948</b>	<b>30,639</b>	<b>4,576,609</b>	<b>3,159,541</b>

## 17. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Interest on bank loans	2,714,000	3,410,846	1,012,000	1,271,841

## 18. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
<b>Profit before taxation is arrived at after:</b>				
<b>Crediting:</b>				
Increase in fair value of investment properties	-	-	-	-
<b>and charging:</b>				
Depreciation on property, plant and equipment	671,119	644,754	125,555	48,988

(a) The Group and the Company do not have any employee.

## 19. TAXATION

### (a) Statements of profit or loss and other comprehensive income

Current tax on the adjusted profit for the year at 15% (2019: 15%)  
CSR charge  
Deferred tax (credit)/charge (note 9(b))  
**Tax charge/(credit)**

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Current tax on the adjusted profit for the year at 15% (2019: 15%)	568,389	607,394	-	-
CSR charge	75,785	79,820	-	-
Deferred tax (credit)/charge (note 9(b))	271,538	246,461	271,538	246,461
	<b>915,712</b>	<b>933,675</b>	<b>271,538</b>	<b>246,461</b>

### (b) Statements of financial position

At July 1,  
Balance acquired on business combination  
Current tax on the adjusted profit for the year at 15% (2019: 15%)  
CSR charge  
Tax paid  
**At June 30,**

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
At July 1,	713,889	811,376	-	-
Balance acquired on business combination	-	-	-	-
Current tax on the adjusted profit for the year at 15% (2019: 15%)	568,389	607,394	-	-
CSR charge	75,785	79,820	-	-
Tax paid	(636,298)	(784,701)	-	-
	<b>721,765</b>	<b>713,889</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 19. TAXATION (CONT'D)

#### (c) Tax reconciliation

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Profit before taxation	7,291,440	7,343,682	6,393,881	4,912,321
Tax calculated at a rate of 15% (2020: 15%)	1,093,716	1,101,552	959,082	736,848
Income not subject to tax	-	(2,904)	(450,000)	(227,904)
Capital allowances	(632,643)	(625,040)	(440,393)	(454,338)
Expenses not deductible for tax purpose	266,567	336,986	90,563	148,594
Utilisation of previously unrecognised tax losses	(159,251)	(203,200)	(159,252)	(203,200)
Tax loss for the year	-	-	-	-
CSR charge	75,785	79,820	-	-
Deferred tax movement	271,538	246,461	271,538	246,461
<b>Tax charge</b>	<b>915,712</b>	<b>933,675</b>	<b>271,538</b>	<b>246,461</b>

### 20. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on the following parameters:

	THE GROUP	
	2021	2020
	Rs.	Rs.
Profit attributable to the equity shareholders	6,375,728	6,410,007
Number of shares in issue	13,778,700	13,778,700
Earnings per share	0.46	0.47

### 21. NOTES TO THE STATEMENTS OF CASH FLOWS

#### (a) Cash and cash equivalents

Cash in hand and at bank

THE GROUP		THE COMPANY	
2021	2020	2021	2020
Rs.	Rs.	Rs.	Rs.
11,404,991	8,876,664	4,792,718	3,269,791

#### (b) Reconciliation of liabilities arising from financing activities

Long-term borrowings

THE GROUP			
At July 1, 2020	Cash Flows	Non-cash Changes Acquisitions	At June 30, 2021
Rs.	Rs.	Rs.	Rs.
59,000,000	-	-	59,000,000

Long-term borrowings

THE COMPANY			
At July 1, 2020	Cash Flows	Non-cash Changes Acquisitions	At June 30, 2021
Rs.	Rs.	Rs.	Rs.
22,000,000	-	-	22,000,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## YEAR ENDED JUNE 30, 2021

### 22. RELATED PARTY TRANSACTIONS

	Mangement fees Rs.	Amount owed by related parties Rs.
<b>THE COMPANY - 2021</b>		
Subsidiaries	<b>600,000</b>	<b>23,915,645</b>
<b>THE COMPANY - 2020</b>		
Subsidiaries	600,000	22,328,526

- The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.
- The amount owed by the related party are unsecured, interest free and settlement occurs in cash.
- There has been no guarantees provided or received for any related party receivables.
- For the year ended June 30, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by the related party (2020: Nil). This assessment is undertaken each financial year through the examining the financial position of the related party and the market in which the related party operates.

### 23. NET ASSETS VALUE

The net assets value per share (NAV) as at the end of the reporting date is as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Net Assets Value	<b>10.04</b>	9.99	<b>8.53</b>	8.50

### 24. SEGMENT INFORMATION

The main revenue derived by the Group is from rental of properties. The Board of Directors considers the business as a single reporting segment.

There were no changes in the reportable segment during the year.

### 25. EVENTS AFTER REPORTING DATE

The Coronavirus disease 2019 ("COVID-19") outbreak has caused extensive disruptions to businesses operation around the globe. On March 11, 2020, COVID-19 was labelled as pandemic by the World Health Organisation. The directors are in the opinion that it is difficult to predict the overall outcome and impact of COVID-19 on the financial statements of the Group at this stage.

Except for the above, there are no other material events after the reporting date which would require disclosure in or adjustments to the financial statements for the year ended June 30, 2021.

# NOTES





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