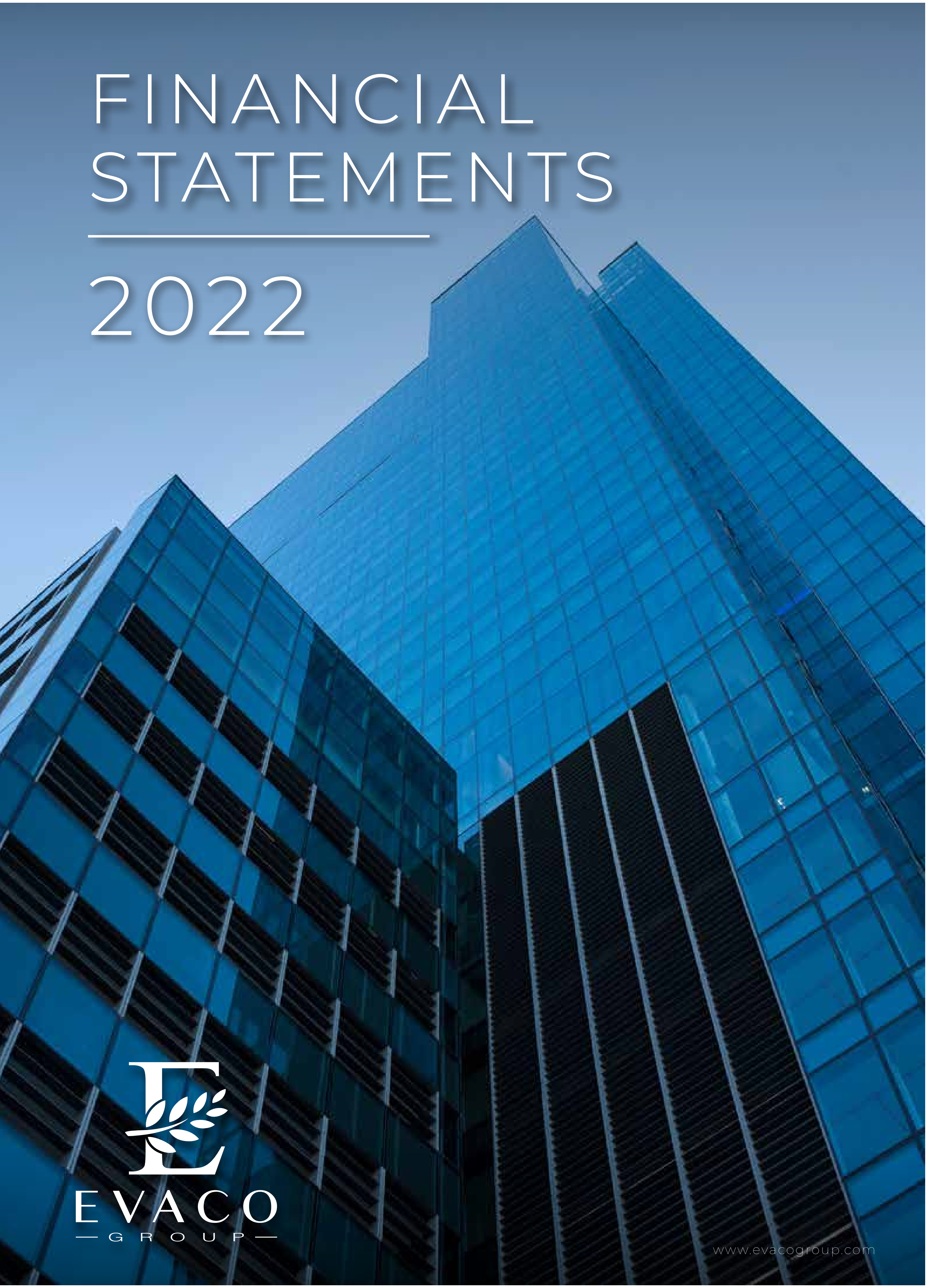
FINANCIAL STATEMENTS

2022



EVACO GROUP

www.evacogroup.com

The Directors have the pleasure to submit the Annual Report of Evaco Ltd and its subsidiaries together with the audited financial statements for the year ended June 30, 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Group includes property and real estate development, construction and manufacturing, hospitality and leisure, and operation of restaurant.

DIRECTORS

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

Philip Patrick Arnaud MAYER (Chairman)

René Gérard Alexandre GOUREL de St PERN

Charles Philippe de Bragard HARDY

Karen Florence ANGUS

Patrick Edgar Fabrice LINCOLN

Mathieu Serge Meur

Norbert COUVREUR

The Directors of the subsidiaries are disclosed in the Corporate Governance Report.

AUDITORS' REPORT AND ACCOUNTS

The auditors' report is set out on pages 4 to 4(c) and the statements of profit or loss and other comprehensive income are set out on page 6.

CONTRACTS OF SIGNIFICANCE

During the year under review, there were no contracts of significance to which Evaco Ltd, or any of its subsidiaries, was a party and in which a director of Evaco Ltd was materially interested, either directly or indirectly.

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company have service contracts with the Company or with any of its subsidiaries.

DIRECTORS' REMUNERATION

Remuneration and benefits received from the Company and its subsidiaries were:

	COMPANY		SUBSIDIARIES	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors - Full-time	**30,314**	18,530	**-**	-
Non-executive Directors	**77**	207	**-**	-

DIRECTORS AND SENIOR OFFICERS' INTERESTS

The Directors and senior officers' interests are disclosed in the Corporate Governance Report.

DONATIONS

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Donations made during the year				
- Charitable	**336**	324	**504**	324
- Political	**-**	-	**-**	-

AUDITORS' FEES

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees paid to:				
- RSM Mauritius	**1,986**	465	**370**	-
- BDO & Co	**-**	1,715	**-**	535
Fees paid for other services provided by:				
- RSM Mauritius	**931**	-	**25**	-
- BDO & Co	**-**	300	**-**	300

Approved by the Board of Directors on 19th October 2022 and signed on its behalf by:

Arnaud MAYER
Chairperson

Alexandre GOUREL de St PERN
Chief Executive Officer

GROUP PROFILE

Evaco Ltd (the Company) is a public company incorporated on April 3, 2002 and domiciled in the Republic of Mauritius. Evaco Ltd is classified as a public interest entity under the Financial Reporting Act and is required to adopt good governance practices.

On November 19, 2019, the Company listed 5-year redeemable secured floating rates notes to the value of Rs.650 million, on the official market of the Stock Exchange of Mauritius Ltd.

And in the second quarter of 2022, the Company listed 5-year redeemable secured fixed rate notes to the value of Rs 418,900,000 and 5-year redeemable secured floating rates notes to the value of EUR 1,120,000 on the official market of the Stock Exchange of Mauritius Ltd.

In 2022, Evaco Group unveiled a new corporate structure with three different clusters:

Evaco Property,
Evaco Services and
Evaco Worldwide

The Evaco Group is a broad-based organization that manages a diverse portfolio of more than 15 brands in construction, engineering, manufacturing, corporate services, property development, leisure & hospitality amongst others. The creation of these new clusters entails the harmonisation and streamlining of operations as well as coordinating and simplifying as many systems and processes as possible, all with the aim of sharpening the client experience and laying the foundation for long-term growth.

With 20 years of experience, the Evaco Group strives to design the living spaces of tomorrow through forward-thinking design concepts and creative innovation. Having evolved from a real estate development company, Evaco Ltd is an investment and holding company that acts as a group corporate executive office. Its global head office is located in Mauritius. Evaco Ltd acts as a consultant at both local and international levels for all Evaco Group companies, regarding their respective legal, financial, business and investment growth strategies & objectives.

EVACO PROPERTY

Mission Statement: The relentless pursuit of value for its clients through commitment and innovative services.

The cluster Evaco Property is composed of two main divisions:

Property Development and
Property Management

The Company avant-garde vision allows it to innovate and set up prestigious concepts, with an absolute steadfastness in providing impeccable quality. Multidisciplinary professionals develop, construct, manage and market a portfolio of high-end properties and commercial real estate. This synergy aims at a better cohesion between its entities. The ultimate goal is to increase operational efficiency and offer a better service to its customers.

The Company's flagship brands include Evaco Property, Fine & Country Mauritius, Histia Services, IDEA, Evolution Architects & FairStone.

EVACO SERVICES

Mission Statement: Enhance customers' lifestyles by creating unique residences with high-end experiences.

Through Evaco Services, the group is engaged in commercial and business services that operate within four sectors of activities:

- Manufacturing
- Logistic & procurement services
- Food & beverages
- Corporate & legal services

Its vision is to develop competitive solutions that continue to lead the way to a sustainable future for its subsidiaries, consumers and society at large. The portfolio of companies includes Stantons Ltd, Mereo, FineLine Contracting Ltd and La Plage.

EVACO WORLDWIDE

Mission Statement: In the pursuit of global expansion in view of creating unique experiences within the luxury market.

Evaco Worldwide focuses on creating high-performing resorts through unique hospitality experiences, as well as delivering outstanding customer service. The project Secret Croatia combines the group's international expertise in property development with authentic hospitality, culture, and lifestyle. This all comes down to the efforts of an exceptional global team devoted to giving clients extraordinary experiences.

Evaco Worldwide will be marked by the official launch of our project in Croatia and will also include its future international developments.

EVACO FOUNDATION - WELFARE OF THE SOCIETY

Evaco Foundation registered on September 29, 2020 under The Foundation Act 2012 was established by the Founder Evaco Ltd. The main object of the foundation is to provide a formal platform for the Evaco Group and its employees to engage in projects for the welfare of our society. The Foundation is funded principally from CSR funds and PDS Social Funds.

The Foundation is already in discussions with relevant stakeholders for the implementation of two important social projects at Cap Malheureux, including the construction of a public sporting complex.

The Foundation is structured around four main themes:

- Social
- Sports
- Environment
- Education

RESULTS

For the year under review, the turnover for the Group and the Company reached Rs 756.8m (2021 – Rs 434.2m) and Rs 54.1m (2021 – Rs 95.4) respectively. The profit after tax for the Group stood at Rs 25.1m (2021 - Loss of Rs 211.5m) and the Company achieved a profit of Rs 38.3m (2021 – Rs 2.3m).

DIVIDENDS

No dividend was declared by the Group and the Company at June 30, 2022.

PRINCIPLE 1:
EVACO GOVERNANCE STRUCTURE

THE ROLE OF THE BOARD

The main function of the Board is to lead and direct the affairs of the Company to achieve the long-term strategies for the benefit of the Shareholders and all stakeholders.

The Board conducts quarterly reviews the financial performance, operational measures and funding requirements of the business clusters. The Board also reviews the annual budget, investment proposals and corporate governance status.

The Board leads and controls the Company and is collectively responsible for its long-term success, reputation and governance. It is also committed to fair financial disclosure to its shareholder and stakeholders at large and for leading and controlling the Company and meeting all legal and regulatory requirements.

BOARD CHARTER

A Board Charter setting the terms of reference for the Board and describing how the Board operates has been adopted and can be viewed on the Company's website.

JOB DESCRIPTIONS

The Company has approved written job descriptions for all senior governance position (Chairman and Founder, Group Chief Executive Officer, executive Directors and Company Secretary). The role of Board Chairman and Group Chief Executive Officer are held separately. The Sole Ordinary Shareholder Mr. P. P. Arnaud MAYER is the Founder and Chairman while Mr R.G. Alexandre GOUREL de St PERN is the Group Chief Executive Officer.

ORGANISATIONAL CHART AND STATEMENT OF ACCOUNTABILITIES

The Company is headed by a unitary Board composed of eight Directors with a mix of executive, non-executive and independent Directors.

The Group Chief Executive Officer is responsible for the Company's affairs and closely interacts with the Group Heads and General Managers of the different business units.

An organisational chart can be viewed on the Company's website.

Constitution

The Company adopted a Constitution on May 16, 2016 in conformity with the Companies Act 2001 and the Listing Rules of the SEM.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES

To determine its current size and composition, the Board has taken into account (a) the size, complexity and diversity of its operations, (b) the various qualifications and experience of its members, and (c) the recommendations of the Code.

Presently, there is a combination of four executive directors and four non-executive directors. The directors come from diverse business backgrounds and hold the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company, independent of management.

CHAIRPERSON

Mr P.P. Arnaud Mayer is the Chairperson and founder. He chairs meetings of the Board and of Shareholders.

The Chairperson's primary function is to:

- Preside over the meetings of directors and ensure the smooth functioning of the Board in the interests of good governance;
- Provide overall leadership and encourage active participation of all directors; and
- Ensure that all the relevant information and facts are placed before the Board to enable the directors to reach informed decisions and maintain sound relations with the Company's shareholders.

CHIEF EXECUTIVE OFFICER - CEO

The CEO reports to the Board of Directors and is responsible for the day-to-day management of the Company and works in close collaboration with the management team, the Board and the Committees.

EXECUTIVE DIRECTORS

There are four Executive Directors on the Board.

INDEPENDENT DIRECTORS

In terms of the Companies Act 2001, an independent director is a director who is a non-executive director and who:

a) Is not an employee of the Company.
b) Does not have material business relationship with the company either directly or as a partner, shareholder, director or senior employee of an organization that has such a relationship with the company.
c) Does not receive remuneration from the company, except remuneration or any other benefits given as a director in accordance with Section 159 of the Companies Act.
d) Is not a nominated director representing a substantial shareholder.
e) Does not have close family ties with any of the company's advisers, directors or senior employees of the Company.
f) Does not have cross directorships or significant links with other directors through involvement in other companies or other organizations.
g) Has not served on the board for more than nine consecutive years from the date of their first election.

The Board has two independent directors; Mr. Christophe Toulet with a legal background has been appointed as additional independent director on the 01 August 2022 and Mr. Mathieu Serge Meur was appointed in 2020.

COMPANY SECRETARY

Stantons Ltd was appointed as the Company Secretary with effect from June 1, 2020.

The Company Secretary has access to the Board members. Directors may separately and independently contact the Company Secretary who attends and prepares minutes for all Board meetings and Committee meetings.

The Company Secretary's role is defined, and includes the responsibility for:

- Providing the Board with guidance as to how their duties and responsibilities should be properly discharged in the best interests of the Company and in accordance with the Companies Act 2001, the Constitution of the Company and the Code of Corporate Governance.
- Drafting the agenda of Board and Board committee meetings in consultation with the Chairman.
- Circulating agendas and any supporting papers to Directors as required by law.
- Convening, attending and drafting of minutes of Board and Committee Meetings and Shareholder' meetings.
- Confirming the required quorums of meetings are present.
- Fulfilling any other duties as may be required from a Company Secretary.

The appointment and dismissal of the Company Secretary are matters requiring the Board's approval.

The Board meets on a quarterly basis and at such *ad hoc* times as may be required. Its main functions include the following:

- Reviewing and evaluating present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the Company.
- Determining strategic options, selecting those to be pursued, and resolving the means to implement and support them.
- Determining the business strategies and plans that underpin the corporate strategy.
- Ensuring that the Company's organizational structure and capabilities are appropriate for implementing the chosen strategies.
- Delegating such authority and power to management as may be deemed appropriate and monitoring and evaluating the implementation of policies, strategies and business plans.
- Ensuring that internal controls are effective.
- Overseeing information governance within the Group and ensuring that information assets are managed effectively.
- Communication with senior management.
- Ensuring that communications both to and from shareholders and relevant stakeholders and all strategic partners are effective.
- Understanding and taking into account the interests of shareholders and relevant stakeholders in policy and strategy implementation.

DIRECTORS AND SECRETARY AT DATE:

Name	Gender	Board attendance	Country of residence	Status of directorship	Other information
Philip Patrick Arnaud MAYER	M	1/1	Mauritius	Founder and Chairman	Ultimate Beneficial owner of the Company
René Gérard Alexandre GOUREL de St PERN	M	1/1	Mauritius	Executive Director	Group Chief Executive Officer
Charles Philippe de Bragard HARDY	M	1/1	Mauritius	Non-Executive Director Chairman of the Audit and Risk Committee Member of the Corporate Governance Committee	Offering Corporate Advisory Services to Evaco Group through DMH Ltd
Karen Florence ANGUS	F	1/1	Mauritius	Executive Director	Group Marketing and Sales Director
Patrick Edgar Fabrice LINCOLN	M	1/1	Australia	Non - Executive Director	
Mathieu Serge MEUR	M	1/1	Singapore	Independent Non-Executive Director	Engineering consultant
Norbert COUVREUR	M	1/1	France	Executive Director	Country CEO Croatia
Mr Christophe TOULET*	M	Nil	Mauritius	Independent Non-Executive Director	

- **Mr. Christophe Toulet was appointed as Independent Non – Executive Director on 1st August 2022.*

The dates of Board, committees and annual meetings are planned in advance with the assistance of the Company Secretary. The Board meets at least four times a year and ad hoc meetings may also be convened to deliberate on urgent substantive matters.

Sub Committees

The Board, to assist it in its duties, has constituted two committees, the Audit and Risk Committee and the Corporate Governance (Nomination and Remuneration) Committee. The Charter for both committees have been approved by the Board.

The Audit and Risk Committee is comprised of three members:

- Mr. Philippe Hardy - Non-Executive Director
- Mr. Mathieu Meur - Independent Non-Executive Director
- Mr. Fabrice Lincoln - Non-Executive Director

The Corporate Governance Committee is comprised of two members:

- Mr Philippe Hardy - Chairperson - Non-Executive Director
- Mr Arnaud Mayer - Founder

The Committees are chaired by Independent Directors and the Chairperson of the committees reports to the Board and, on behalf of the committees, regularly recommends actions to the Board. Reports from the Chairperson of these committees are recorded in the agendas of the Board.

The objectives of the Committees are, amongst others, summarized as follows:

Corporate Governance (Nomination and Remuneration) Committee

The Corporate Governance (Nomination and Remuneration) Committee met once during the year under review.

The duties of the Corporate Governance (Nomination and Remuneration) Committee are summarised:

- To assist the Board of Directors in fulfilling its responsibilities to apply the principles of good corporate governance and to ensure that prevailing corporate governance practices are followed.
- To review the structure, size and composition of Board and to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.
- To ensure that Directors and Senior Officers are adequately remunerated.

The attendance at committees:

Corporate Governance (Nomination and Remuneration) Committee	Attendance
Philip Patrick Arnaud MAYER	1/1
Philippe HARDY	1/1

Audit and Risk Committee

The Audit and Risk Committee met three times during the year under review.

The duties of the Audit and Risk Committee are to assist the Board, among other things, in overseeing:

- The quality and integrity of group financial statements and public announcements related thereto.
- The Company's compliance with legal and regulatory requirements.
- The scope and effectiveness of the external audit function as well as the qualifications, experience and independence of the external auditors.
- The effectiveness of the Company's systems of internal control and practices.
- The adequacy of the insurance cover subscribed to by the Company and its subsidiaries.

The attendance at committees:

Audit and Risk Committee	Attendance
Philippe HARDY	1/1
Fabrice LINCOLN	1/1
Mathieu MEUR	1/1

PRINCIPLE 3:
DIRECTORS APPOINTMENT PROCEDURES

APPOINTMENT AND ELECTION AND REELECTION OF DIRECTORS

The process pertaining to appointment, election and reelection of directors is outlined at clause 2.2 of the Board Charter.

The sole ordinary shareholder of the company believes in stability and continuity at Board level. The Directors of the Company were accordingly reelected at the Annual Meeting of the Company held on December 29, 2021. Directors are appointed on the Board based on their different skills, knowledge, experience, independence and expertise and are expected to allocate sufficient time and focus to the Company and the Group to ensure that their responsibilities are effectively discharged.

PROFESSIONAL DEVELOPMENT

The Board and Management team fully believes in the value of continuous professional growth through training, coaching, mentoring and exposure to new challenges. The opportunity is given to each employee to embrace new professional opportunities; with the active pursuance of professional development, we want to ensure that knowledge and skills not only stay relevant and up to date but are also enhanced. It creates an awareness to the changing trends in the industries we are in and brings tremendous value to the output of each employee. Competency enhancement needs analysis, financial provisions for training, defined training plans, identification of talents are only some of the processes we value and focus on. The objective of the Group is to secure relevant training for all employees of the Evaco Group on a yearly basis, as from the next financial year.

SUCCESSION PLANNING

The Board takes full responsibility in ensuring that a succession plan is set up and implemented, to guarantee business continuity and corporate sustainability. The members of the Management team are already in the process of identifying the right person to secure the succession plans and many talents have already been identified as potential successors. The structure of each department is constantly under review and assessment, with new talents uncovered and recruited to reinforce the existing teams. The optimization of the human resources is achieved by identifying and recruiting high-potential employees who will be prepared for all contingencies through defined professional development plans.

BOARD ORIENTATION AND TRAINING FOR NEW DIRECTORS

The Non-Executive Directors are encouraged to meet with the Company's Executive Directors and Senior Officers to benefit from a better insight into the operations of the Company and its subsidiaries. Management is responsible for briefing new directors on the Group's business.

New Directors receive an induction and orientation upon joining the Board.

TRAINING OF DIRECTORS

Training of Directors may comprise of externally conducted courses in matters of relevant interest to the Company.

The Board assumes the responsibilities for succession planning and for the appointment and induction of new Directors to the Board.

The Directors' profiles may be viewed on pages 22 - 25.

PRINCIPLE 4:
DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

DIRECTORS' DUTIES

Legal Duties

Directors are aware of their legal duties as provided in the Companies Act 2001 and Listing Rules.

Conflict of interest

As provided in the Board charter, Directors are aware of their duty to immediately report to the chairperson of the Board any conflict of interest or potential conflict of interest which s/he becomes aware of, and shall provide all relevant information, and shall request that this conflict of interest be inserted in the Director's interest's register.

Notice of Outside Positions

Directors must inform the chairperson of the Board and the company secretary of their other positions which may be of importance to the company or the performance of their duties before accepting such positions.

Confidentiality

Unless required to do so by law, no Director shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the company and which s/he knows or should know to be of a confidential nature.

Information, Information Technology and Information Security Governance

In order to ensure compliance with the Data Protection Act 2017 and the EU General Data Protection Regulations (known as 'GDPR'), Evaco Group has recently upgraded its IT infrastructure and approved a Group Privacy Policy. Internal policies and process improvements have also been implemented in order to strengthen, enforce, and monitor the group's decision to place data privacy and security at the forefront of its risk mitigation strategy. Finally, the group has appointed leading external consultants to conduct a data protection gap analysis in order to ensure that all data protection systems and processes are effective and fully compliant. Data protection and information security measures are frequently tested. The result of the tests is used for training needs analysis.

Anti-Money Laundering and countering the financing of terrorism

The Company has adopted the guidelines on the measures for the prevention of Money Laundering and countering the financing of terrorism for financial institutions issued by the Financial Services Commission. The Company is re-enforcing its control mechanisms with regards to AML CFT.

STATEMENT OF REMUNERATION POLICY

Remuneration of Directors

Independent and Non-Executive Directors fee is Rs.65,000 per attended Board meeting and Rs.12,000 per attended committee meeting.

The remuneration of the Executive Directors is composed of a basic pay and an incentive scheme linked to Group profit after Tax.

Appraisal of Directors

The Board has not yet performed the self-appraisal exercise for the year under review. It is expected that the appraisal will be carried out in the next financial year.

Management Agreement

The Company does not have a Management Agreement.

Related Party Transactions

Please refer to Note 33 to the Financial Statements.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The Board is responsible for the overall management of risks and has the responsibility of implementing a structure and process to help identify, assess and manage risks. Risk reviews are regularly conducted and mitigating measures implemented accordingly.

RISK GOVERNANCE

Risk is inherent in Evaco's business and the markets in which it operates. The challenge is to identify risks and then manage these so that they can be reduced, transferred, avoided or understood. This demands a proactive approach to risk management and an effective group-wide risk management framework.

The Evaco group is no exception to the global trend where an increasing emphasis is put on the board's responsibility to determine an appropriate level of risk appetite. This can be defined as the amount and type of risk exposure that an organisation is willing to accept in order to achieve its objectives.

The Group's overall risk management process is overseen by its Board as an element of solid corporate governance. Evaco recognizes that risk management is the responsibility of everyone within the group. Rather than being a separate and standalone process, risk management is integrated into business processes including strategy development, business planning, capital allocation, investment decisions, internal control and day-to-day operations as depicted in the diagram below:

RISK GOVERNANCE & ACCOUNTABILITIES

Audit and Risk Committee
- Review risk reports and monitor effectiveness of risk management.
- Provide guidance to Internal Audit Function focusing on key areas for review.

Group Internal Audit
- Carry out internal audits on a risk basis.
- Provide assurance re adequacy of controls across specific risk areas (including risk management).

BOARD
- Approve and maintain Risk Management Policy.
- Set and review the Risk Appetite on a periodic basis.
- Maintain oversight of the Risk Management Framework.

CHIEF EXECUTIVE OFFICER
- Report to the Board on risks and controls.
- Discuss with the Board status of mitigating Action Plan.
- Performance against risk appetite.

DEPARTMENT HEADS (RISK OWNERS)
- Attend periodic meetings to discuss risk management reports.
- Approve appropriate action to bring organisational risks within tolerance level.
- Maintain oversight of their respective risk/control owners.

ACTION & CONTROL OWNERS
- Identify and assess new risks and update register.
- Reassess the existing risks and send for approval.
- Updating the RM system on controls performed at the predefined frequencies.
- Remediate control failures.

RISK SYSTEM

System RM Tool
- Risk Registers
- Dashboard Reports
- Exception Reports

The group's risk management objectives are as follows:

- Directs attention to the key risks of the company - so there are no surprises and resources are directed to areas of agreed importance.
- Provides concise risk reporting to executives and Board for oversight.
- Undertakes concentrated risk reviews - in areas of the business such as capital programs, major strategic initiatives, significant areas of transition, or areas requiring further assessment.
- Becomes increasingly integrated within existing business processes including strategic planning, business planning, and performance measurement.
- Drives/highlights the need for change in key areas of the business, organizational structure, and key processes and controls.
- Facilitates convergence of monitoring and audit functions and annual audit plan.

RISK ASSESSMENT

Our Risk Management Framework is made up of five process components derived from the Committee of Sponsoring Organisations of the Treadway Commission ERM Framework.

1. Event Identification & Risk Assessment: As part of the strategic planning process and day-to-day management of the business, functional leaders identify internal and external events that may affect the achievement of our Group's objectives. Risk management function personnel help identify and assess these risks through their expertise, formal assessments and analysis of business intelligence and trends.
2. Risk Response: A response is determined based upon the overall risk exposure, considered as a function of likelihood and impact of the occurrence. Risk responses may include avoiding or evading, accepting, reducing, and sharing or transferring risk.
3. Control Activities: Control activities are established to ensure that risk responses are carried out effectively and consistently throughout the organization. This involves formalizing risk response in our policies, ensuring clear accountability, utilizing self-assessment and monitoring tools and designing controls into our systems and critical business processes.
4. Information & Communication: Information and communication channels are in place to make the organization aware of risks that fall into their area of responsibility and expected behavior and actions to mitigate negative outcomes.
5. Oversight & Monitoring: Management reviews, as well as assurance activities, such as testing, auditing and assessments, are in place to ensure that risks are effectively identified and assessed, and that appropriate responses, controls and preventive actions are in place.

While no risk management system can ever be absolutely complete, the goal is to make certain that identified risks are managed within acceptable levels.

The main risks that have been identified are described below:

1. *Operational Risks*

The risk of loss or costs resulting from human errors, inadequate or failed internal processes and systems or external events and adverse market conditions. Operational risk includes, Human Resource, Accounting and Finance, Procurement, Sales & Marketing, Compliance and Reputational IT risks among others. These losses may be caused by one or more of the following:

External supplier risk is the risk that arises due to failure of supplier services resulting in operational, financial and/or reputational impact to the business

Payment process risk is the risk from failure in operation of payments processes. This could be where payments are processed inaccurately or duplicated; payment instructions not acted upon or effected in a timely manner, non-availability of payment systems or non-compliance with clearing and settlements scheme requirements.

Cyber-security risk is the risk arising from unauthorized system access by both external (internet) and internal attackers. Attacks may be intended to steal data, manipulate systems, or make systems unavailable (denial of service attacks).

Product risk is the risk of inadequate design, assessment and testing of products / services, resulting in unintended adverse customer / client outcome.

Human Resource risk is the risk that personnel responsible for managing and controlling different business process do not possess the requisite knowledge, skills and experience needed to ensure business objectives are achieved and business risks are reduced to an acceptable level.

Transaction operations risk include the management of the end-to-end process of initiation, processing and fulfilment of an interaction between a client and the business, initiated either by the client or the business. In this context, a client is defined as an external party with an existing or a prospective relationship with the business.

Premises and security risk includes premises not being available to meet business requirements; and that our physical assets, employees and clients are inadequately protected against criminal / terrorist / adverse political activities (where instability and civil disorder is an outcome) and health and safety risks.

Information risk is where information becomes exposed such that it does not meet legal, regulatory and contractual obligations to which it must adhere.

Financial reporting risk is the risk arising from a failure or inability to comply fully with the laws, regulations or codes where we operate, resulting in a material misstatement or omission within the Group's external financial and regulatory reporting and internal management reporting.

Fraud risk is the risk of dishonest behaviour with the intent to make a gain or cause a loss to others. Fraud occurs where a person: (i) dishonestly makes a false representation, (ii) dishonestly fails to disclose information, or (iii) dishonestly abuses a position of trust.

2. *Legal and Compliance risk*

Laws, guidelines and regulations may change at any point in time. The risk of not complying with laws, regulations and policies, that results in lost revenue, higher costs, unnecessary delays and fines which may impact the operations and functioning of the business. Management of the investee companies and a compliance department monitor these risk issues regularly.

3. *Reputational risk*

Losses and/or opportunity gain foregone resulting from damages to the reputation of the Group and/or its investee companies, by various factors such as compliance failures, underperformance, negative media coverage could result in revenue loss and destruction of shareholder value and breakdown of trust from clients and the public.

4. *Strategic Risks*

Strategic risks are risks that affect or are created by a company's business strategy and strategic objectives. This risk might arise from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment.

INTERNAL CONTROL

The Turnbull Report defined internal control and its scope as the policies, processes, tasks, behaviours and other aspects of an organisation that taken together:

- Facilitate effective operation by enabling it to respond in an appropriate manner to significant business, operational, financial, compliance and other risks to achieve its objectives. This includes safeguarding of assets and ensuring that liabilities are identified and managed.
- Ensure the quality of internal and external reporting, which in turn requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from both internal and external sources.
- Ensure compliance with applicable laws and regulations and also with internal policies.

A sound internal control system is in place within the Evaco group and ensures that organisational objectives in terms of effectiveness and efficiency are met. It provides assurance that financial statements are prepared in compliance with relevant accounting standards and that the company complies with laws, regulations and policies.

The Board is ultimately responsible for maintaining sound risk management and internal control systems. The task of establishing, operating and monitoring such systems is, as a matter of course, delegated to Management. The Board thus ensure that Management set up appropriate systems that function effectively to manage the risk and so reduce it to an acceptable level.

The internal control process is audited by internal and external auditors who report directly to the Audit & Risk Committee on any material weaknesses which come to their attention.

In addition to reviewing the company's risks, the Board has entrusted the Audit and Risk Committee with the responsibility of reporting on the effectiveness of Internal Control.

PRINCIPLE 6: REPORTING WITH INTEGRITY

SUSTAINABILITY REPORTING

The Corona Virus Pandemic has presented a unique opportunity for businesses to move towards the incorporation of environmental, social and governance (ESG) in their management system. There is a global boost in consciousness regarding ESC and operational resilience amongst the private sector in Mauritius. To ensure a systemic change towards low carbon technologies, we, at Evaco Group, are committed to work towards credible transition strategies in a transparent manner via various reporting frameworks.

In retrospect in 2020 to 2021, which has been disturbed by this calamity, many of Evaco projects had to be either postponed or adapted to the new normal.

Evaco Group 2022 sustainability strategy:

COMPLIANCE

Environmental

Biodiversity
Water Usage management
Energy usage
Carbon & other GHG Emission
Green Real Estate

Social

Labour management
Consumer Protection
Product safety & quality
Health & safety
Human Capital

Governance

Over right on ESG
Business Ethics
Ownership
Board functioning & composition
Disclosures

STRATEGY

EVACO GROUP

PERFORMANCE

POLICY

Environmental

Projects under environment pillar.

The company has conducted biodiversity and water management assessments through their Environmental Impact Assessment (EIA) were carried out for all of the company's projects and catered to on-site impacts on biodiversity, water and waste.

Opportunities In Green Real Estate

The Evaco Group had adequate disclosures on adoption of sustainable practices and transitioning towards low carbon footprints in alignment with the national commitment. The green certifications were aligned with BS standard. The company's practices are aligned with long term objectives of sustainable practices.

Water Usage and Management

The company has monitored water withdrawals and their related risks through their EIA.

Energy Usage

The company has efficient energy management systems aligned with BS standards and consumption of renewable energy in its operations.

Carbon and other GHG emissions

Evaco Group has disclosed its commitment towards emission reduction by replacing all the company cars by hybrid or electrical vehicles by 2030.

Biodiversity

The company has biodiversity policies in place and conducts their assessments through EIA.

Social

The Evaco Group depicts moderately strong performance in terms of health & safety and product safety & quality aspects. The company has a health & safety policy in place along with business continuity plans. The company has conducted third party verifications for its production facilities and has the required safety approvals from the relevant authorities.

Labour Management

Evaco Group follows Human Rights and labour management practices, and the workforce diversity is high.

Health & Safety

Health & Safety policies are in place as well as disaster management plans.

Product Safety and Quality

The company follows regulatory safety requirements and conduct third party verifications of its facilities.

Human Capital

Evaco Group has instituted a diversity/inclusion policy.

Evaco Foundation

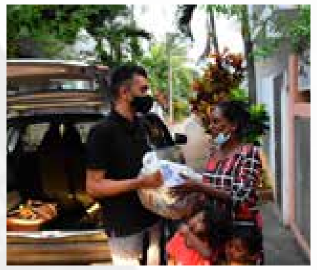
The main projects of the Foundation during the year have been to benefit sports, children, food supports as well as medical supports. Some of the projects were:

- Sponsorship to the village council of Pamplemousses with respect to Pétanque tournament.
- Installation of two portable football goal posts.
- Construction of football pitch in Cap Malheureux.
- Construction of New Football Pitch & Related Infrastructure at Cap Malheureux.
- Distribution of school Materials.
- World Environment Day – Distribution of Native & Endemic Species.

PICTURES OF FOUNDATION PROJECTS

EVACO FOUNDATION






Governance Assessment

Evaco Group demonstrates moderately strong performance in this pillar with regards to having a transparent ownership structure, business ethics policies and governance disclosures.

Disclosures

The Company's disclosure norms are following the regulatory requirements.

Board Composition

Evaco Group has an efficient board composition with adequate independent, executive and non-executive directors.

Board functioning

The Company has depicted efficient board functioning with adequate independence of the board and separation of the Chairman and CEO roles.

Ownership

The Company has disclosed ownership structure transparently. Moreover, details of classes of stock, voting rights and shareholder playing active role in evaluation of directors have further boosted its profile.

Business Ethics

The company has disclosed the code of conduct policy for its employees and extended it to suppliers as well. The company also has a whistle-blower mechanism.

Commitment of Evaco Group to Esg

To demonstrate its commitment to ESG, the Evaco Group has appointed an independent ESG Rating Agency to carry out a Gap Analysis in September 2022 to help the group identify the key areas to accomplish in the journey of becoming one of the strong ESG performer in the industry.

The ESG Grading Report (extract below) enables the Group to be more transparent about the risks and opportunities it faces as well as plan its sustainability and environmental, social and governance strategies.

ESG Grading Report - Evaco Group

CareEdge

Evaco Group

Sector : Real Estate
Industry : Real Estate Management and Development

CareEdge ESG Grade 3

1 2 3 4 5 6 7

65
ESG Score

ESG Score break-up

Below percentage highlights the company's positioning for each pillar that contributed to its ESG assessment as of Sep 2022.

Environment 61%

Social 63%

Governance 70%

ESG Grading Distribution for Real Estate entities

Superior · Average · Laggard

LAST UPDATE: Sep 2022

Analyst - Kedar Deshpande
kedar.deshpande@careedge.in

Report table of contents

ESG Grading Scorecard	P03
Environment Pillar Details	P05
Social Pillar Details	P07
Governance Pillar Details	P09
CareEdge Methodology	P11

ESG Grading Summary:

CareEdge Research initiates ESG Assessment for Evaco Group at Grade 3. Evaco Group has evolved from a real estate development company and comprises of four main verticals, namely Evaco Creations (Engineering, Construction, Manufacturing & Design); Evaco Property (Property Development & Real Estate); Evaco Escapes (Leisure & Hospitality) and Evaco Solutions (Consulting & Corporate Services). Their headquarters are located in Mauritius and have operations at both local and international levels for all companies of the Group.

Evaco Group's ESG performance is driven by its moderately strong performance on the social and governance front largely due to their strong adherence to regulatory compliances and policies incorporated. However, its ESG performance is curtailed by its moderate performance on the environment pillar on some of the key performance metrics and long-term plans.

Evaco Group showcases moderately strong governance performance in terms of effective board functioning with adequate independence of the board. The company has code of ethics policies in place with an extension to suppliers as well. While the board composition and ownership structure are well aligned with stakeholder interests, there is scope of improvement with respect to board pay disclosures and integration of ESG into the business operations by having effective board oversight.

Evaco Group also exhibits moderately strong performance on the social pillar driven by effective practices implemented on the product & safety aspects, such as conducting third party audits on their facilities and adequate safety approvals from relevant authorities. The company has adopted best health & safety practices such as safety policies and business continuity plans. However, the company can further strengthen its disclosures on the social front in terms of improving employee diversity and employee engagement plans.

On the environment pillar, Evaco Group depicts commitment towards sustainability by conducting Environmental Impact Assessments for all of their projects thereby, addressing potential risks emanating from biodiversity impacts and water management. However, the company can further strengthen its environment performance by monitoring and disclosing their emission reduction, energy and water consumption levels and net-zero targets.

Source: Evaco Group ESG Assessment report September 2022

Following this GAP report, the group will be able to action and strategize among others:

- To address the future of work scenarios including training, hiring and employee engagement.
- To evaluate board members.
- To monitor and manage practices relating to biodiversity.

PRINCIPLE 7 : AUDIT

INTERNAL AUDIT

Since January 2019, the Internal Audit function is headed by a fully qualified accountant and certified internal auditor, who carries out internal audits and other reviews of the Group's operations.

Purpose

It provides independent assurance to the Audit and Risk Committee as to the adequacy and effectiveness of the internal control and risk management processes. It operates in line with the Internal Audit Charter / the Internal Audit Manual.

Authority and independence

The internal audit derives its authority from the Board through the Audit Committee. The Internal Auditor has a direct reporting line to the Audit and Risk Committee and maintains an open and constructive communication with the management. The Internal Auditor also has direct access to the Chairperson of the Board. This structure allows the Internal Auditor to remain independent.

It also has unrestricted access to the records, management or employees and is authorised to review all activities and transactions undertaken within the Group and to appraise and report thereon if necessary.

The Group Internal Auditor is entitled to convene a special meeting of the Audit and Risk Committee in order to deal with any matter that s/he considers to be urgent.

Coverage

The Internal Audit plan, which is approved by the Audit and Risk Committee, is based on the principles of risk management designed to ensure that their scope of work is congruent with the degree of risk attributable to the area being audited. The plan includes all companies with the three clusters of the Evaco Group.

Approach

The Internal Audit function uses a risk-based methodology for auditing compliance with policies and procedures in areas of risk.

The Internal Audit team has an independent appraisal function which reviews the adequacy and effectiveness of internal controls and the systems that support them. This includes controls at both the operational and financial levels as well as offering guidance to Management in relation to the evaluation of overall business risks and actions taken to mitigate such risks.

Weaknesses identified by the Internal Auditors during their reviews are brought to the attention of Management and the Audit and Risk Committee formally by way of risk-rated structured reports.

Reporting

At each quarterly meeting of the Audit and Risk Committee, the Group Internal Audit reports on its programme of review and findings and on all internal audit issues of the Group highlighting any deficiencies and recommending corrective measures.

The audit reports are compiled by the Group Internal Auditor who attends and reports on the findings at the Audit and Risk Committee. Thereafter, the Chairman of the Audit and Risk Committee brings before the Board any material issues requiring the special attention of the Directors.

Code of Ethics

The Company has already drafted the Code of Ethics laying out the Group's corporate values and standards of behaviour within the organisation and with third parties.

The whistle-blowing procedures of the company has been rolled out in 2020 and several informative work sessions were held with the contribution of Transparency Mauritius with a view to explain the process, obtain feedback and instil a better corporate culture to encourage adherence to the process. The process guarantees that the identity of the person reporting a matter is kept with utmost confidentiality. The Board regularly monitors and evaluates compliance with its code of ethics.

EXTERNAL AUDITOR

RSM (Mauritius) LLP has been appointed as External Auditor in 2021.

The Audit and Risk Committee has the duty:

- to consider and make recommendations to the Board, to be put to shareholders for approval at the Annual Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;

  and

- to review the findings of the audit with the external auditor.

PRINCIPLE 8:
RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

SHAREHOLDING AND SUBSIDIARIES

At June 30, 2022, the Company's share capital amounted to Rs.100,000,000 divided into 100,000 Ordinary Shares of No Par Value. The sole Shareholder of the Company is Société A. Mayer. The Ultimate beneficial owner is Mr. P. P. Arnaud MAYER.

EVACO's shareholding structure is therefore as follows:

Mr. P. P. Arnaud MAYER (UBO)

99.9999%

Société A. Mayer

100%

Evaco Ltd

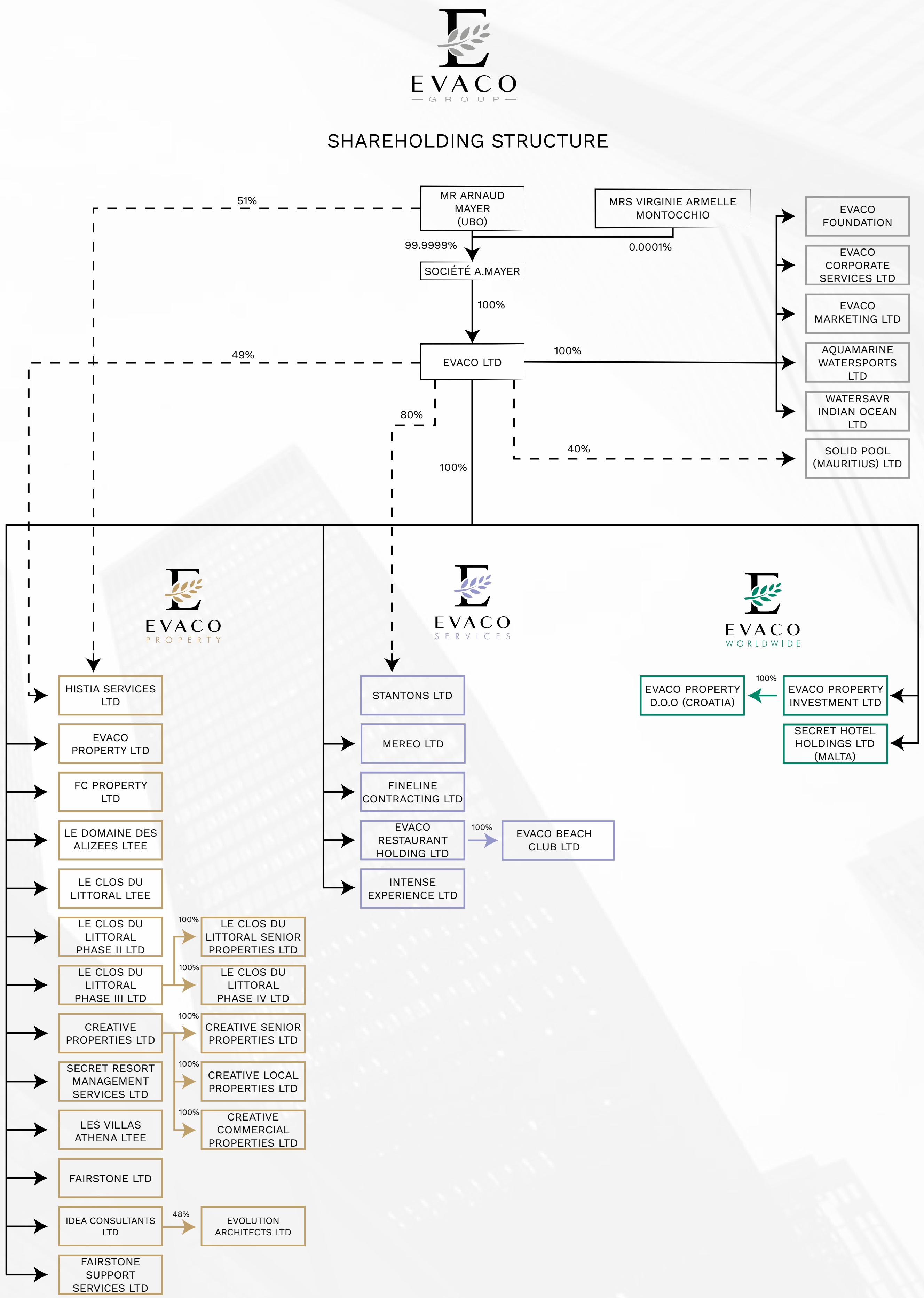
Evaco Foundation

Information on major shareholders at June 30, 2022

Ultimate Beneficial Owner	Holding (%)
Mr. P. P. Arnaud MAYER	99.9999

Except for the above, no other entity or individual owns 5% or more in the ordinary share capital of the Company.

The activities and percentage ownership of the different subsidiaries comprising EVACO Group and held by the Company are as follows:



CORPORATE
GOVERNANCE REPORT *(Continued)*

SHARE PRICE INFORMATION

The shares are not listed and there are no indications on the share price other that the issue price of Rs.100,000,000 for 100,000 shares.

DIVIDEND POLICY

The Company has implemented a dividend policy. The dividend payable will be up to 50% of profits realised. The payment of dividends is subject to the performance of the Company, its cash flow and its capital expenditure requirements. At 30 June 2022, the directors did not declare any dividend.

SHAREHOLDERS' AGREEMENT

Having only one shareholder, the Company does not have a Shareholders' Agreement.

INTEREST'S REGISTER

The Company Secretary maintains an interest's register, which is available for consultation to shareholders upon written request to the Company Secretary. No entries have been made in the interest register for the reporting period.

DEALING IN SHARES OF THE COMPANY AND INTERESTS OF DIRECTORS

The sole Director holding interests in the Ordinary Shares of the Company is Mr. P. P. Arnaud MAYER. As at June 30, 2022, Mr. P. P. Arnaud MAYER held equity interests in the Company as follows:

Director	Indirect (%)
Mr. P. P. Arnaud MAYER	99.9999

The Ordinary Shares are not listed. The five-year redeemable secured floating rate notes are listed on the official list of the Stock Exchange of Mauritius Ltd.

The Directors endeavour to follow the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules 2000. Any Director purporting to deal in the shares of the Company should inform the Chairperson accordingly.

In terms of the Companies Act 2001 and the Securities Act 2005, the Company keeps an updated Interests Register and Insiders Register respectively. These registers are regularly updated with the information submitted by the Directors and/or other Insiders as applicable.

EMPLOYEES

Evaco Group currently employs, on a full-time basis, more than 500 persons who are involved in the daily operations of the various companies of the group.

PROFILES OF SENIOR OFFICERS

Please refer to pages (26) - (28) of the report.

INTERESTS OF SENIOR OFFICERS – EXCLUDING DIRECTORS

The Senior Officers do not hold any interests in the shares of the Company whether directly or indirectly.

SHAREHOLDERS COMMUNICATION AND EVENTS

The Company ultimate beneficial owner is Mr. P. P. Arnaud MAYER, also the Chairman of the Board. Information to the investment community and other stakeholders is via press releases, publication of quarterly results and the Annual Report which is also available on the Company's website www.evacogroup.com

The key events and shareholder communications of the Company are set out below:

Month	Event
September	Audited end of year results and Annual Report
October	Annual meeting of Shareholder
February, May, October	Publication of quarterly abridged unaudited financial reports

WEBSITE:

The website is www.evacogroup.com

The information that can be viewed on the website are the abridged results and annual report. The Code of ethics, constitution, board and committee charter will also be made available on the website.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account and up to the approval of the present financial statements, the Board is satisfied that the annual report and financial statements are fair balance and understandable.

P.P. Arnaud MAYER
Chairman

R.G. Alexandre GOUREL de SAINT PERN
Chief Executive Officer

19 October 2022

DIRECTOR'S PROFILE

Mr. Philip Patrick Arnaud MAYER
Founder & Chairman

Born in 1974 in Mauritius, Mr. Arnaud Mayer is the Executive Chairman of Evaco Group. After his postgraduate studies in France, he came back to Mauritius in 1996 with a Degree in Marketing and Business Management. He shared his knowledge and insight with local industries and created various companies operating in several business fields. In 2001, Mr Mayer started working in the real estate sector and founded Evaco Group. He was ranked among the top entrepreneurs of Mauritius in 2008. He was the president of the Real Estate Association Mauritius (R.E.A.M) from 2015 to 2018.

In 2017, Mr Mayer was honoured to receive the title of Honorary Citizenship in recognition of his contribution to the economic and social development of the northern regions of Mauritius.

Directorship in other listed companies: none

Mrs. Karen Florence ANGUS
Executive Director

Born in 1981 in France, Mrs Karen Angus is currently the Chief Operations Officer (COO) of the Cluster Evaco Property.

With eighteen years of experience in real estate, as well as holding a master's degree from an International Business School (IGS group) in Commerce and Marketing. Karen started in the field of Sales and Marketing, taking on multiple leadership roles in various departments within Evaco Group. For the past 18 years, Karen Angus has been helping to improve and drive company growth. Karen has been using her creative vision and excellent insight into property management to enhance operations as the Chief Operations Officer (COO) of this cluster. Her vision is to pursue value creation for clients through commitment and innovative services.

Directorship in other listed companies: none

Mr. Charles Philippe de Bragard HARDY
Non-Executive Director

Born in 1972 in UK, Mr. Philippe Hardy is a founding member and Managing Director of DMH Associates Ltd.

He has a very diversified exposure to finance having held various roles spanning investment management, business development, corporate planning and transaction advisory.

He is the leading partner of DMH Associates' corporate finance advisory services having coordinated and advised on several capital structuring as well as M&A transactions across many industries in the past 20 years, with a particular expertise in dealing with family held enterprises and owner managed businesses of all sizes.

Mr de Bragard Hardy holds an honours degree in Mathematics and Financial Management and is an Associate of the Royal College of Science of London through the Imperial College of Science, Technology & Medicine. He acts as a director on several public and private companies, chairing audit committees in various instances.

Directorship in other listed companies: (1) PIM Ltd, (2) Tropical Paradise Co Ltd and (3) Transparency Mauritius

Mr. René Gérard Alexandre GOUREL de St PERN
Executive Director
Chief Executive Officer

Born in 1976, Mr. Alexandre Gourel de St Pern, CPN, holds a post-graduate degree in Marketing & Management. Alexandre started his career in 1996 at Cernol Chemicals Ltd. before joining an American multinational, Ecolab Inc., in 1999, where he last held the position of Export Director for Africa, based in Morocco until 2004. In 2005 he joined the Harel Mallac Group, a diversified Mauritian conglomerate, as Group Head of Business Development and was appointed General Manager of Harel Mallac International Ltd. that same year.

In 2007, Alexandre became General Manager of Harel Mallac Outsourcing Ltd., overseeing the BPO and Outsourcing activities of the Group. In 2010 he joined the Corporate Offices of the Dominique Galea Group, namely PCS Ltd., as Director of International Operations, responsible for the Group's international strategy and business development, before holding the position of Chief Strategy Officer of FORGES TARDIEU Ltd between 2015 and 2019. Alexandre joined the EVACO Group as from the 1st of June 2019 as Group Chief Operations Officer and has been promoted to Group Chief Executive Officer on the 1st of July 2019.

Directorship in other listed companies: none

DIRECTOR'S PROFILES

Mr. Patrick Edgar Fabrice LINCOLN
Executive Director

Fabrice Lincoln holds a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia. He has worked as a senior lawyer in private practice at large international law firms and reputed boutique firms. Fabrice has more than 15 years of combined experience, both in Australia and in Mauritius, in the fields of property and development, commercial law and corporations law, amongst others.

He now acts as General Counsel for a leading property development company in Australia.

Directorship in other listed companies: none

Mr. Norbert COUVREUR
Executive Director
(Appointed on January 1, 2021)

Norbert Couvreur joined the Evaco Group in September 2020. He has more than 35 years' experience in the hotel and tourism industry. He was trained by The American Hotel & Motel Association, Cornell University, The Industrial Society and Masterclass International in London.

Norbert garnered international experience and worked on the 4 continents for several large international business and leisure groups. He has a proven track record involving General Management roles as well as hotel franchising development.

Directorship in other listed companies: none

Mr. Mathieu Serge MEUR
Independent Director

Mr. Mathieu Meur holds a Master of Engineering from Ecole Centrale de Lyon, France, one of the most prestigious schools in Europe. Trained as a multi-disciplinary engineer, Mr. Meur has been acting in a management capacity in the construction industry for over 20 years.

Mr. Meur has served as Managing Director within prominent international building engineering group for several years. He currently leads one of the top 10 largest architectural firms in the world and is also Director of DP Façade Pte Ltd in Singapore. Mr. Meur has been involved in the design and engineering of over 100 buildings on five continents. He joined the Evaco Group in 2020.

Directorship in other listed companies: none

TOP MANAGEMENT DETAILED PROFILES

Mrs. Antoinette PERRINE
Group Head of Finance

Antoinette Perrine joined Evaco Group in December 2016. A seasoned professional with more than 20 years of experience, she has acquired a solid knowledge on accounting, finance and business practices.

Antoinette is an ACCA member and studied for an Msc Finance at the University of Mauritius. She started her career as an external auditor and since then has evolved in the textile, gaming, hospitality and property development as financial controller and finance director.

Mrs. Lauriane PALLANY
Group Head of Human Resources

Lauriane Pallany is currently the Group Head of Human Resources and has been in the Evaco Group since April 2016. After more than 5 years in Administration as well as Marketing & Sales in various companies, Lauriane has been working for 16 years, mainly in the manufacturing and retailing industries to start with.

She now deals with the various industries related to the Evaco Group and its subsidiaries, namely Construction, Manufacturing, Contracting, Property Development, Hospitality & Catering. Holder of a degree in Human Resources, Lauriane strives for excellence in the services offered by the HR Department to the Evaco Group.

Mr. Xavier de la TOUR de CHALAIN
Chief Operations Officer - Evaco Services

Xavier de Chalain joined Evaco Group in January 2020. Holder of a MBA with a specialisation in Management and Business Administration from the University Paris 1 Panthéon Sorbonne, he has more than 19 years of experience in Sourcing and Procurement specifically in the Fast Moving Consumer Goods sector.

Xavier gained global exposure by working for the largest Mauritian and African entities including Anheuser-Busch InBev.

ADMINISTRATION

Registered Office
Rivière Citron
20101, Arsenal, Mauritius

Company Secretary
Evaco Ltd
Rivière Citron
20101, Arsenal, Mauritius

Registery & Transfer Office (Ordinary shares)
Evaco Ltd
Rivière Citron
20101, Arsenal, Mauritius

Security Agent
SBM Fund Services Ltd
SBM Tower, 1, Queen Elizabeth II Avenue,
Port-Louis

Noteholders' Representatives
SBM Fund Services Ltd
SBM Tower, 1, Queen Elizabeth II Avenue,
Port-Louis

Licensed Auditors
BDO Mauritius
10, Frère Félix de Valois,
Port-Louis

FOR NOTEHOLDERS

Registrar, Calculation, Transfer and Paying Agent
SBM Fund Services Ltd
SBM Tower, 1, Queen Elizabeth II Avenue,
Port-Louis

Sponsoring Broker
SWAN Securities Ltd
Swan Centre, 10, Intendance Street,
Port-Louis

Bankers
ABC Banking Corporation Ltd
SBM Bank (Mauritius) Ltd
The Mauritius Commercial Bank Ltd
MauBank Ltd

DEPARTMENTAL MANAGEMENT DETAILED PROFILES

Mrs. Bianka BHUGON
Head of Internal Audit

Bianka Bhugon joined Evaco Group in January 2019 as Group Internal Auditor. She holds a Bachelor Degree in Management, is a fellow member of the ACCA and a Certified Internal Auditor. She has 18 years of experience in audit and advisory domain, having worked across global consulting majors such as PwC and EY. She began her career at PwC Mauritius in 2003 as external auditor and left 3 years later when she qualified as a Chartered Accountant. Bianka has spent 10 years within the advisory department of EY and PwC Mauritius. Bianka has also been instrumental in setting up the internal audit function in other organisations for which she worked for the past 3 years. She formed part of the selective global pool Europeaid and Global Fund auditors. Throughout her career, she has worked on four continents and has a footstep in more than 25 countries across the globe.

Mr. Thierry MOSES
Head of ICT

Thierry Moses joined Evaco Group in August 2022 as Head of ICT & Digital. He holds a bachelor degree in e-Commerce from the University Institute of Technology of the Reunion Island and a Masters' degree in Business Administration from University of Poitiers France. Prior joining Evaco Group, Thierry held various IT management positions in various business sectors. With more than 20 years of solid IT background, he will contribute enormously to the digitalization of processes and the migration of local data to the cloud computing.

OTHER STATUTORY DISCLOSURES *(other than already disclosed in the Corporate Governance report)*

Directors

A list of Directors of the Company is given on pages 8.

Directors' Service Contracts

The Executive Directors are remunerated by Evaco Ltd without an expiry to their contracts.

Indemnity Insurance

The Company has contracted a Directors and Officers insurance for the Company and its subsidiaries.

Directors' Share Interest

The interests of the Directors in the securities of the Company as at June 30, 2022 are disclosed at page 20.

Auditors' Remuneration

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

	2022 Rs'000	2021 Rs'000
Audit fees	1,986	2,180
Tax services fees	416	165
Other services	515	300

Statement of Directors' Responsibilities in respect of the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at June 30, 2022, the statement of comprehensive income, the statement of changes in equity, and statement of cash flows, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

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 estimates that are reasonable in the circumstances.

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

Approved by the Board of Directors on 19 October 2022 and signed on its behalf by:

P.P. Arnaud MAYER
Chairman

R.G. Alexandre GOUREL de SAINT PERN
Chief Executive Officer

STATEMENT
OF COMPLIANCE

STATEMENT OF COMPLIANCE

We, the Directors of Evaco Ltd, confirm that, to the best of our knowledge that the Company throughout the year ended June 30, 2022 adhered generally to the eight principles of the Corporate Governance Code for Mauritius save except for:

Principle 4:

- Board evaluation and development-Appraisal of Directors

  It is expected that the appraisal exercise will be carried out in the next financial year.

- Disclosure in relation to paragraphs (a), and (d) to (i) of subsection (1) of Section 221 of the Companies Act 2001

  Pursuant to Section 221 (4) of the Companies Act, the Board took note of the agreement of the sole shareholder that the report need not comply with paragraphs (a), and (d) to (i) of subsection (1) of Section 221 of the Companies Act 2001.

P.P. Arnaud MAYER
Chairman

R.G. Alexandre GOUREL de SAINT PERN
Chief Executive Officer

19 October 2022

CERTIFICATE OF COMPANY
SECRETARY

In our capacity as secretary, we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under Section 166(d) of the Companies Act 2001, for the year ended 30 June 2022.

STANTONS LIMITED
SECRETARY

19 October 2022

RSM (Mauritius)
109 Moka Business Centre
Mount Ory Road, Bon Air
Moka, Mauritius

T +230 4335776
F +230 4335723
E rsm@rsmmu.mu

www.rsmmu.mu

OPINION

We have audited the financial statements of Evaco Ltd and its subsidiaries (together referred to as the "Group") set out on pages 5 to 58, which comprise the consolidated and separate statement of financial position as at 30 June 2022 and the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 30 June 2022, and of their consolidated and separate financial performances and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and the 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and Company in accordance with the *International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, and we have fulfilled our other ethical responsibilities that are relevant to our audit of the consolidated financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Statutory disclosures, the Corporate Governance Report and the Secretary's Certificate. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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. Else, we have nothing to report in this regard.

The total remuneration and benefits for Executive Directors and Non-Executive Directors have been disclosed under Statutory Disclosures on page 1. However, Section 221 (1) (e) of the Mauritius Companies Act 2001 requires disclosure of Directors' remuneration and benefits individually but such disclosure has not been made in the consolidated financial statements. The Group and the Company have therefore not complied with Section 221 (1) (e) of this Act.

OTHER INFORMATION (CONT'D)

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance on pages 2 to 2 (z) and which forms part of these sets of financial statements, the public interest entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated and separate 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/or Company or to cease operations, or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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's 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;

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

USE OF OUR REPORT

This report is made solely to 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, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

Report on other Legal and Regulatory Requirements

Mauritius Companies Act 2001

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 Group and the Company other than in our capacity as auditor and dealings in the ordinary course of business;
- We have obtained all information and explanations we have required; 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

The financial statements of Evaco Ltd for the year ended 30 June 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 December 2021.

RSM
Chartered Accountants
Moka, Mauritius

Ravi Kowlessur, FCCA
Licensed by FRC

Date: 28 October 2022

STATEMENT
OF FINANCIAL POSITION *(JUNE 30, 2022)*

	Notes	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
ASSETS		**Rs'000**	Rs'000	**Rs'000**	Rs'000
Non-current assets					
Property, plant and equipment	5	**434,946**	346,980	**47,354**	45,209
Right-of-use assets	5A	**44,136**	45,906	**74,754**	85,426
Intangible assets	6	**8,449**	9,706	**1,163**	1,513
Investment properties	7	**160,000**	142,800	**-**	-
Investments in subsidiaries	8	**-**	-	**2,738,542**	3,209,354
Investments in associate		**5,000**	-	**5,000**	-
Financial assets at amortised cost	9	**-**	-	**778,026**	736,873
Deferred tax assets	21	**-**	1,985	**-**	-
		652,531	547,377	**3,644,839**	4,078,375
Current assets					
Inventories	10	**1,780,227**	1,319,942	**45,714**	20,621
Trade and other receivables	11	**177,217**	78,564	**-**	-
Contract assets	12	**10,336**	29,221	**-**	-
Financial assets at amortised cost	9	**-**	88,410	**890,336**	505,134
Cash and cash equivalents	14	**52,580**	27,660	**13,675**	10,213
		2,020,360	1,543,797	**949,725**	535,968
Total assets		**2,672,891**	2,091,174	**4,594,564**	4,614,343
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	17	**100,000**	100,000	**100,000**	100,000
Capital contribution		**30,707**	30,707	**30,707**	30,707
Other reserves		**135,725**	72,833	**2,545,659**	3,065,746
Retained earnings		**289,065**	263,470	**385,125**	346,762
Owners' interest		**555,497**	467,010	**3,061,491**	3,543,215
Non-controlling interests		**(44,504)**	(44,016)	**-**	-
Total equity		**510,993**	422,994	**3,061,491**	3,543,215
LIABILITIES					
Non-current liabilities					
Redeemable secured notes	19	**1,108,681**	643,980	**1,108,681**	643,980
Borrowings	15	**137,135**	71,584	**130,000**	64,729
Retirement benefit obligations	20	**13,692**	19,060	**2,058**	8,295
Lease liabilities	5B	**58,171**	44,980	**70,829**	84,694
Deferred tax liabilities	21	**6,642**	-	**-**	-
		1,324,321	779,604	**1,311,568**	801,698
Current liabilities					
Bank overdraft	14	**453,472**	453,561	**99,898**	165,589
Trade and other payables	16	**50,301**	205,532	**36,415**	35,487
Contract liabilities	12	**219,501**	3,051	**-**	-
Current tax payable	13	**15,048**	-	**3,623**	-
Borrowings	15	**93,275**	217,564	**66,624**	57,489
Lease liabilities	5B	**5,980**	8,868	**14,945**	10,865
		837,577	888,576	**221,505**	269,430
Total liabilities		**2,161,898**	1,668,180	**1,533,073**	1,071,128
Total equity and liabilities		**2,672,891**	2,091,174	**4,594,564**	4,614,343

These financial statements have been approved for issue by the Board of Directors on 19 October 2022.

Arnaud Mayer
Chairman

Alexandre Gourel de St Pern
Director

The notes on pages 44 to 86 form an integral part of these financial statements.
Auditor's report on pages 34 to 37.

STATEMENT
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue	2.2/22	**756,884**	434,237	**54,162**	45,469
Cost of sales	23	**(466,335)**	(472,832)	**(8,350)**	(9,917)
Gross profit/(loss)		**290,549**	(38,595)	**45,812**	35,552
Other income	25	**9,520**	1,120	**74,389**	66,052
Other gains/(losses)	26	**4,059**	(4,336)	**7,993**	-
Administrative expenses	27	**(224,165)**	(205,918)	**(70,621)**	(25,750)
Operating profit / (loss)		**79,963**	(247,729)	**57,573**	75,854
Non-recurring items	29	**17,200**	94,111	**-**	(45,438)
Net finance cost	30	**(57,008)**	(58,633)	**(15,587)**	(28,025)
Profit/(Loss) before taxation		**40,155**	(212,251)	**41,986**	2,391
Income tax	13	**(15,048)**	720	**(3,623)**	-
Profit / (Loss) for the year from continuing operations		**25,107**	(211,531)	**38,363**	2,391
Discontinued operations	31	**-**	(9,690)	**-**	-
Profit / (Loss) for the year		**25,107**	(221,221)	**38,363**	2,391
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Changes in fair value of investments	8	**-**	-	**(526,222)**	3,062,695
Changes in fair value of fixed assets	5	**50,993**	-	**(3,422)**	
Remeasurements of post employment Benefit obligations	20	**5,730**	(2,879)	**2,713**	(492)
Items that will not be reclassified to profit or loss:					
Currency translation differences		**5,718**	18,262	**-**	-
Other comprehensive income for the year		**62,441**	15,383	**(520,087)**	3,062,203
Total comprehensive income for the year		**87,548**	(205,838)	**(481,724)**	3,064,594
Profit / (Loss) for the year attributed to:					
Owners of the Company		**25,595**	(195,039)	**38,363**	2,391
Non-controlling interests		**(488)**	(26,182)	**-**	-
		25,107	(221,221)	**38,363**	2,391
Total comprehensive income for the year attributable to:					
Owners of the Company		**88,036**	(179,656)	**(481,724)**	3,064,594
Non-controlling interests		**(488)**	(26,182)	**-**	-
		87,548	(205,838)	**(481,724)**	3,064,594

The notes on pages 44 to 86 form an integral part of these financial statements.
Auditor's report on pages 34 to 37.

	Equity attributable to owners of the Company								
				Other reserves					
THE GROUP	**Stated capital**	**Capital contribution from ultimate shareholder**	**Revaluation reserve**	**Translation reserve**	**Actuarial reserve**	**Retained Earnings**	**Owners' interests**	**Non-controlling interests**	**Total equity**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Balance at July 1, 2021	100,000	30,707	48,367	20,929	3,537	263,470	467,010	(44,016)	422,994
Profit / (Loss) for the year	-	-	-	-	-	25,595	25,595	(488)	25,107
Other comprehensive income for the year	-	-	51,444	5,718	5,730	-	62,892	-	62,892
Balance at June 30, 2022	100,000	30,707	99,811	26,647	9,267	289,065	555,497	(44,504)	510,993
Balance at July 1, 2020	100,000	30,707	48,367	2,667	6,416	458,509	646,666	(17,834)	628,832
Loss for the year	-	-	-	-	-	(195,039)	(195,039)	(26,182)	(221,221)
Other comprehensive income for the year	-	-	-	18,262	(2,879)	-	15,383	-	15,383
Balance at June 30, 2021	100,000	30,707	48,367	20,929	3,537	263,470	467,010	(44,016)	422,994

The notes on pages 44 to 86 form an integral part of these financial statements.
Auditor's report on pages 34 to 37.

THE COMPANY

	Note	Share capital	Capital contribution from ultimate shareholder (note (a))	Retained earnings	Fair value reserve (note (b))	Actuarial reserve	Total equity
		Attributable to owners of the Company					
		Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2022							
At July 1, 2021		100,000	30,707	346,762	3,062,695	3,051	3,543,215
Profit for the year		-	-	38,363	-	-	38,363
Other comprehensive income		-	-	-	(522,800)	2,713	(520,087)
Total comprehensive income for the year		-	-	38,363	(522,800)	2,713	(481,724)
At June 30, 2022		100,000	30,707	385,125	2,539,895	5,764	3,061,491
2021							
At July 1, 2020		100,000	30,707	344,371	-	3,543	478,621
Profit for the year		-	-	2,391	-	-	2,391
Other comprehensive income		-	-	-	3,062,695	(492)	3,062,203
Total comprehensive income for the year		-	-	2,391	3,062,695	(492)	3,064,594
At June 30, 2021		100,000	30,707	346,762	3,062,695	3,051	3,543,215

(a) Capital contribution from ultimate shareholder is interest free and convertible into ordinary shares.

(b) Fair value reserve arises from movement in fair value of investments at year end.

The notes on pages 44 to 86 form an intergral part of these financial statements.

Auditor's report on pages 34 to 37(c).

	Note	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
Cash generated from operations					
Profit/(Loss) for the year from continuining operations		40,155	(212,251)	41,986	2,391
Loss for the year from discontinued operations		-	(9,690)	-	-
Profit/(Loss) before tax		40,155	(221,941)	41,986	2,391
Adjustments for:					
Depreciation on property, plant and equipment	5	19,797	22,299	3,939	3,204
Amortisation of intangible assets	6	2,477	1,075	417	443
Amortisation of right-of-use assets	5A	5,201	10,267	11,352	11,598
Amortisation of capitalised borrowings costs		-	2,979	-	2,979
Assets write offs		-	(7,708)	-	-
Movement in provision for retirement benefit obligations	20	(5,368)	3,849	(6,237)	1,716
Interest income		-	(1,120)	-	-
Interest expense		57,008	58,633	15,587	16,771
Fair value of investment properties	7	(50,993)	(94,111)	-	-
Lease addition		-	-	(680)	-
Exhange differences		-	(63)	-	-
-inventories		(460,285)	(136,496)	(25,094)	7,799
-trade and other receivables		(98,653)	(73,528)	-	-
-trade and other payables		(140,181)	141,104	3,641	17,986
-contract assets		18,885	155,559	-	-
-contract liabilities		216,450	(67,702)	-	-
-financial assets at amortised cost		-	-	(490,590)	61,289
-other financial assets at amortised cost		88,410	(46,321)	-	(174,271)
Cash flows from operations		(307,097)	(253,225)	(445,679)	(48,095)
Interest received		-	1,120	-	-
Interest paid		(57,008)	(58,633)	(15,587)	(16,771)
Tax refunded/(paid)		15,048	(3,312)	-	158
Net cash used in operating activities		(349,057)	(314,049)	(461,267)	(64,708)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(48,921)	(16,482)	(2,663)	(5,134)
Purchase of intangible assets	6	(1,221)	(2,803)	(66)	(1,453)
Purchase of investments in Subsidiaries	8	-	-	-	(159)
Investment in associate		(5,000)	-	(5,000)	-
Proceeds from disposal of assets held for sale		4,621	-	-	-
Net cash used in investing activities		(50,521)	(19,285)	(7,729)	(6,746)
Cash flows from financing activities					
Issue of redeemable secured notes		464,701	-	464,701	-
Net repayment/(proceeds) on loan		(58,739)	92,245	74,406	51,642
Interest paid on lease liabilities		7,795	2,648	352	4,746
Principal paid on lease liabilities		5,112	(13,108)	(1,311)	(15,062)
Net cash flow from financing activities		418,869	81,785	538,148	41,326
Net increase/(decrease) in cash and cash equivalents		19,291	(251,550)	69,153	(30,128)
Movement in cash and cash equivalents					
At July 1,		(425,901)	(192,613)	(155,376)	(125,248)
Increase/(Decrease)		19,291	(251,550)	69,153	(30,128)
Effect of foreign exchange rate		5,718	18,262	-	-
At June 30,	14 (a)	(400,892)	(425,901)	(86,223)	(155,376)

The notes on pages 44 to 86 form an intergral part of these financial statements.

Auditor's report on pages 34 to 37.

1. GENERAL INFORMATION

Evaco Ltd is a public limited liability company incorporated and domiciled in Mauritius. The address of its registered office is Riviere Citron, 20101, Arsenal, Republic of Mauritius.

The main business activities of the Group are:
- Property and real estate development;
- Construction and manufacturing;
- Hospitality and leisure; and
- Operation of restaurant.

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 Evaco 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 consolidated financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except where 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 value;

(ii) investment in susidiaries are stated at fair value; and

(iii) relevant financial assets and financial liabilities are carried at amortised cost

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The principal accounting policies adopted in the preparation of these financial statements are set out below:

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

Interest Rate Benchmark Reform - Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective 01 January 2021) Covid-19-Related Rent Concessions (effective 01 June 2020)
Covid-19-Related Rent Concessions	

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

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 01 January 2022 or later periods, but which the Company has not early adopted.

IFRS 1	First-time Adoption of International Financial Reporting Standards - Annual Improvements to IFRS Standards 2018-2020 (effective 01 January 2022)
IFRS 3	Business combinations - Amendments to Conceptual framework (effective 01 January 2022)
IFRS 9	Financial Instruments - Annual Improvements to IFRS Standards 2018-2020 (effective 01 January 2022)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts-Cost of Fulfilling a Contract (effective 01 January 2022)
IAS 16	Property, plant and equipment - Proceeds before intended use (effective 01 January 2022)
IAS 41	Agriculture - Annual Improvements to IFRS Standards 2018-2020 (effective 01 January 2022)
IFRS 17	Insurance Contracts - Original issue (effective 01 January 2023)
IAS 1	Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent (effective 01 January 2023)
IAS 1	Presentation of Financial Statements - Disclosure of Accounting Policies (effective 01 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (effective 01 January 2023)
IAS 12	Income Taxes (effective 01 January 2023)
IFRS 10	Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (effective 01 January 2023)
IAS 28	Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (effective 01 January 2023)

The directors anticipate that these Standards and Interpretation shall be applied on their effective dates in future periods as applicable. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

2.2 Revenue recognition

(a) Revenue from contracts with customers

(i) Performance obligations and timing of revenue recognition.

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

(ii) Sale of completed property

A property is regarded as sold when the significant risks and rewards have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisified.

(iii) Sale of property under development

Where the property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:

- A contract to construct a property or;
- A contract for the sale of a completed property.

Where the contract is judged to be for the construction of a property, revenue is recognised by measuring progress towards completion of performance obligation based on the output method. The output method includes milestone reached as follows:

15% on reservation;
15% on signature of contract;
5% on completion of foundation;
35% on completion of building structure;
10% on completion of plastering;
10% on completion of internal painting and tiling;
5% on completion of works;
5% on submission of key.

If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which development is taking place is owned by the final customer; and
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when the buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

(iv) Rendering of services

Revenue from rendering of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

(v) Determining the transaction price

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

(vi) 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).
- Dividend income - when the shareholder's right to receive payment is established.
- Lease income arising from operating leases-on a straight-line basis over the lease term.

2.3 Non-recurring items

Non-recurring items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

2.4 Investment properties

Investment properties, held to earn rentals or for 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, as determined annually by external valuers. Changes in fair values are included in profit or loss as part of other income.

2.5 Property, plant and equipment

Freehold land and building are stated at their fair value, based on valuations by external independent valuers. Buildings held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset All other property, plant and equipment are stated at historical cost less 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.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Properties in the course of construction for production, or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method to write off the cost or revalued amounts of the assets, to their residual values over their estimated useful lives as follows:

Buildings - 50 years

Plant, furniture and equipment (except for moulds for kithouse) - 3-5 years

Motor vehicles - 5 years

Freehold land is not depreciated.

Moulds for kithouse are depreciated on the basis of the units produced based on a total of 500 units.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

2.6 Intangible assets

(a) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (3-5 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

(b) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.7) 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 Investments in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of 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 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 value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liabilities 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 interests 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 the 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.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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 receivables, other financial assets at amortised cost, and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and - for the purpose of the statement of cash flows - bank overdrafts.

(ii) Fair value through other comprehensive income

The Company has a number of strategic investments in unlisted entities. For those investments, the Directors have made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as they consider this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

2.9 Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings, redeemable secured notes and other loans 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 payable while the liability is outstanding.

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.

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 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation but 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. Any 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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 amounts will be available against which deductible temporary differences and losses 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, unles 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 embodies in the investment property over time, rather than through sale.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

When inventories are sold, the carrying amount of those inventories are recognised as cost of sales in the period in which the related revenue is recognised.

Land acquired for development are initially recognised at cost as 'Inventory Property held for development' and are subsequently measured at the lower of cost and net realisable value.

Inventory property held for sale and in progress' comprise of cost of land, construction costs and other real estated which are either completed or still in progess.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date less the estimated cost to sell.

Units of real estates completed are recognised at cost as 'Inventory property held for sale' and are subsequently measured at the lower of cost and net realisable value. The cost of units sold recognised as cost of sales in profit or loss is determined with reference to the specific costs of the unit of real estate sold and an allocation of non-specific costs based on the unit sold over the total saleable units.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date less the estimated cost to sell.

2.13 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.

2.14 Leases

In 2019, leases were classified as finance leases where the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Finance leases were capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were charged to profit or loss unless they were attributable to qualifying assets in which case, they were capitalised in accordance with the policy on borrowing costs (see note 2.15).

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From July 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Group obtains substantially all the economic benefits from use of the asset; and

(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

  Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting for leases - where Company is the lessor

Lease income from leases where the Group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining the lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting IFRS 16.

2.15 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.

2.16 Retirement benefit obligations

Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit period.

Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding

interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising of current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

2.17 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).

2.18 Dividend distribution

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

2.19 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using Mauritian rupees, except for Evasio SAS and Evaco Property d.o.o which are measured using Euro, 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 Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date 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 hedge.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains or 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 rates 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.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position, except for investment property in Evaco Property d.o.o which is presented at the transaction date;

(b) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which case income and expenses are translated at the date of the transactions) and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.20 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.

2.21 Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

• Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

• Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as land and buildings and investment properties, and for non-recurring measurement, such as assets held for sale in discontinued operations. Management is comprised of the Chief Finance Executive and Chief Finance Officers.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is determined annually by Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.22 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

(i) Interests in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities exposed it to a variety of financial risks: market risk (including currency risk, cash flow interest risk and fair value interest rate risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. Treasury identifies, evaluates and hedges financial risks in close cooperation with the operating units. The Risk Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relates to the Group's operating activities (where revenue or expense is denominated in foreign currency).

Foreign currency sensitivity	THE GROUP		THE COMPANY	
The currency profile is as follows:	**Financial assets**	**Financial liabilities**	**Financial assets**	**Financial liabilities**
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
MUR	**204,238**	**2,126,518**	**1,460,630**	**1,431,117**
EUR	**23,418**	**-**	**220,998**	**-**
USD	**12,478**	**-**	**291**	**-**
	240,134	**2,126,518**	**1,681,919**	**1,431,117**
2021				
MUR	216,395	1,436,004	1,077,320	994,369
EUR	5,240	73,179	179,885	-
GBP	-	2,532	-	-
USD	258	115,243	100	63,336
	221,893	1,626,958	1,257,305	1,057,705

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in EUR and USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity (cont'd)

	THE GROUP			
	2022		2021	
	Change in rate	**Impact on post-tax loss**	Change in rate	Impact on post-tax loss
		Rs'000		Rs'000
EUR	+5%	**1,171**	+5%	(3,385)
USD	+5%	**624**	+5%	(5,721)
GBP	+5%	-	+5%	(148)

	THE COMPANY			
	2022		2021	
	Change in rate	Impact on post-tax loss	Change in rate	Impact on post-tax loss
		Rs'000		Rs'000
EUR	+5%	**11,050**	+5%	(8,986)
USD	+5%	**(15)**	+5%	(3,166)

(ii) Cash flow and fair value interest rate risk

The Group has no significant interest bearing assets and as such its income and operating cash flows are substantially independent of changes in market interest rate.

The Group's interest-rate risk arises from 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 Group is mainly exposed to cash flow interest rate risk as its borrowings are mostly issued at variable rates, with the exception of finance lease at fixed rates.

At June 30, 2020, if interest rates on rupee-denominated variable rate borrowings had been 50 basis points higher/lower with all other variables held constant, results for the year would have changed as shown in the table below:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	+/-	+/-	+/-	+/-
	Rs'000	Rs'000	**Rs'000**	Rs'000
Impact on results for the year	**4,033**	2,718	**3,162**	1,954

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) Credit risk (cont'd)

The amounts presented in the statement of financial position are net of expected credit losses, estimated by management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk with exposure spread over a large number of customers and agents. The Group has policies in place to ensure that sales of product are made to customers with appropriate credit history.

(c) 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 includes 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 and does not foresee any major liquidity risk over the next two years.

Forecasted liquidity reserve as at June 30, 2022 is:

	THE GROUP	**THE COMPANY**
	Rs'000	**Rs'000**
Opening balance for the period	(425,901)	**(155,376)**
Cash from/(used in) operating activities	(349,059)	**(461,266)**
Cash used in investing activities	(50,521)	**(7,729)**
Cash from financing activities	424,589	**538,148**
Closing balance for the period	(400,892)	**86,223**

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

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2022				
Trade and other payables	**50,301**	**-**	**-**	**50,301**
Loans payable	**93,275**	**55,478**	**81,657**	**230,410**
Bank overdraft	**453,472**	**-**	**-**	**453,472**
Bonds	**-**	**-**	**1,108,681**	**1,108,681**
Lease liabilities	**5,980**	**4,667**	**53,504**	**64,151**
At June 30, 2021				
Trade and other payables	205,532	-	-	205,532
Loans payable	217,564	67,137	4,447	289,148
Bank overdraft	453,561	-	-	453,561
Bonds	-	-	643,980	643,980
Lease liabilities	8,868	44,980	-	53,848

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
THE COMPANY	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2022				
Trade and other payables	**40,039**	**-**	**-**	**40,039**
Loans payable	**66,624**	**54,403**	**75,597**	**196,624**
Bank overdraft	**99,898**	**-**	**-**	**99,898**
Bonds	**-**	**-**	**1,108,681**	**1,108,681**
Lease liabilities	**14,946**	**15,642**	**55,184**	**85,772**
At June 30, 2021				
Trade and other payables	35,487	-	-	35,487
Loans payable	57,489	64,729	-	122,218
Bank overdraft	165,589	-	-	165,589
Bonds	-	-	643,980	643,980
Lease liabilities	10,865	84,694	-	95,559

3.2 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

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

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt over adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, non-controlling interests, retained earnings, revaluation surplus and other reserves) other than amounts recognised in equity relating to cash flow hedges.

The debt-to-adjusted capital ratios at June 30, 2022 and June 30, 2021 were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**453,472**	453,561	**99,898**	165,589
Loans payable	**230,410**	289,148	**196,624**	122,218
Redeemable secured notes	**1,108,681**	643,980	**1,108,681**	643,980
Lease liabilities	**64,151**	53,848	**85,772**	95,559
Total debt	**1,856,714**	1,440,537	**1,490,975**	1,027,346
Less: cash and cash equivalents	**(52,580)**	(27,660)	**(13,675)**	(10,213)
Net debt	**1,804,134**	1,412,877	**1,477,300**	1,017,133

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Capital risk management (cont'd)

The debt-to-adjusted capital ratios at June 30, 2022 and June 30, 2021 were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Owners' interest	**555,497**	467,010	**3,061,487**	3,543,215
Debt-to-adjusted capital ratio	**3.25**	3.03	**0.48**	0.29

The increase in group's gearing is mainly attributable to the ongoing long term projects financed at competitive interest rates.

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 mainly of 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.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expetations 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.

(i) Depreciation policies

Property, 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 would currently obtain from the disposal of the asset if the asset was 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 their best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(ii) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on currrent market conditions. Additional information is disclosed in note 20.

(iii) 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.

(iv) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the 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.

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

4.1 Critical accounting estimates and assumptions (cont'd)

(vi) 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.

(vii) Impact of COVID-19

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these financial statements. The Group has developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at June 30, 2022 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions may be different from these forecasts since anticipated events may not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates particularly impacted by these associated uncertainties are predominantly related to the recoverable amount assessments of non-financial assets and expected credit losses of trade receivables.

5. PROPERTY, PLANT & EQUIPMENT

THE GROUP	Freehold land and buildings	Plant, furniture and equipment	Motor vehicles	Total
(a) 2022	Rs'000	Rs'000	Rs'000	Rs'000
COST/REVALUATION				
At July 1, 2021	293,380	153,185	49,932	496,497
Additions	1,900	14,155	10,196	26,251
Revaluation	74,826	-	-	74,826
Disposal	-	(2,462)	(1,544)	(4,006)
Adjustments	5,369	-	-	5,369
Scrap	-	(10,526)	-	(10,526)
Transfers *	-	-	1,858	1,858
At June 30, 2022	375,475	154,352	60,442	590,269
DEPRECIATION				
At July 1, 2021	26,407	83,551	39,559	149,517
Charge for the year	2,048	14,629	3,120	19,797
Disposal	-	(1,668)	(1,544)	(3,212)
Adjustments	-	216	10	226
Scrap	-	(12,182)	-	(12,182)
Transfers *	-	-	1,177	1,177
At June 30, 2022	28,455	84,546	42,322	155,323
NET BOOK VALUE				
At June 30, 2022	347,020	69,806	18,120	434,946

* There has been no reclassification from Property, plant and equipment to Investment properties for the group during the financial year 2022. (2021:Rs'000. 4,410)

	Freehold land and buildings	Plant, furniture and equipment	Motor vehicles	Total
(b) 2021	Rs'000	Rs'000	Rs'000	Rs'000
COST/REVALUATION				
At July 1, 2020	289,423	128,787	38,413	456,623
Additions	3,951	18,295	949	23,195
Transfers *	6	6,040	10,570	16,616
Exchange Differences	-	63	-	63
At June 30, 2021	293,380	153,185	49,932	496,497
DEPRECIATION				
At July 1, 2020	19,666	68,750	29,280	117,696
Charge for the year	6,741	13,492	2,066	22,299
Transfers *	-	1,309	8,213	9,522
At June 30, 2021	26,407	83,551	39,559	149,517
NET BOOK VALUE				
At June 30, 2021	266,973	69,634	10,373	346,980

5. PROPERTY, PLANT & EQUIPMENT (CONT'D)

THE COMPANY	Freehold land and buildings	Plant, furniture and equipment	Motor vehicles	Total
(a) 2022	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 1, 2021	32,931	19,381	16,037	68,349
Additions	4,322	1,738	24	6,084
At June 30, 2022	37,253	21,119	16,061	74,433
DEPRECIATION				
At July 1, 2021	967	7,138	15,035	23,140
Charge for the year	401	3,253	285	3,939
At June 30, 2022	1,368	10,391	15,320	27,079
NET BOOK VALUE				
At June 30, 2022	35,885	10,728	741	47,354
(b) 2021				
COST				
At July 1, 2020	32,772	8,017	15,363	56,152
Additions	159	11,367	671	12,197
At June 30, 2021	32,931	19,384	16,034	68,349
DEPRECIATION				
At July 1, 2020	569	4,570	14,797	19,936
Charge for the year	398	2,568	238	3,204
At June 30, 2021	967	7,138	15,035	23,140
NET BOOK VALUE				
At June 30, 2021	31,964	12,246	999	45,209

(c) Bank loans (note 15) and bank overdraft (note 14) are secured by floating charges on the asset of the Group, including property, plant and equipment.

(d) Depreciation expense has been charged as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Cost of sales	2,648	3,304	-	-
Administrative expenses	13,902	18,995	3,939	3,204
	16,550	22,299	3,939	3,204

The Group's freehold land and building were last revalued by an independent valuer, P. Ramrekha, on June 30, 2019, based on open market value.

(e) The revaluation surplus was credited to revaluation reserve in owner's equity.

(f) If the freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	THE GROUP		THE GROUP	
	Freehold land		Freehold building	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost	**13,205**	13,205	**201,092**	160,666
Accumulated depreciation	**-**	-	**(18,864)**	(16,067)
Net book value	**13,205**	13,205	**182,228**	144,599

	2022	2021
(g) **THE GROUP**	**Rs'000**	Rs'000
FAIR VALUE	**Level 3**	Level 3
Freehold land	**36,000**	28,000
Building	**234,000**	244,204
At June 30,	**270,000**	272,204

(h) The fair value of land and building is classified in level 3 of the fair value hierarchy as it had been valued using observable market date but there is no active market.

The fair value of the freehold land was derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

	2022	2021
Significant unobservable valuation input:	**Rs'000**	Rs'000
Price per square metre	**25**	25

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

There has been no change to the valuation technique during the year.

5A. RIGHT-OF-USE-ASSETS

THE GROUP	Leasehold land	Motor vehicles	Equipment & buildings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2020	44,651	2,043	-	46,694
Additions	12,490	2,548	-	15,038
Transfer to Property, plant and equipment	(2,684)	-	-	(2,684)
Termination	(2,950)	-	-	(2,950)
Adjustment	75	-	-	75
Amortisation	(9,234)	(1,033)	-	(10,267)
At 30 June 2021	42,348	3,558	-	45,906
Additions	-	-	4,046	4,046
Termination	(9,998)	-	-	(9,998)
Adjustment	-	-	9,383	9,383
Amortisation	-	-	(5,201)	(5,201)
At 30 June 2022	**32,350**	**3,558**	**8,228**	**44,136**

5A. RIGHT-OF-USE-ASSETS (CONTINUED)

	Motor vehicles	Land & buildings	Total
	Rs'000	Rs'000	Rs'000
THE COMPANY			
At 1 July 2020	2,043	54,409	56,452
Additions	2,548	36,659	39,207
Amortisation	(1,033)	(9,200)	(10,233)
At 30 June 2021	3,558	81,868	85,426
Amortisation	-	(11,352)	(11,352)
At 30 June 2022	**3,558**	**71,196**	**74,754**

5B. LEASE LIABILITES

	Leasehold land	Motor vehicles	Equipment & buildings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP				
At July 1, 2020	46,445	6,695	-	53,140
Additions	13,123	8,628	-	21,751
Interest expense	1,984	664	-	2,648
Lease payments	(8,158)	(4,950)	-	(13,108)
Termination	(11,088)	-	-	(11,088)
Reassessment	505	-	-	505
At June 30, 2021	42,811	11,037	-	53,848
Interest expense	-	353	23,474	23,826
Additions	-	-	1,489	1,489
Lease payments	(12,394)	(1,311)	(28,917)	(42,622)
Reassessment	-	-	27,610	27,610
At 30 June 2022	**30,417**	**10,079**	**23,656**	**64,151**

	Motor vehicles	Equipment & buildings	Total
	Rs'000	Rs'000	Rs'000
THE COMPANY			
At July 1, 2020	2,244	55,997	58,241
Additions	8,628	39,007	47,635
Interest expense	480	4,421	4,901
Lease payments	(2,731)	(12,486)	(15,217)
At June 30, 2021	8,621	86,939	95,560
Interest expense	353	3,903	4,256
Lease payments	(1,311)	(12,731)	(14,042)
At 30 June 2022	**7,663**	**78,111**	**85,774**

5B. LEASE LIABILITES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current	**5,980**	8,868	**14,945**	10,865
Non current	**58,171**	44,980	**70,829**	84,695
	64,151	53,848	**85,774**	95,560

(a) Nature of leasing activities (in the capacity as lessee)

The Group leases land and builiding. It is customary for lease contracts to provide for payments to increase each year by inflation.

The Group also leases motor vehicles, which comprise only fixed payments over the lease terms.

(b) Fixed/variable lease payments

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

At June 30, 2022	Lease Contracts Number	Fixed payments	Variable payments	Sensitivity
THE GROUP		%	%	Rs.
Building lease	5	100%	-	N/a
Vehicle lease	16	100%	-	N/a

At June 30, 2021	Lease Contracts Number	Fixed payments	Variable payments	Sensitivity
THE GROUP		%	%	Rs.
Building lease	6	100%	–	N/A
Vehicle lease	17	100%	–	N/A

At June 30, 2022	Lease Contracts Number	Fixed payments	Variable payments	Sensitivity
THE COMPANY		%	%	Rs.
Building lease	1	100%	-	N/a
Vehicle lease	8	100%	-	N/a

At June 30, 2021	Lease Contracts Number	Fixed payments	Variable payments	Sensitivity
THE COMPANY		%	%	Rs.
Building lease	1	100%	-	N/A
Vehicle lease	9	100%	-	N/A

(c) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(d)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense (included in finance cost)	**7,082**	6,594	**-**	4,901

6. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY
	Goodwill on consolidation	Computer software	Total	Computer software
(a) **2022**	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 1 , 2021	4,898	9,011	13,909	2,293
Additions	-	1,220	1,220	115
At June 30,2022	**4,898**	**10,231**	**15,129**	**2,408**
AMORTISATION				
At July 1	-	4,203	4,203	828
Charge for the year	-	2,477	2,477	417
At June 30, 2022	**-**	**6,680**	**6,680**	**1,245**
NET BOOK VALUE				
At June 30, 2022	**4,898**	**3,551**	**8,449**	**1,163**

	THE GROUP			THE COMPANY
	Goodwill on consolidation	Computer software	Total	Computer software
(b) **2021**	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 1 , 2020	4,898	6,208	11,106	840
Additions	-	2,803	2,803	1,453
At June 30,2021	**4,898**	**9,011**	**13,909**	**2,293**
AMORTISATION				
At July 1, 2020	-	3,128	3,128	337
Charge for the year	-	1,075	1,075	443
At June 30, 2021	**-**	**4,203**	**4,203**	**780**
NET BOOK VALUE				
At June 30, 2021	**4,898**	**4,808**	**9,706**	**1,513**

(c) The amortisation for the year has been recognised under administrative and selling expenses for both the group and the company.

(d) 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.

Cash-generating unit	Allocation of goodwill	
	2022	2021
	Rs'000	Rs'000
Histia Services Ltd	**4,898**	4,898

7. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Transfer from / (to) Property, plant and equipment	**142,800**	48,689	**-**	-
Increase in fair value	**17,200**	94,111	**-**	-
	160,000	142,800	**-**	-

(i) Land and Buildings in Fairstone were transferred from Property Plant & Equipment to Investment Properties during the financial year 2022 and was fair valued on 31st July 2021 by Mr P. Ramrekha, MSc. FRICS CSK using the sales comparison method.

8. INVESTMENTS IN SUBSIDIARY COMPANIES - FAIR VALUE

	THE COMPANY	
	Level 3	
	2022	2021
(a)	**Rs'000**	Rs'000
Fair value		
At July 1,	**3,209,354**	146,500
Increase/(decrease) in fair value	**-**	3,062,695
Additions	**55,410**	159
Changes in fair value of investments (note 29)	**(526,222)**	-
At June 30,	**2,738,542**	3,209,354

8. INVESTMENTS IN SUBSIDIARY COMPANIES - FAIR VALUE (CONT'D)

(b) The list of the subsidiaries, incorporated in the Republic of Mauritius, except for Evasio SAS and Evaco Property d.o.o, are as follows:

Held by the Company	Principal activity	% holding	
		2022	**2021**
Direct			
• Aquamarine Watersports Ltd	Dormant	100	100
• Creative Properties Ltd	Property Development	100	100
• Fairstone Ltd	Construction	100	100
• Histia Services Ltd (formerly known as Evaco Holiday Resorts Ltd)	Hospitality and Leisure	49 *	49 *
• Evajet Ltd	Dormant	100	100
• Evasio SAS (incorporated in Reunion)	Dormant	100	100
• Le Clos du Littoral Ltée	Property Development - Real Estate Scheme	100	100
• Le Clos du Littoral Phase II Ltd	Property Development - Real Estate Scheme	100	100
• Le Clos du Littoral Phase III Ltd	Property Development	100	100
• Le Domaine des Alizées Ltée	Property Development - Real Estate Scheme	100	100
• Les Villas Athenas Ltée	Property Development - Real Estate Scheme	100	100
• WaterSavr Indian Ocean Ltd	Dormant	100	100
• Highlands Hills Properties Ltd	Property Development	100	100
• Innovative Design Engineering and Architecture Ltd	Design and architecture	100	100
• FC Property Ltd	Property Development	100	100
• Fineline Contracting Ltd	Contracting	100	100
• Stantons Ltd	Secretarial support services	100	100
• Evaco Property d.o.o (incorporated in Croatia)	Property Development	100	100
• Mereo Ltd	Procurement Services	100	100
• Secret Holdings	Property Development	100	-
• Intense Experience Ltd	Dormant	100	-
• Evaco Restaurant Holdings	Operation of a restaurant	100	-
• Evaco Property Investment	Property Development	100	-
• Fairstone Support Services	Administrative and support services	100	-

Held by the Company	Principal activity	% holding	
Indirect			
• Archipel des Saveurs Ltd	Dormant	100	100
• Evaco Beach Club Ltd	Operation of a restaurant	100	100
• Evolution Architect Ltd	Architecture	48 *	48

* The Board of Directors of Evaco Ltd has effective control of Histia Services Ltd and Evolution Architect Ltd.

8. INVESTMENTS IN SUBSIDIARY COMPANIES - FAIR VALUE (CONT'D)

(c) Measurement of fair value - Level 3

The discounted cash flows (DCF) method, net asset value and the EBITDA multiple valuation methodologies were used to estimate the fair value of investment in subsidiaries. The DCF valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The EBITDA multiple valuation model considers applying a multiple to the normalised earnings and discounting for risks.

The following tables show the valuation techniques used in measuring Level 3 in the statement of financial position, as well as the significant unobservable inputs used.

2022	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				%	Rs'000
Investment in subsidiaries	DCF	Discount rate	7.08% - 13.70%	+1.45%	2,738,939
				-1.45%	2,738,145
		Growth rate	1.60% - 3.32%	+2.4%	2,739,199
				-2.40%	2,737,885

Some subsidiaries have been valued using the net asset value because either the underlying assets are fair valued (land & buildings (note 5)) or net asset value represents the best estimate of fair value at the measurement date.

(d) Shares of Creative Properties Ltd have been pledged as security for redeemable secured notes (note 19).

(e) The list of the Company's significant subsidiaries is as follows:

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	(Loss)/profit for the year	Total comprehensive income for the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022							
Fairstone Ltd	**386,172**	**321,899**	**627,395**	**5,659**	**380,890**	**(47,501)**	**1,641**
Le Clos du Littoral Phase II Ltd	**71,306**	**-**	**73,960**	**-**	**47,883**	**969**	**969**
2021							
Fairstone Ltd	448,773	269,339	627,936	16,798	337,637	(43,289)	(44,364)
Le Clos du Littoral Phase II Ltd	115,240	4,410	37,960	85,438	212,941	2,038	2,038

9. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP			
	2022		2021	
	Rs'000	**Rs'000**	Rs'000	Rs'000
	Non-current	**Current**	Non-current	Current
Other receivables	-	-	-	88,410
	-	-	-	88,410
Less: Loss allowance for financial assets at amortised cost (note 9(b))	-	-	-	-
	-	-	-	88,410

	THE COMPANY			
	2022		2021	
	Rs'000	**Rs'000**	Rs'000	Rs'000
	Non-current	**Current**	Non-current	Current
Loan to related parties (note 32(a))	**783,223**	**-**	742,069	-
Receivable from related parties (note 32 (a))	**-**	**881,870**	-	497,039
Other receivables	**-**	**10,273**	-	9,902
	783,223	**892,143**	742,069	506,941
Less: Loss allowance for financial assets at amortised cost (note 9(b))	**(5,197)**	**(1,807)**	(5,196)	(1,807)
	778,026	**890,336**	736,873	505,134

(a) *Other receivables*

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(b) *Impairment and risk exposure*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets at amortised cost.

c) *The carrying amounts of the Group's and the Company's financial assets at amortised cost are denominated in the following currencies:*

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
MUR	**-**	-	**778,026**	736,873
	-	-	**778,026**	736,873
Current				
MUR	**-**	88,410	**669,471**	330,234
EUR	**-**	-	**220,865**	174,900
	-	88,410	**890,336**	505,134

(d) *The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.*

10. INVENTORIES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Property held for development	**-**	-	**-**	-
Land	**602,835**	618,453	**-**	-
Works in progress	**1,151,559**	653,251	**45,827**	20,734
Expected credit losses	**-**	-	**(113)**	(113)
Raw materials and consumables	**25,833**	48,238	**-**	-
	1,780,227	1,319,942	**45,714**	20,621

(b) Borrowings are secured by floating charges on the assets of the Group, including inventories (note 15).

11. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**177,448**	78,564	**-**	-
Less: provision for impairment	**(231)**	-	**-**	-
Trade receivables - net	**177,217**	78,564	**-**	-
(a) *Accumulated allowances for credit losses*				
At July 1 and June 30,	**-**	-	**-**	-
(b) *Ageing of net trade receivables not impaired*				
Not later than 3 months	**177,217**	78,564	**-**	-
Later than 3 months	**-**	-	**-**	-
	177,217	78,564	**-**	-

(c) The trade receivables arise from credit facilities offered by the Group in the normal course of business for which the Group does not hold any collateral as securities. Taking into consideration the credit quality of the trade receivables, the Group considers that an allowance for credit losses of Rs'000 nil (2021: Rs'000 nil) is applicable on trade receivables. No additional allowance for credit losses is necessary on trade receivable of later than 3 months (not due or past due).

(d) The carrying amounts of the Group's and the Company's trade receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
MUR	**88,668**	78,564	**-**	-
EUR	**17,094**	-	**-**	-
USD	**71,455**	-	**-**	-
	177,217	78,564	**-**	-

(e) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

12. CONTRACT ASSETS AND (LIABILITIES)

	THE GROUP		THE COMPANY	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	2022	2022	2021	2021
	Rs'000	**Rs'000**	Rs'000	Rs'000
Assets and (liabilities) relating to contract with customers	**10,336**	**(219,501)**	29,221	(3,051)

Impairment of contract assets

To measure the expected credit losses, the contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for contract assets are a reasonable approximation of the loss rates for the contract assets.

13. TAXATION

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
(a) **Statement of financial position**	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At July 1,	**-**	686	**-**	158
Current tax on adjusted profit at 15% (2021: 15%)	**6,023**	100	**3,623**	-
Underprovision in previous year	**9,025**	2,526	**-**	-
Payments during the year	**-**	(3,312)	**-**	**(158)**
At June 30,	**15,048**	-	**3,623**	-

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
(b) **Statement of profit or loss**	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Tax on the adjusted profit for the year	**6,023**	100	**3,623**	-
Deferred tax (note 21)	**-**	(3,346)	**-**	-
Corporate social responsibility at 2% (2021: 2%)	**-**	-	**-**	-
Under provision in previous year	**9,025**	2,526	**-**	-
	15,048	(720)	**3,623**	-

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

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit/(Loss)before tax	**40,155**	(212,251)	**41,985**	2,391
Tax calculated at 15% (2021: 15%)	**6,023**	(31,838)	**3,623**	359
Corporate social responsibility at 2% (2021: 2%)	**-**	-	**-**	-
Other timing differences	**-**	3,345	**-**	-
Expenses not deductible for income tax purposes	**-**	21,564	**-**	7,639
Income not subject to tax	**-**	(16,980)	**-**	(7,500)
Overprovision in previous year	**9,025**	2,526	**-**	-
Utilisation of tax losses	**-**	(18,741)	**-**	(10,516)
Unused tax losses	**-**	40,844	**-**	10,018
Tax charge for the year	**15,048**	720	**3,623**	-

(d) At the end of the reporting year, the Group had unused tax losses of Rs'000 nil (2020: Rs'000 272,296). No deferred tax asset has been recognised in respect of such losses for the Group due to unpredictability of future profit stream.

14. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents and bank overdraft include the following for the purpose of the statement of cash flows.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**52,580**	27,660	**13,675**	10,213
Bank overdrafts	**(453,472)**	(453,561)	**(99,898)**	(165,589)
	(400,892)	(425,901)	**(86,223)**	(155,376)

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(b) Cash and cash equivalents are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
MUR	**(436,788)**	(431,399)	**(86,646)**	(160,461)
EUR	**23,418**	5,240	**132**	4,985
USD	**12,478**	258	**291**	100
	(400,892)	(425,901)	**(86,223)**	(155,376)

(c) Non cash transactions

The principal non cash transactions are the acquisition of property, plant and equipment using finance leases.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Property, plant and equipment (note 5)	**-**	23,195	**1,314**	12,197
Right-of-use-assets (note 5A)	**-**	15,038	**-**	40,572
Acquired under finance lease	**-**	(21,751)	**1,475**	(47,635)
Acquired using own fund	**-**	16,482	**2,789**	5,134

(d) Reconciliation of liabilities arising from financing activities

				Non-cash flows		
	At July 1, 2021	**Acquisition**	**Cash flows**	**Interest expense on lease liabilities**	**Foreign exchange movement**	**At June 30, 2022**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
THE GROUP						
Bank loans	54,769	(345,504)	(58,739)	-	-	(349,474)
Loan payable to third party	234,380	464,701	-	-	-	699,081
Lease liabilities	53,848	2,507	5,113	7,795	-	69,263
Total liabilities from financing activities	342,997	121,704	(53,626)	7,795	-	418,870
THE COMPANY						
Bank loans	3,080	-	63,370	-	-	66,450
Loan payable to third party	119,138	-	11,037	-	-	130,175
Lease liabilities	95,559	-	(959)	11,352	-	105,952
Total liabilities from financing activities	217,777	-	73,448	11,352	-	302,577

					Non-cash flows		
	At July 1, 2020	**Recognised on adoption of IFRS 16**	**Acquisition**	**Cash flows**	**Interest expense on lease liabilities**	**Foreign exchange movement**	**At June 30, 2021**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
THE GROUP							
Bank loans	25,597	-	29,172	-	-	-	**54,769**
Loan payable to third party	171,287	-	63,093	-	-	-	**234,380**
Lease liabilities	53,140	11,168	(13,109)	2,648	-	-	**53,847**
Total liabilities from financing activities	250,024	11,168	79,156	2,648	-	-	**342,996**
THE COMPANY							
Bank loans	4,573	-	-	(1,493)	-	-	**3,080**
Loan payable to third party	59,590	-	-	55,787	-	3,761	**119,138**
Loan payable to subsidiaries	6,394	-	-	(6,394)	-	-	**-**
Lease liabilities	58,241	-	47,636	(15,063)	4,745	-	**95,559**
Total liabilities from financing activities	128,798	-	47,636	32,837	4,745	3,761	**217,777**

(e) The bank loans are secured by floating charges on the Company's or subsidiaries' assets, including property, plant and equipment (note 5) and inventories (note 10). The average interest rate on the bank overdraft is 3.8%. See note 15 (a).

15. BORROWINGS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Bank loans (note 15(a))	**137,135**	8,249	**130,000**	1,393
Loan payable to third party (note 15 (b))	**-**	63,335	**-**	63,336
	137,135	71,584	**130,000**	64,729
Current				
Bank loans (note 15(a))	**82,239**	46,519	**55,588**	1,687
Loan payable to third party (note 15 (b))	**-**	127,554	**-**	12,311
Shareholder's loan (note 15 (d))	**11,036**	43,491	**11,036**	43,491
	93,275	217,564	**66,624**	57,489
Total borrowings	**230,410**	289,148	**196,624**	122,218

(a) Bank loans

The bank loans are secured by floating charges on the Company's or subsidiaries' assets, including property, plant and equipment (note 5) and inventories (note 10). The average interest rate of these loans is 3.8%.

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

	Less than 1 year	1 - 2 years	2 - 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000
The Group				
At June 30, 2022				
Total borrowings	**82,239**	**55,479**	**81,656**	**219,374**
At June 30, 2021				
Total borrowings	**46,519**	**3,802**	**4,447**	**54,768**
The Company				
At June 30, 2022				
Total borrowings	**66,624**	**54,403**	**75,596**	**196,623**
At June 30, 2021				
Total borrowings	**1,687**	**1,393**	**-**	**3,080**

The maturity of non-current bank loans are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
After one year and before two years	**55,479**	3,802	**130,000**	1,393
After two years and before five years	**81,656**	4,447	**-**	-
	137,135	8,249	**130,000**	1,393

(b) Loan payable to third party

The loan from third party bears an interest rate of 2.10% and 5.10% p.a and is unsecured.

The maturity of loans is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Less than one year	**-**	127,554	**-**	12,311
After one year and before two years	**-**	63,335	**-**	63,336
	-	190,889	**-**	75,647

(c) Loan from subsidiary

The loan from subsidiary bears no interest rate. The loan is unsecured and is repayable on demand.

(d) Shareholder's loan

The loan from subsidiary bears no interest rate. The loan is unsecured and is repayable on demand.

(e) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
MUR	**230,410**	110,569	**11,036**	58,882
USD	**-**	63,336	**-**	63,336
EURO	**-**	115,243	**-**	
	230,410	289,148	**11,036**	122,218

(f) The carrying amounts of borrowings are not materially different from the fair value.

16. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) **Trade payables**	**24,362**	16,323	**3,609**	5,331
Provision for claims (note 16 (b))	**26,051**	65,378	**-**	-
Retention payable	**3,040**	11,520	**-**	-
Deposit from customers	**-**	1,475	**-**	-
Accruals and other payables	**(3,152)**	110,836	**16,185**	14,546
Amount payable to subsidiaries (note 32)	**-**	-	**16,621**	15,610
	50,301	205,532	**36,415**	35,487

16. TRADE AND OTHER PAYABLES (CONT'D)

(b) The carrying amounts of the Group's and the Company's trade and other payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
MUR	50,301	193,157	36,415	35,487
GBP	-	2,532	-	-
EURO	-	9,843	-	-
	50,301	205,532	36,415	35,487

(c) The carrying amounts of trade and other payables approximate their fair value.

17. SHARE CAPITAL

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Issued & fully paid				
100,000,000 ordinary shares of no par value	100,000	100,000	100,000	100,000

18. OTHER COMPREHENSIVE INCOME

	Note	Translation reserve	Actuarial gains/(losses)
		Rs'000	Rs'000
THE GROUP			
2022			
Items that will not be reclassified to profit or loss			
Remeasurements of retirement benefit obligations	20	-	5,730
Items that may be reclassified subsiquently to profit or loss			
Currency translation differences		5,718	-
Other comprehensive income for the year		5,718	5,730

Translation reserves
The translation reserve comprises all foreign currency differences arising from the translation fo the financial statements of investments held in companies located abroad.

Actuarial gains/losses
The actuarial gains/(losses) reserve represents the cummulative remeasurement of defined benefit obligation recognised.

18. OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	Translation reserve	Actuarial gains/(losses)
		Rs'000	Rs'000
2021			
Items that will not be reclassified to profit or loss			
Remeasurements of retirement benefit obligations	20	-	(2,879)
Items that may be reclassified subsiquently to profit or loss			
Currency translation differences		18,262	-
Comprehensive income for the year		18,262	(2,879)

	Note	Fair Value reserve	Actuarial gains/(losses)
		Rs'000	Rs'000
THE COMPANY			
2022			
Items that will not be reclassified to profit or loss			
Changes in fair value of investments	8	(526,222)	-
Remeasurements of retirement benefit obligations	20	–	2,713
Other comprehensive income for the year		(526,222)	2,713

Fair value of investments
Fair value reserve arises from movement in fair value of investments at year end.

Actuarial gains/losses
The actuarial gains/(losses) reserve represents the cummulative remeasurement of defined benefit obligation recognised.

	Note	Fair Value reserve	Actuarial gains/(losses)
		Rs'000	Rs'000
2021			
Items that will not be reclassified to profit or loss			
Changes in fair value of investments		3,062,695	-
Remeasurements of retirement benefit obligations	20	–	(492)
Other comprehensive income for the year		3,062,695	(492)

19. REDEEMABLE SECURED NOTES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**643,980**	641,001	**643,980**	641,001
Addition during the year (Note 19 (a))	**472,956**	-	**472,956**	-
Costs associated with issue of bonds (Note 19 (d))	**(8,900)**	-	**(8,900)**	-
Amortisation of capitalised borrowings costs	**645**	2,979	**645**	2,979
At June 30,	**1,108,681**	643,980	**1,108,681**	643,980

(a) On November 19, 2019, the Company listed 5-year redeemable secured floating rates notes to the value of Rs.650 million, on the official market of the Stock Exchange of Mauritius Ltd.
Maturity date: November 26, 2024.
Interest : Repo +2.65 % (2021: Repo +2.65%)
In 2022, the Company listed 5-year redeemable secured fixed rate notes to the value of up to Rs 418,900,000 and 5-year redeemable secured floating rates notes to the value of EUR 1,120,000 on the official market of the Stock Exchange of Mauritius Ltd.
Maturity : date April 2027
Interest : Repo + 5.20%
Interest : Euribor + 4.50%

(b) 650,000 (2020:650,000) five-year redeemable secured notes of Rs.1,000 each.
418,000 (2022:418,000) five year redeemable secured fixed rate notes of Rs 100,000 each.
1,120 (2022:1,120) five year redeemable secured floating rates notes of EUR 2,000 each.

(c) Security:
- The mortgaged land of an extent of 14,570m2 and buildings of an extent of 7,910 m2 situated at Rivière Citron, Solitude, and belonging to Fairstone Ltd, a wholly owned subsidiary.
- The pledged shares of Creative Properties Ltd, a wholly owned subsidiary, which owns an extent of land at Cap Malheureux.

(d) Relates to capitalised borrowing costs which is being amortised over the term of the redeemable secured notes.

20. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Other retirement benefits 20((a)(i))	**13,692**	19,060	**2,058**	8,295

(i) Reconciliation of the present value of obligations:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**19,060**	12,462	**8,295**	6,087
Charged to profit or loss (note 20((a)(ii)))	**500**	3,849	**(3,524)**	1,716
Charged/(credited) to other comprehensive income	**(5,730)**	-	**(2,713)**	-
(note 20((a)(iii)))	**(138)**	2,749	**-**	492
At June 30,	**13,692**	19,060	**2,058**	8,295

(ii) Amount recognised in the statement of profit or loss:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**7,901**	6,305	**2,095**	2,000
Net interest cost	**948**	(2,456)	**392**	173
Past service cost	**(8,349)**	-	**(6,011)**	(457)
	500	3,849	**(3,524)**	1,716

(iii) The amounts recognised in other comprehensive income are:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Liability experience gains	**(5,741)**	(3)	**(2,717)**	(326)
Actuarial losses arising from changes in financial assumptions	**11**	2,752	**4**	818
	(5,730)	2,749	**(2,713)**	492

(iv) The principal assumption used for the purpose of computing the present value of the unfunded retirement benefit obligations :

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Discount rate	**5.30%**	3.20%	**5.30%**	3.20%
Future long term salary increase	**4.20%**	1.50%	**4.20%**	1.50%

(b) The retirement benefit liabilities are determined by an actuary on an annual basis and any gain or loss thereon are then recognised in the financial statements. The lastest actuarial valuation report was as at June 30, 2022.

21. DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method at 17% (2021:17%).

(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 relate to the same fiscal authority on the same entity. The following amounts are shown in the statement of financial position.

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Deferred tax assets	**14,318**	13,890
Deferred tax liabilities	**(20,960)**	(11,905)
	(6,642)	1,985

At the end of the reporting period, the Group had unused tax losses of Rs'000 272,296 available for offset against future profits. A deferred tax asset has been recognised in respect of Rs'000 77,676 of such losses. No deferred tax asset has been recognised in respect of the remaining of Rs'000 194,620 due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

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

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At July 1,	**1,985**	(1,230)
Charged to profit or loss (note 13)	**1,437**	3,346
Credited to other comprehensive income	**(10,064)**	(131)
At June 30	**(6,642)**	1,985

(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:

	At July 1, 2021	(Credited)/ debited to profit and loss	Credited to other comprehensive income	At June 30, 2022
THE GROUP-2022	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Accelerated tax depreciation	(2,592)	1,254	-	**(1,338)**
Revaluation of assets	(6,854)	(2,890)	(9,878)	**(19,622)**
Deferred tax assets		-	-	
Retirement benefit obligations	533	142	(186)	**489**
Tax losses	10,898	2,931	-	**13,829**
Net deferred tax liability/(asset)	1,985	1,437	(10,064)	**(6,642)**

	At July 1, 2020	(Credited)/ debited to profit and loss	Credited to other comprehensive income	At June 30, 2021
THE GROUP-2021	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Accelerated tax depreciation	(3,668)	(1,383)	-	(5,051)
Revaluation of assets	(6,854)	-	-	(6,854)
Deferred tax assets				
Retirement benefit obligations	446	369	(130)	685
Tax losses	8,802	4,403	-	13,205
Net deferred tax asset	(1,274)	3,389	(130)	1,985

22. REVENUE

	THE GROUP		THE COMPANY	
	2022	2021	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) **Revenue is analysed as follows:-**				
Sales of real estates	**611,109**	331,021	**-**	-
Sales of goods	**70,639**	65,038	**-**	-
Commission	**-**	24,524	**-**	-
Provision of services	**35,282**	13,654	**54,162**	45,469
Rental of apartments	**39,854**	-	**-**	-
	756,884	434,237	**54,162**	45,469

(b) Disaggregation of revenue from contracts with customers

Timing of satisfaction of performance obligation and significant payment terms.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At a point in time	**145,775**	103,216	**54,162**	45,469
Over time	**611,109**	331,021	**-**	-
	756,884	434,237	**54,162**	45,469

Real estate completed
Revenue from the sale of real estate completed is recognized when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts in the presence of a public notary.

Real estates in construction over time
Revenue for the construction of real estate for customers over time is recognised in profit or loss when/or as a performance obligation out of the overall contract is satisfied and is the amount of the transaction price that is allocated to that performance obligation.

Sale of goods
Revenue from the sale of goods produced or purchased for resale is recognised in profit or loss when the Group sells the goods (ie on the transfer of control of the goods) based on the consideration to which the Group is entitled to receive net of value added tax on the transfer of control of the promised goods to the customer.

Provision of services at a point in time
Revenue for the provision of services at a point in time is recognised in profit or loss based on the consideration to which the Group is entitled to receive net of value added tax in the accounting period in which the services are provided.

Rental income
Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

23. COST OF SALES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of real estates sold	**259,597**	224,010	**-**	-
Land transfer tax	**2,203**	28,105	**-**	-
Commission payable to real estate agents	**9,294**	24,091	**-**	-
Cost of goods sold	**14,647**	40,783	**-**	-
Cost of services rendered	**27,422**	41,746	**8,350**	9,917
Employee benefit expense (note 24)	**91,521**	89,532	**-**	-
Cost of rental apartments	**34,933**	11,894	**-**	-
Cost of manufacturing	**21,397**	9,367	**-**	-
Depreciation	**5,321**	3,304	**-**	-
	466,335	472,832	**8,350**	9,917

24. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**255,503**	187,676	**32,390**	75,331
Pension costs and social costs	**13,822**	3,830	**(3,524)**	1,537
	269,325	191,506	**28,866**	76,868
Disclosed as follows:				
Administrative and selling expenses	**177,804**	101,974	**28,866**	76,868
Cost of sales	**91,521**	89,532	**-**	-
	269,325	191,506	**28,866**	76,868

25. OTHER INCOME

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	**-**	-	**-**	50,000
Interest income	**-**	1,120	**-**	-
Others	**9,520**	-	**92,250**	16,052
	9,520	1,120	**92,250**	66,052

26. OTHER GAINS/(LOSSES)-NET

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net foreign exchange gains / (losses)	**4,059**	(4,336)	**7,993**	-

Gain and losses on foreign exchange arises on the settlement of transactions in foreign currencies and on the transactions of monetary assets and liabilities denominated in foreign currencies.

27. ADMINISTRATIVE AND SELLING EXPENSES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term employee benefits (note 25)	**177,804**	101,974	**28,866**	76,868
General administrative and selling expenses	**24,777**	73,607	**26,047**	35,213
Depreciation of property, plant and equipment	**19,797**	18,995	**3,939**	3,204
Amortisation of intangible assets	**2,477**	1,075	**417**	443
Amortisation of right-of-use assets	**(692)**	10,267	**11,352**	11,598
Refund of overheads from subsidiaries	**-**	-	**-**	(101,576)
	224,163	205,918	**70,621**	25,750

28. OPERATING PROFIT / (LOSS)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Operating (loss) / profit before taxation is arrived at after:				
charging:				
Depreciation on property, plant and equipment (note 5)	**19,797**	22,299	**3,939**	3,204
Amortisation of intangible assets (note 6)	**2,477**	1,075	**417**	443
Amortisation of right-of-use assets (note 5A)	**(692)**	10,267	**11,352**	11,598
Employee benefit expense (note 25)	**269,325**	191,506	**28,866**	76,868
and crediting:				
Increase in fair value (note 7)	**17,200**	94,111	**-**	-

29. NON-RECURRING ITEMS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in fair value of investment properties (note 7)	**17,200**	94,111	**-**	-
Construction cost overrun	**-**	-	**-**	(45,438)
Changes in fair value of investments (note 8)	**-**	-	**(526,222)**	-
	17,200	94,111	**(526,222)**	(45,438)

30. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
(a) *Interest expense*	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**21,698**	23,991	**9,027**	6,769
Leases	**7,795**	6,594	**4,255**	4,901
Redeemable secured notes	**16,183**	26,735	**16,183**	26,735
Bank loans	**11,332**	648	**3,039**	209
Loan payable to third party	**-**	-	**-**	-
Loan from ultimate shareholder	**-**	665	**945**	665
Recharge of finance costs to subsidiaries	**-**	-	**(17,862)**	(11,254)
	57,008	58,633	**15,587**	28,025

31. DISCONTINUED OPERATIONS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Subsidiary - Le Clos du Littoral Phase III Ltd	**-**	9,690	**-**	-
	-	9,690	**-**	-

32. RELATED PARTY TRANSACTIONS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
(a) *Transactions with related parties*	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Sales of goods & services to				
- subsidiaries	**-**	-	**54,162**	45,469
Recharge of goods & services to				
- subsidiaries	**-**	-	**124,954**	101,576
Receivable from related parties				
- Loan receivable from subsidiaries	**-**	-	**783,223**	742,069
- Other receivable from subsidiaries	**-**	-	**881,870**	497,039
	-	-	**1,665,093**	1,239,108
Payable to related parties				
- subsidiaries	**-**	-	**16,621**	15,610

(b) *Outstanding balances with related parties*

Outstanding balances with related parties are disclosed in the respective notes of the appropriate assets or liabilities.

Amount receivable from related parties arise in the normal course of business and are to be collected within the normal operating business cycle of the business.

There are no impaired trade receivables nor allowance for credit losses from related parties.

Amount payable to related parties arise in the normal course of business and are payable within the normal operating business cycle of the business.

(c) *Compensation of key management personnel of the Company*

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term employee benefits incurred by the Group and the Company	**55,025**	45,773	**24,346**	30,763

33. CONTINGENT LIABILITIES

(a) Evaco Ltd has corporate guarantees for all of its subsidiaries bank facilities and insurance bonds.

34. COMMITMENTS

(a) Capital commitments

There were no capital expenditure contracted for at the end of the reporting period but not yet incurred.

35. ULTIMATE HOLDING ENTITY

The Company is controlled by Société A. Mayer, incorporated in Mauritius which owns 100% of the Company's shares.


EVACO
GROUP