ANNUAL REPORT

2021

EVACO
GROUP

www.evacogroup.com

Content
Annual Report 2021

Who are we?

With 20 years of experience, Evaco Group has evolved from a real estate development company into a Holding and Investment entity. The Group is comprised of a workforce of more than 700 employees while being present in various sectors of the economy: engineering, construction & manufacturing, property development & real estate, consulting & corporate services, and leisure & property management.

FAST-GROWING GROUP

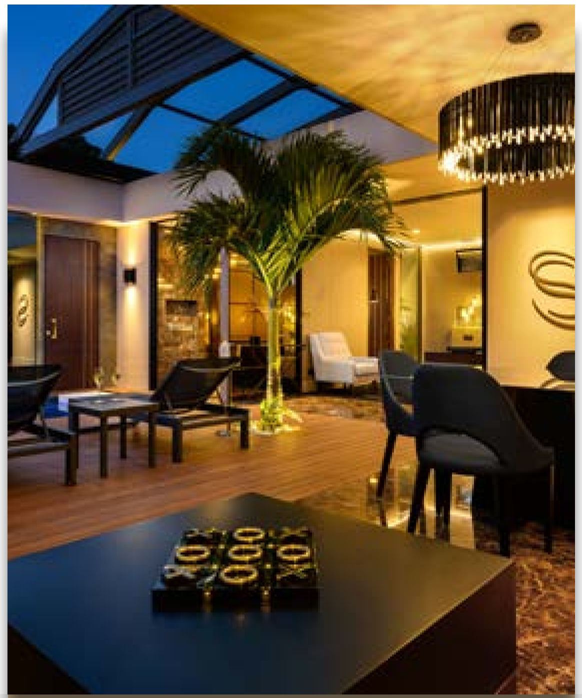
The Group is divided into four core competency clusters: Evaco acts as a catalyst and consultant expert at both local and international levels. Evaco continues its rapid growth by expanding its global footprint and market leadership.

EVACO
CREATIONS

Dedicated to engineering, construction, manufacturing and design.

Sculpted living lines

FairStone Construction
FineLine Contracting
I.D.E.A



EVACO
PROPERTY

Dedicated to the property services and commercialisation of real estate projects.

Estate-of-mind

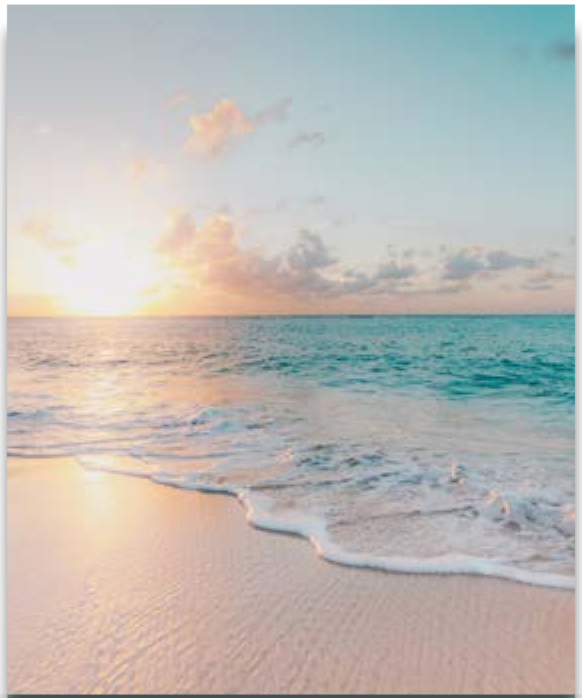
Property Development
Fine & Country
Histia Property Services

EVACO
SOLUTIONS

Specialised in corporate, administrative and legal support services, procurement and logistics services.

Tailor-made services

Stantons
Mereo



EVACO
ESCAPES

Specialised in leisure services.

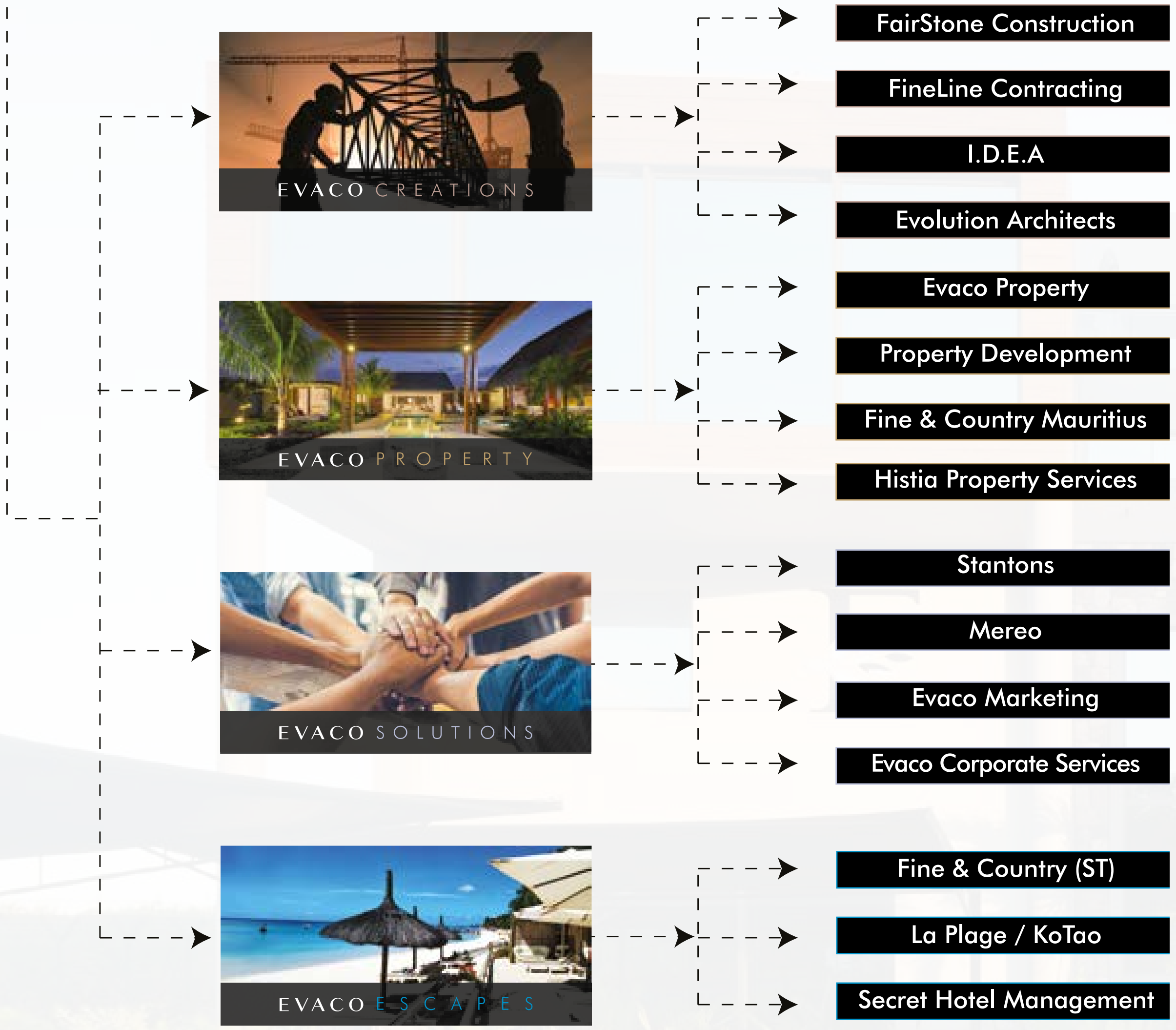
Holidays of a lifetime

La Plage/Ko Tao
Intense Experience
Secret Hotel Management

EVACO STRUCTURE

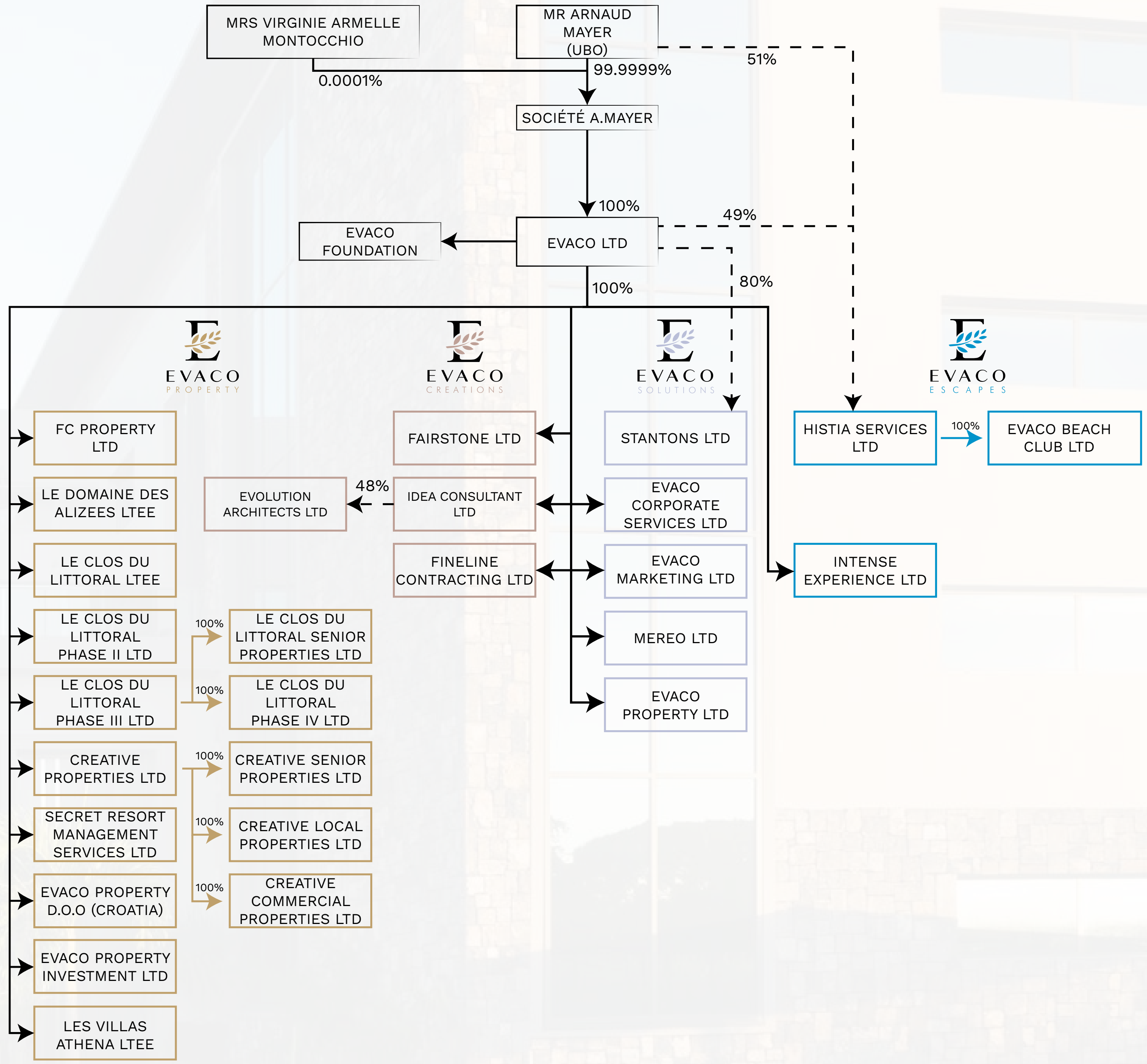
EVACO GROUP

A FAST GROWING GROUP



EVACO GROUP

SHAREHOLDING STRUCTURE

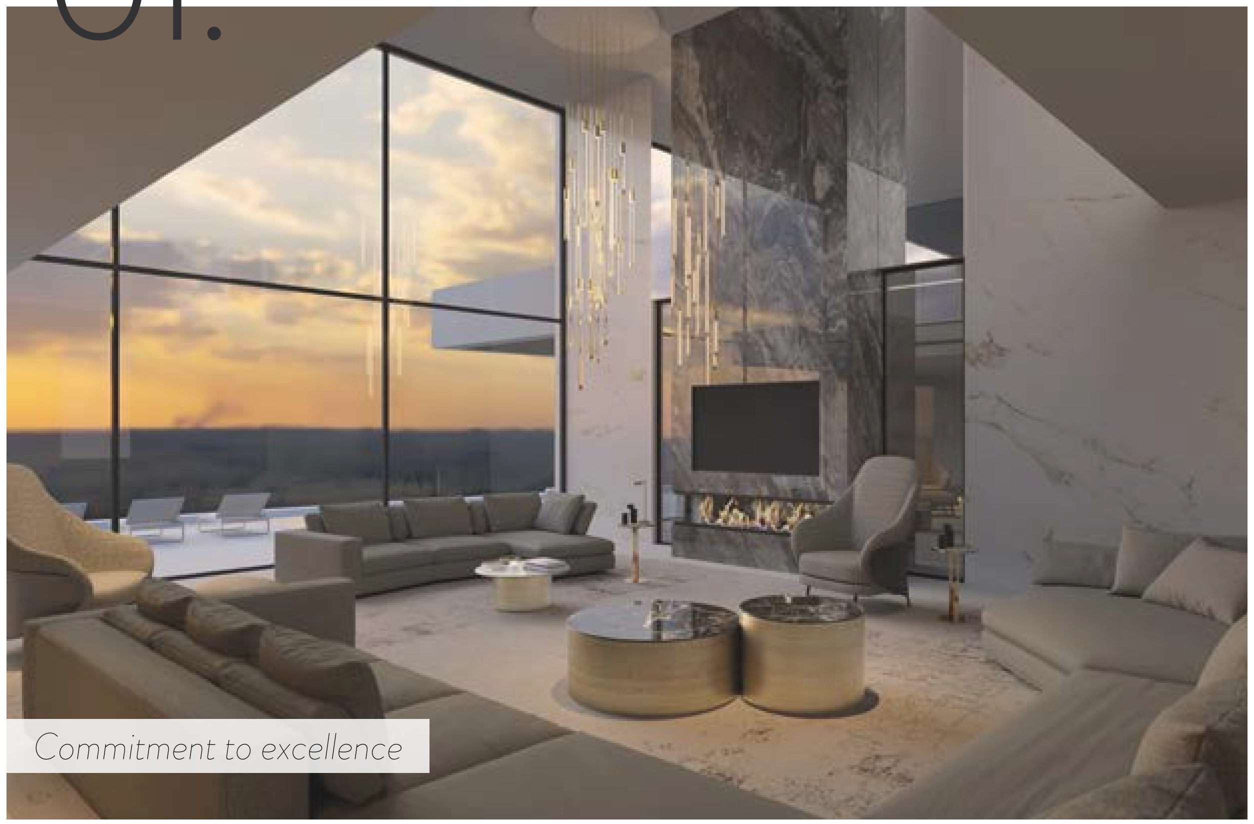


OUR CORE VALUES ARE OUR MISSION

Vision

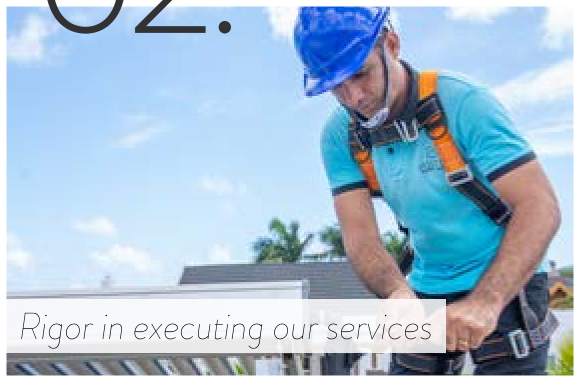
To leave a recognized and noticeable footprint in the industries we operate in, through the creation of unique pioneered concepts, products and services which will be significant gamechangers.

01.



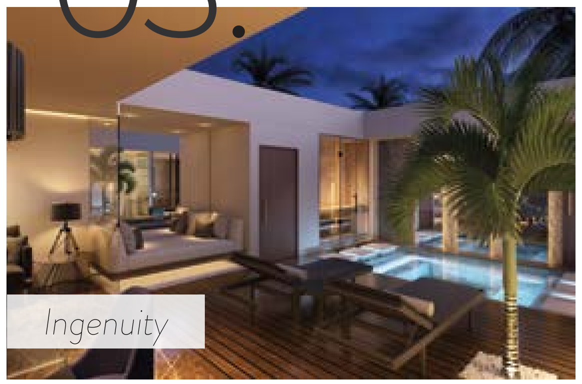
Commitment to excellence

02.



Rigor in executing our services

03.



Ingenuity

04.

Trust

05.

Passion

Good Governance

Evaco Group regards good governance and long-term enhancement of corporate value as fundamental management priorities. We believe that good governance is essential as it provides the infrastructure to improve the quality of decisions that we make. In fact, good quality, ethical decision-making helps us build sustainable approaches while creating long-term value more effectively.

Transparency

There is no commonly agreed definition of transparency, but there is a general consensus that it relates to the right to know and public access to information. In a broad sense, transparency is about how much access to internally-held information citizens are entitled to; the scope, accuracy and timeliness of this information; and what citizens (as «outsiders») can do if «insiders» are not sufficiently forthcoming in providing such access.

Code of Ethics

Our Code of Ethics reflects the applicable laws and previous experience of the group, conforming its applicability to the new challenges pertaining to our growth and expansion. The Codes outline the fundamental ethical rules encompassing our actions and commitment towards our employees, our shareholders and investors, our business partners and suppliers and our customers.

Based on the values that define our identity, the Code of Ethics defines our corporate culture driven by passion, rigor, commitment to excellence, ingenuity and trust. Besides, our Code of Ethics is founded on our mission and values and guides us in our day-to-day activities through principles of conduct.

Our Commitment to Data Protection through GDPR

The General Data Protection Regulation (GDPR) which came into force in 2018 brought radical changes to data privacy laws in the European Union and abroad. As a GLOCAL company, Evaco Group complies with the industry standards for data protection. We create solutions to provide high level of transparency through our actions.

CSR
EVACO FOUNDATION

Supporting initiatives that inspire change

Evaco Group is committed to doing business in an inclusive and sustainable way. As such, it strives to drive positive change across its business towards the development of sustainable communities for an inclusive future.

The Group's strategy to build on its social and relationship capital is driven by its values; trust, passion, rigor, commitment to excellence and ingenuity. Through the last financial year, Evaco Group has invested time, expertise, and financial resources to provide a structure for the administration, management, and allocation of the funds available as the PDS Funds, and the CSR Social Funds. Bringing together its commitment towards the communities and sustainability, Evaco Foundation was thus incorporated.

The four pillars of activities at the cornerstone of the Evaco Foundation are:

Social

Education

Sport

Environment

Amid the pandemic, people living in poverty were hit the hardest by reduced economic activity and mobility. The foundation thus stepped up with active participation from our employees.

Our Education Cluster, in collaboration with the Village Council of Grand Baie, has sponsored 50 students, by gifting each of them school materials. Our Social Cluster worked hand in hand with the Good Shop to collect second-hand clothes, so that they can be upcycled.

For World Environment Day 2021, the Foundation organized a cleaning campaign near the Powder Mills Nature Walk Forest. More than 60 employees participated and more than 1 ton of waste was collected on that day.

On the 20th & 21st of August, the foundation organised a Blood Donation, and in total 160 pints of blood were collected. The sport cluster sponsored l'École de Football de Cap Malheureux by donating two football posts.

Owing to these numerous actions, Evaco Foundation demonstrated proximity and empathy towards its key stakeholders.

EVACO
FOUNDATION

A journey towards integrating sustainability into our operations

OUR APPROACH TO SUSTAINABILTY

Since its foundation in 2001, Evaco Group has been driven by an entrepreneurial and innovative spirit and has been a key economic contributor in Mauritius. Our sustainability approach articulates our commitment to being a responsible organisation. Interestingly, the pandemic brought forward an increased scrutiny on the issue of climate change. There is a growing global concern for climate action. The Group aligns with the Mauritian Government commitment, stated in the 2021/2022 budget, to transition to a cleaner, greener, sustainable, low emission and climate resilient country.

Our approach is to protect our environment by lessening our impact on biodiversity, natural resources, and climate. We have embraced sustainability in our designs and construction methods. We recycle wastewater and utilize grey water for irrigation purposes.

We spend substantial budget on landscaping to provide a cool atmosphere in all gardens and common areas, thus abating negative impacts of our real estate parks on the biodiversity. We collaborated with consultants to monitor our impact on the environment during construction process. The Group also used innovative construction techniques to reduce the use of air conditioning and limit the emission of CO^{2}.

We strive to be transparent and responsible in all our actions. During the year under review, we audited all our processes with respect to global standards.

Moving forward on our sustainability journey, the Group developed bespoke strategies and has made significant progress. This approach relies on factoring inclusive growth that will surely have a positive impact on the planet and people without neglecting our profitability.

This will allow us to create long-term value for our business, our stakeholders, and our planet.

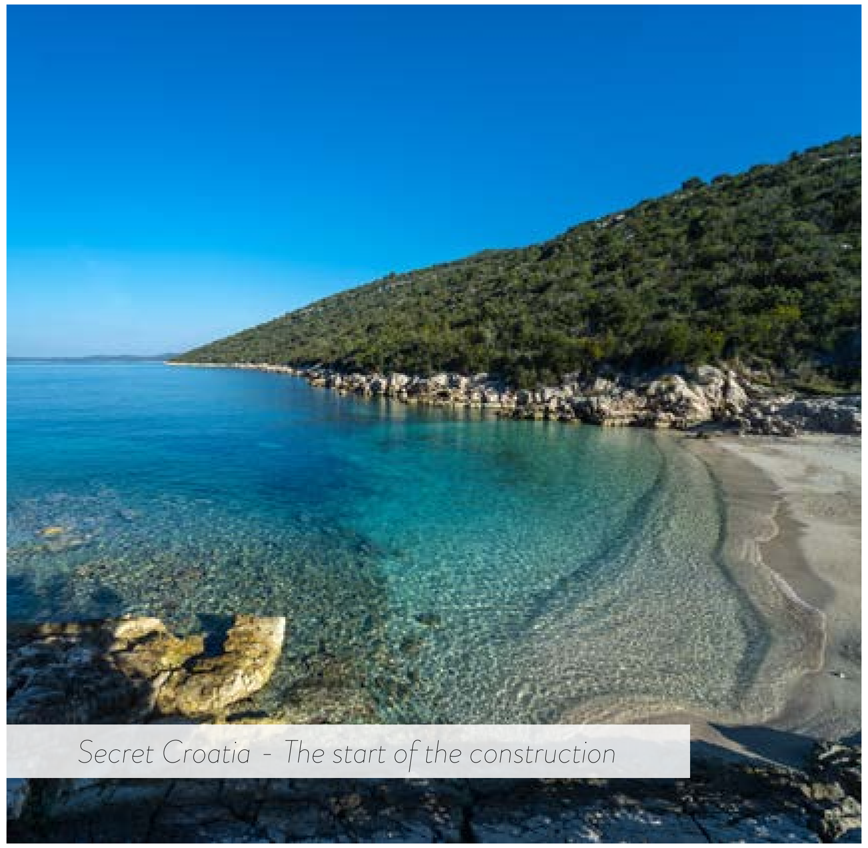
THE YEAR AT A GLANCE

In a time where the COVID-19 pandemic is redefining our life and economy, Evaco Group showed resilience. Our teams demonstrated their agility while overcoming the obstacles to innovate and to seize new development opportunities. In fact, it was crucial for us to accommodate changing priorities and initiate new programs with the start of the construction of Secret Croatia and the groundbreaking ceremony of Cap Marina in September 2020.

Despite the difficulties encountered during the financial year 2020-2021, the execution of our strategic plan also led to new avenues of growth for the Group with the restructuring of some of our services.

Cap Marina groundbreaking ceremony

Cap Marina construction site



Secret Croatia - The start of the construction

THE YEAR AT A GLANCE *(continued)*

In 2021 major milestones were reached with the completion of the Clos du Littoral project and the launch of a new sales office in Cap Malheureux. This year the Group also pursued several initiatives to nurture the work environment with the celebration of International's Women's Day. As part of its commitment to foster inclusive growth, Evaco Foundation partnered with several NGOs to help the underprivileged and protect the environment. These achievements are built on the Group's vision. Our ambition is to grow Evaco Group through purpose-driven teams, investments and operational effectiveness.


Sales Office - Cap Malheureux


International Women's Day 2021


Christmas at Lakaz Lespwar 2020


Completion of Clos du Littoral


Environment Day - Clean-up campaign


Launch of Club Privilege at La Plage by Evaco

MAJOR ACHIEVEMENTS

Property development remains the Group's core business activity. From design to the marketing and sale of properties, the team draws on its unique experience and expertise gained over the years to ensure the delivery of exceptional projects.

2003

GRAND BAIE
BUSINESS PARK

GRAND BAIE BUSINESS PARK

Grand Baie Business Park was launched in 2003. This innovative business centre is comprised of a total of 73 offices, in a charming and friendly environment which also includes a restaurant, fully equipped meeting room, and spa.

71 Offices

MUR 180 Million

OASIS
GRAND BAIE MAURITIUS

OASIS I & II

Located in Grand-Baie, Oasis Villas are the first residential project implemented by Evaco Group.

The complex is comprised of 51 spacious high-end villas which have been constructed in two phases. These villas were built with an enclosed private swimming pool and they are reputed for their innovative architectural design.

51 Villas

MUR 608 Million

2004

2010

ATHENA VILLAS

ATHENA VILLAS

Inspired by the success of the Oasis villas, Evaco Group came up with another innovative residential project: Athena Villas. This property was the first residential complex implemented through the RES scheme. It was finalized and successfully marketed in 2010. Athena comprises of 37 lavishly decorated villas with a swimming pool in each one of them.

37 Villas

MUR 368 Million

2013

Domaine des Alizées

DOMAINE DES ALIZÉES

Domaine des Alizées Club & Spa was launched in July 2013. This high-end residential project and its 5-stars hotel services were honored by a "Best Real Estate Development Award". The residential complex is composed of 90 RES apartments with an enchanting natural setting. They are surrounded with straw kiosks, a spa, a lounge bar and a gym.

90 Apartments

MUR 1 Billion

CLOS DU LITTORAL
GRAND BAIE - ILE MAURICE

2015

CLOS DU LITTORAL I & II

Clos du Littoral sets itself apart with its exclusive features and concept that ensure an unprecedented quality of life and well-being to its residents. Clos du Littoral consists of two phases. The Phase 1 comprises of 63 high-end villas divided into six categories. On the other hand, the Phase 2 features a wide selection of villas, built on plots ranging from 90 m^2 to 1122 m^2.

156 Villas

MUR 3.7 Billion

SECRET
PRIVATE VILLA RESORT

SECRET PRIVATE VILLA RESORT

Secret is based on an innovative concept combining modernity, elegance and contemporary comforts. This residential complex merges the codes of an urban hotel with high-end standard of the hotel industry. It represents a high-tech and automated accommodation with a precise choice of materials that entice areas of conviviality and sharing.

187 Villas

MUR 2.8 Billion

2018

Cap Marina
ILE MAURICE

CAP MARINA

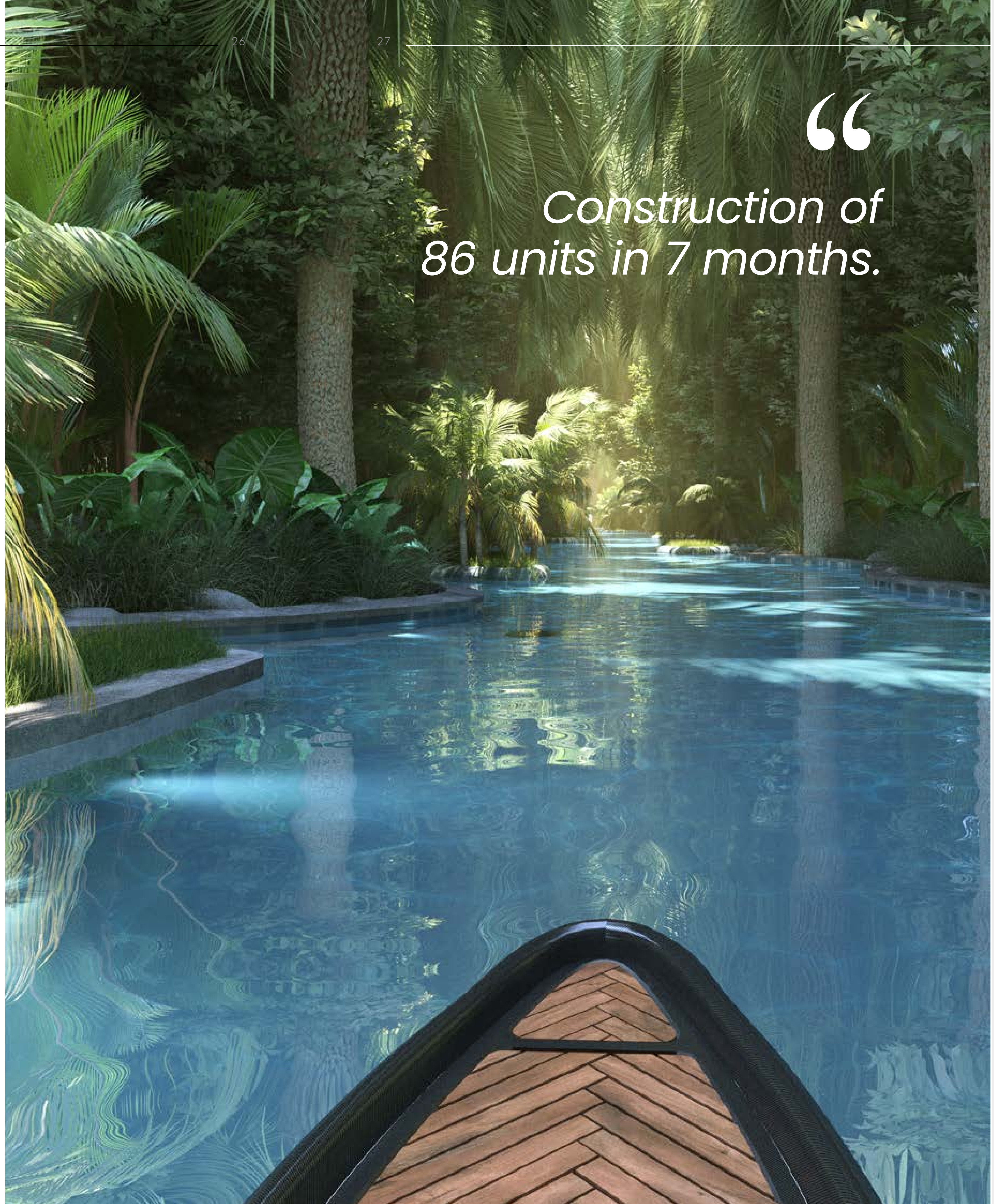
Within an area of more than twenty two hectares, Cap Marina will be steeped in nature. With its exquisite, ultra-modern architecture, the project will offer a variety of properties for Mauritian and foreigners.

Along the pristine seaside shores of the northern coastline of Mauritius, at Cap Malheureux, and against the backdrop of the islet of Coin de Mire, lays Cap Marina, an upscale water village.

Cap Malheureux and its tourist landmark, the church with its emblematic red roof, offer the ideal spot for a prestigious development.

320 Properties

MUR 11.6 Billion



"Construction of 86 units in 7 months.

2019

INTERNATIONAL EXPANSION

AN EXQUISITE COLLECTION OF PRIVATE RESIDENCES ON THE COAST OF THE ADRIATIC SEA .

“

Evaco Group is moving forward with this international project having started work on the infrastructure for the development of Secret Croatia, a high-end residential resort.

Pursuing its global expansion strategy on an international scale in view of establishing itself as a leader in the real estate market, the construction of this secluded oasis is well underway.

The team has taken numerous initiatives to collaborate with the local Croatian government to optimise the long-term value of the project.

The launch of Secret Croatia is planned in a timely manner, prior to the peak touristic season in June 2022.

evaco-secretcroatia.com

CHAIRMAN'S STATEMENT

"Evaco was built over the years thanks to the vision and ambition shared by each of its leaders and employees. Each step we climbed was a battle we won and contributed to forging the rich history of the group.

The 2020/2021 financial year was lost to the pandemic with the closure of borders and lockdowns. In our industry, this is equivalent to a storm. There was not much that could be done other than trying to keep the damages to the lowest and wait for better weather.

It is however in the heart of battles, that the best of us stand out. By dint of courage, perseverance and initiative, our CEO, his leaders and their teams distinguished themselves.

With our two main ongoing projects, Cap Marina in Mauritius and Secret in Croatia the group will see serious improvements in its financial performance as from 2022.

Arnaud Mayer
Founder & Chairman

CEO'S STATEMENT & YEAR UNDER REVIEW

Mauritius has been one of the few countries that has successfully contained the spread of Covid-19, however, this did not come without consequences and the actions have required lockdowns together with the closure of our borders for a major part of the year under review. As such the financial year 2020-2021 has been a difficult one for us, as it has been for many in the country and more specifically for those entities involved in the Hospitality, Construction and Real Estate segments.

Our Group revenue for the year ended 30th of June 2021 amounted to Rs 434.2M which represents a decrease of 45.6% when compared to the prior year (Rs798.0M). Due to the imposed restrictions, we experienced a delay in the signature of the title deeds beyond the 30th of June 2021 for an amount of MUR 369.0 M. On the basis that all the conditions for the effective signature of those title deeds had been met and the corresponding GFA have been duly secured, this revenue will be recognised during our next financial year starting on the 1st of July 2021.

As at June 2021, the Group had already secured the sale of 175 units in the different phases of Cap Marina Project (Mauritius) worth some MUR 3.6Bn.

The Group realised a Loss After Tax of Rs 221.2M for the year compared to Rs 55.5M for the prior year, loss directly linked to the postponement of the title deed signatures. To minimize the financial impact of such postponement, we undertook a lean exercise throughout our entire organization, which saw significant cost-reduction exercises being successfully implemented across all levels of the Group.

A significant change occurred in the manner with which the Group's holding Company reports its investment in its various subsidiaries. The Company now reports such investments at fair value in accordance with IFRS 13. An amount of MUR 3.062Bn has therefore been recorded as a reserve in the books of the Company as Fair Value Gain, thereby reflecting the true value of the Group.

The pandemic has forced many businesses to review their strategies while keeping alive their set strategic objectives and this does require a strong management team and Board having the right experience to respond to these extreme circumstances. Our Group office and operational teams have shown commitment, leadership and resilience. We are indeed privileged to have a great group of people having such a positive outlook while being true innovators & solution providers which enables us to move into the future with renewed confidence. Looking forward, the Group continues to adopt a business-wide approach to sustainability in order to have a more responsive approach to the management of our environmental, social and governance impacts, in view of minimizing our operational and commercial risks.

Although we will continue to incur the impact of the Covid-19 for the foreseeable future, we are optimistic that the situation will only get better as we all adjust to the new normal. We remain confident that we will be able to overcome the challenges which lay ahead and that we shall overachieve our set target for this forthcoming year.

I would like to express my sincere gratitude to our Board of Directors for their continued support and trust, with a special mention to our chairman for his meaningful contribution during these challenging times. My gratitude also extends to each & every of our employees for their individual and collective input as well as to our various financial partners, which have been so supportive while keeping their trust in our Group abilities in delivering our set projects.

With the trust and support of all our stakeholders we continue to grow the business with a solid foundation.

Alexandre de Saint Pern
Group Chief Executive Officer

Engineering, Construction, Manufacturing & Design

Evaco Creations covers all aspects of building design, materials supply and construction. Evaco Creations strives to meet and exceed clients' expectations by remaining on the cutting edge of engineering, construction, manufacturing and design. Evaco Creations cluster is currently comprised of three subsidiary companies, namely FairStone Ltd, FineLine Contracting Ltd and I.D.E.A.

Juan-Pierre de VILLIERS
General Manager, FairStone

FairStone Ltd has been a member of Evaco Group since 2013 and has achieved ground-breaking work in real estate development. Equipped with up-do-date technologies and modern equipment, FairStone is engaged in the construction of the Group's property development projects. Our services include Site Management services, Project Management Services and Quantity Surveyor Services.

OVERVIEW

With the ground-breaking ceremony of the Cap Marina project, the financial year 2020-2021 proved to be a crucial year for FairStone. Despite the ongoing sanitary crisis, the construction site reached several important milestones during the first half of the year. FairStone showed resilience, quickly overcoming delays and setbacks caused by the lockdown with 161 villas already under construction.

Like many other companies FairStone has not been spared the adverse effects of the second lockdown. The rise in the price of materials costs proved to be the crucial component during the past year. We are therefore encouraging a culture of cost-consciousness and efficiency, supported by lean management processes.

This allowed us to set up and build high performance teams to ensure compliance throughout every step of the project. This strategic move helped us ensure our client satisfaction while managing the costs efficiently.

Everyone pulled together to minimize the impact of the crisis and did their utmost to make up for lost time once work on construction sites resumed. Employees' sense of responsibility and dedication to the company were evident throughout the year.

KEYFIGURES

Total N° of Employees : **280**

Sales Turnover = **MUR 337,637**

Nicolas ESPITALIER-NOËL,
General Manager, I.D.E.A

I.D.E.A

EVOLUTION ARCHITECTS

I.D.E.A is an integrated global design subsidiary which is composed of a dynamic team of designers, engineers, and industry experts. IDEA's aim is to create efficient design solutions to tackle the greatest challenges facing our clients and society.

OVERVIEW

The year 2020-2021 was not an easy one for IDEA with the second lockdown, among other things.

Fortunately, usage of Revit and BIM360 have proven very efficient while working from home.

In addition to that, the closing of Mauritian borders has complicated our involvement on the Secret Croatia project. We had to recruit our Croatian sub-consultants team online and their input was useful for achieving the required progress of the concept design by IDEA teams.

In Mauritius, the construction of the Cap Marina project has started. On this project, we are finalizing the design of the commercial building, the infrastructures and the canal. We are also controlling the construction stages from a quality and compliance point of view. The effectiveness remained stable although the Project Management division of IDEA was relocated under the Property cluster of Evaco Group and replaced with a new division of Landscape Architecture.

We are staying on course in growing IDEA into a modern, efficient, customer-centric, and sustainable full-fledge architectural firm. The incorporation of a new subsidiary namely, Evolution Architects translates this ambition. This new endeavour will enable IDEA expand its horizons and externalise its services.

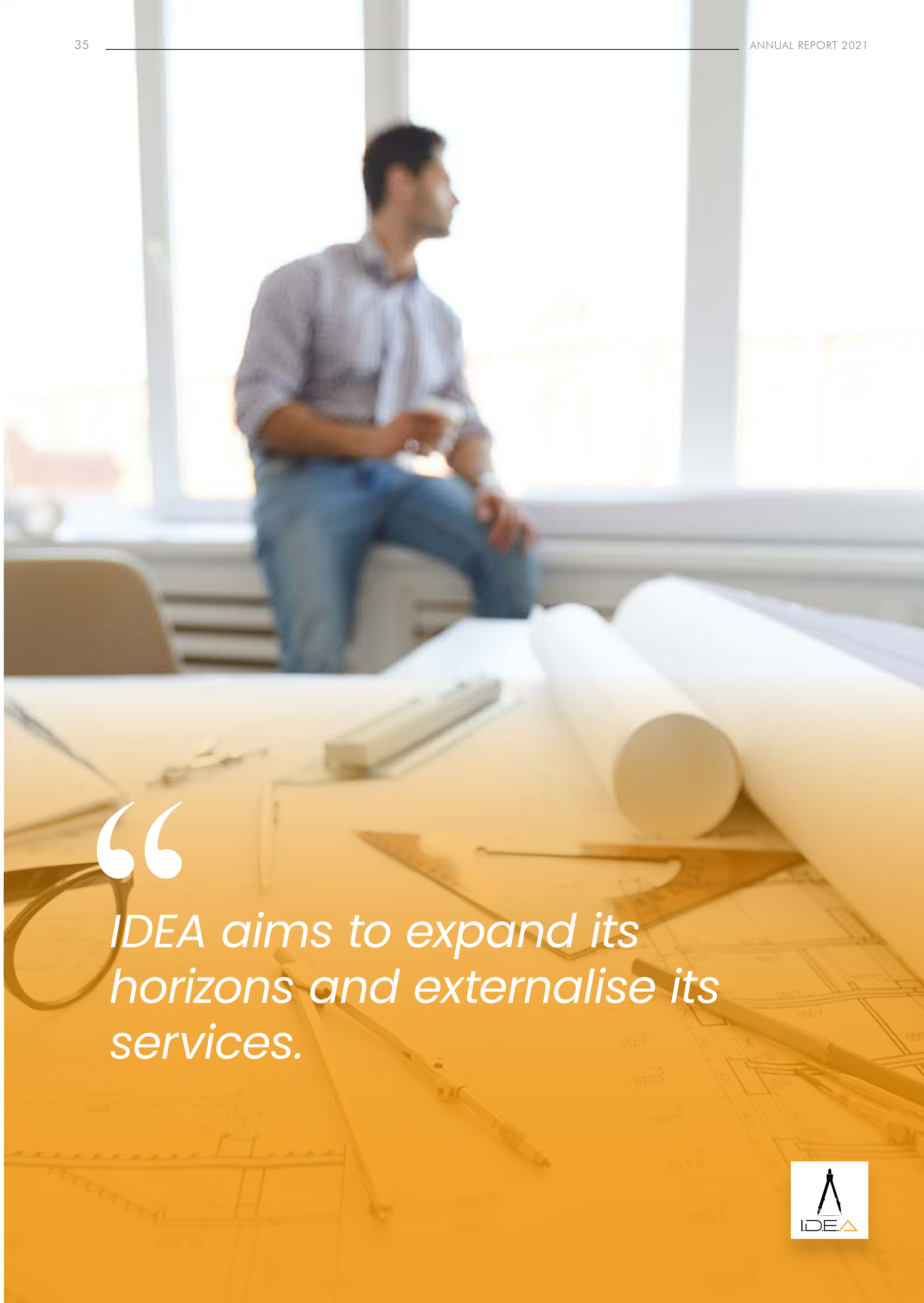
During the next financial year, the focus will be on the new phases of Cap Marina starting by the end of 2021 and the acceleration of Secret Croatia design to apply for urbanistic and building permits.

In this context, additional recruitments are projected for all divisions, including a BIM Manager to keep on improving with 3D modeling.

KEY FIGURES

Total N° of Employees : **31**

Sales Turnover = **MUR 43 M**



"IDEA aims to expand its horizons and externalise its services.

IDEA

Girish JAGARNATH,
General Manager, Fineline

FINELINE CONTRACTING

FineLine Contracting Ltd combines cutting-edge technology with the Group's experience in manufacturing to create breathtaking interiors crafted to the highest standards of quality. Our experts in planning and production, with in-depth knowledge of materials deliver unprecedented precision, limitless creative possibilities and outstanding efficiency levels.

OVERVIEW

The Year 2020-2021 was a year of contrasts for FineLine Contracting Ltd. We performed well within the group projects and kept on thriving on the external markets. Beginning with the Group's Internal projects, results were satisfactory across the board, though due to the pandemic, projects were delayed in certain areas which highly impacted our cash flow. Fulfilment was high, execution margins were satisfactory, and contracting was in a positive trend. We are continuing to work and engineer several areas of activity towards improving, as to become the benchmark in an ever-changing environment.

Clients are becoming more demanding, and this new approach will require us to be ready to adapt to the new needs. As regards to the external market, the year was impacted by numerous difficulties and one of the priorities has been to re-structure the sales team. The contracting world is evolving towards new models. FineLine will surely be capable of repositioning itself in order to continue to compete in this setting, recovering stability and profitability.

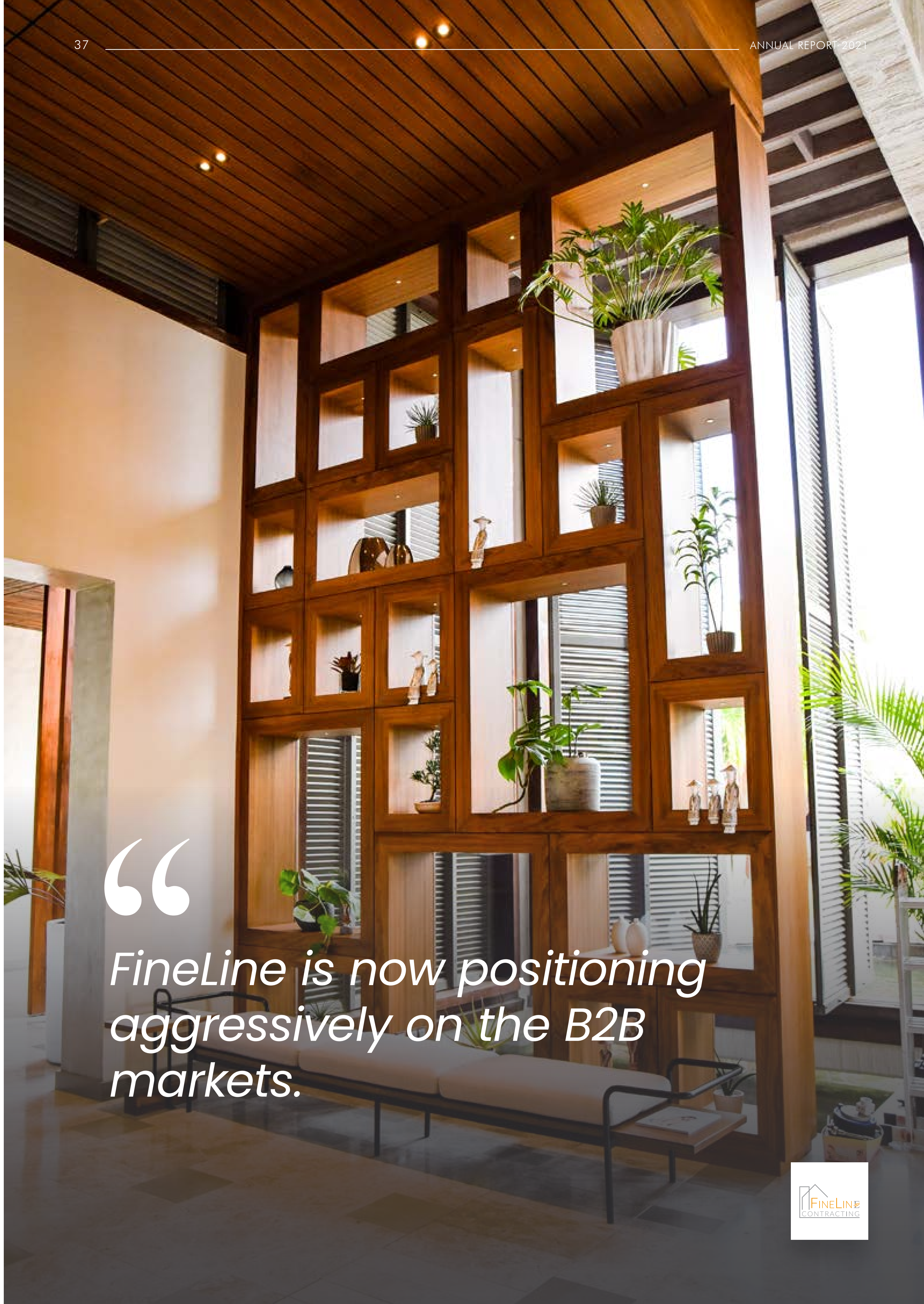
FineLine is now positioning aggressively on the B2B markets and starting tendering for several exciting projects. Delayed projects due to the pandemic are now being confirmed and consolidated in 2021-22. We are growing in those market areas that interest us and we are developing technological capabilities that set us apart by further investing in state-of-the-art machines.

While it is clear that we face demanding challenges, FineLine is more than ready to contend with them. Our technological capabilities, our revamped sales strategy, our transversal nature and the human quality of our people will provide us with the foundation upon which to continue to build solutions that make us a cut above the rest, and will enable us to compete, now and in the future.

KEY FIGURES

Total N° of Employees : **69**

Sales Turnover = **MUR 65 M**



"FineLine is now positioning aggressively on the B2B markets.

Property services & real estate agency

The Evaco Property Cluster is responsible for the development of real estate projects from their inception to their realisation. The high-end residential complexes Athéna, Oasis, Domaine des Alizées, Clos du Littoral, Cap Marina, Secret Private Villa Resort and Secret Croatia are among its recognised developments. Driven by our unique experience, we have developed exceptional projects while advising our customers expertly. The cluster also includes Fine & Country Mauritius full-service real estate agency showcasing a broad spectrum of high-end products. Furthermore, Evaco Property has now extended its cluster with Histia Property Services which is involved in multiservice activities such as property management, cleaning services, maintenance services and the coordination and management of specialist service providers.

Karen Angus
Group Sales & Marketing Director,
Evaco Property

The Evaco Property cluster is responsible for the development of real estate projects from their inception to their realization. The high-end residential complexes Athéna, Oasis, Domaine des Alizées, Clos du Littoral, Secret & Cap Marina are among its recognized developments.

OVERVIEW

Digital tools were already widely present in our business lines, but during the financial year 2020-2021, the entire client relationship went fully digital. The crisis has changed our ways of working. We have assessed the changes in our consumer behaviour while adapting our marketing and sales strategies to the new trends. Given how organisations have been driven to the digital world, our teams experimented with using new tools, methods, and tactics. Internet of things (IoT), 3D imaging, social networks and virtual meetings, are some technologies that changed our operating models. We quickly changed our mindset, re-established and re-evaluated our marketing & sales techniques.

The administrative slowness, lockdowns and restrictions have lengthened the acquisition process by more than 6 months which had an impact on our turnover. However, the interest in real estate investment remains strong and our team managed to achieve their targets allowing Fairstone to start the construction of 86 properties amidst the pandemic and closed borders in this financial year.

Besides, the sector's attractiveness is boosted by the investment schemes (attractive interest rates, credit facilities, and visa premium) instituted by the government.

Finally, a project management team has been created within Evaco Property to have a better view of the overall strategy and operational performance of each property development.

Surprisingly this crisis has strengthened the connection between our team and our clients.

KEY FIGURES

Total N° of Employees : **17**

Sales Turnover = **MUR 356 M**

Bénédicte DUVIVIER,
Branch Manager, Fine & Country Mauritius

FINE & COUNTRY

Fine & Country Mauritius is a full-service real estate agency showcasing a broad spectrum of high-end products. It operates in close collaboration with Fine & Country's head office in London, and with over 300 agencies across the world. The Mauritian branch aims to provide a modern and customer-oriented service that is second to none.

OVERVIEW

The year 2020-2021 under review has proven the resilience and continuous dynamic for Fine & Country Mauritius.

During the year 2020-2021, the focus was to maximise the opportunities for our agency by strengthening our marketing approach through implementation of tools and strategies to adapt to the Covid-19 pandemic and the fact that our borders remained closed to foreigners' clients for months. The aim was to continue to showcase our high-end products and attract potential buyers by keeping their interests until the possibility to visit Mauritius. Through continuous digital campaigns, we have grown our client database regarding the sale and rental of luxury, exclusive and top end properties all over Mauritius. The figures demonstrate the number of long-term rentals which have significantly increased this year by the different strategies such as virtual visits that allowed clients to trust us by confirming their transaction even being abroad. By recruiting a new property consultant as well as new staff members to strengthen our team to ensure high quality service to offer the right expertise to our clients, Fine & Country Mauritius is keeping its growth objective.

The most gratifying result this year was to see our effort being rewarded at the Fine & Country Property Awards 2020 at the Annual Conference as we won the Regional Award Worldwide Category of the International network.

During the year under review, we have greatly exchanged between our different agencies and networks to discuss about challenges and ideas to improve our strategies regarding the worldwide crisis we were facing. Fine & Country Mauritius is now focusing on a new challenge, that is to expand our services towards holidays rentals to offer new options to our valued clients.

We are well set and confident to continue increasing recurring revenues. Having refuelled the business with substantial assets, we are confident of another hard working and busy year ahead.

KEY FIGURES

Total N° of Employees : **8**

Sales Turnover = **MUR 16.3 M**

Karen Angus
Acting General Manager,
Histia Property Services

HISTIA
PROPERTY SERVICES

At Histia, we are extremely passionate about the quality of our work and the professional and thorough service we deliver. Our team of professionals undertake all aspects of property care management, from housekeeping and maintenance to concierge facilities. We take pride in offering tailor-made solutions to homeowners, real estate investors and small and medium organisations.

Whatever your needs, we have the solution.

OVERVIEW

The financial year 2020 – 2021 was the most redefining period for our profession. Dealing with property management; maintenance, housekeeping, concierge services, the pandemic altered the playbook on how work gets done.

During the past year, Histia Property Services, reevaluated its budget and strategy. We firmly believe in the legitimacy of this organisation amid this sanitary crisis. The second lockdown brought into focus the organisation's most valuable asset and a new approach to the workplace experience. 30 persons were recruited in 6 different departments. The adaptability and expertise of our staff will long stand as testimony to their dedication. Quality processes were implemented and reviewed to be in line with the new sanitary protocols. Our concierge services were developed for an exclusive experience.

Despite the pandemic's ongoing reverberations, there is cause for optimism with new niche markets to be explored. Owner of properties under our management are seeking more and more tailor-made services according to their budget.

We can seize the moment to build competitive advantage and become a new and improved version of Histia Property Services going forward. This past financial year has been a year of team consolidation, marketing and sales actions and reviewed procedures.

We are embarking on an exhilarating journey of new possibilities.

KEY FIGURES

Total N° of Employees : **56**

Sales Turnover = **MUR 24 M**

"Quality processes were implemented and reviewed to be in line with the new sanitary protocols.

HISTIA
PROPERTY SERVICES

Consulting, Corporate Services & Logistics

Evaco Solutions strives to be a key player in the fields of business consulting and advisory services in Mauritius and abroad with Stantons. Persistently working toward continuous improvement, our professional arm has succeeded in developing models and tools that serve to identify and cater to our client's specific requirements including company incorporation, corporate services, business support services and relocation assistance. Evaco Solutions provides a wide variety of services tailored to new investor and new resident needs. Furthermore, Evaco Solutions has now extended its cluster with MEREO, where procurement and logistics are brought together under one roof, managing challenges of the international trade.

Fabrice LINCOLN,
Managing Director, Stantons

Stantons Ltd offers a range of services designed to simplify investing, relocating and conducting business in Mauritius. A dedicated team assists clients with their particular requirements and we tailor our services to add value and build strong, sustainable relationships.

OVERVIEW

As at the date of this report Stantons has been operational for approximately 18 months. The Company has, during that time, acquired the capacity and assets necessary to provide corporate services and compliance services to Evaco Group and to external clients. The company has moved into its own offices at Beau Plan Business Park and now has 6 employees, with several additional recruitments planned.

During the year in review, the measures implemented in haste by the Government in order to remove the country from the FATF grey list imposed a heavy compliance and regulatory burden on the group. This challenge was successfully managed by Stantons, with a zero-fault result achieved following the numerous compliance verifications undertaken on the group by the authorities.

This success has come at the cost of a slightly slower than expected roll-out of this service outside the group, although a significant acceleration is expected for this service-line during the next financial year.

The residency services business line of Stantons was heavily impacted by the border closures and travel restrictions during the year in review. It is expected that this line of service will see better results when the pandemic restrictions eventually ease.

Stantons' reputation of excellence is rapidly growing on the local market, particularly in the area of AML/CFT compliance. The company intends to continue growing this line of business to capitalize on its success to date. Stantons has several exciting and innovative projects in the pipeline, and is looking forward to a future full of opportunities.

KEY FIGURES

Total N° of Employees : **8**

Sales Turnover = **MUR 4.5 M**

Xavier de LA TOUR de CHALAIN,
General Manager, MEREO LTD

MEREO
PROCUREMENT SOLUTION

Mereo Ltd. brings together procurement and logistics services, managing challenges of the international trade. Within the purchasing department, the team endeavours to meet the client's budgetary and qualitative requirements by identifying the best service providers around the world. Mereo Ltd services also include the tracking of orders until delivery, the dealing for the transit, customs clearance and storage services in their warehouse. The objective is the optimisation of the purchasing process, which involves the coordination and cooperation of all stakeholders.

OVERVIEW

Mereo is now a well-structured and resourced entity with the capacity to grow and tackle the ever-changing business environment.

Crises also bring opportunities, and the logistics market has continued to show fortitude. To consolidate its position, Mereo will have to take advantage of process innovations through continuous improvement of our Supply Chain Processes; the implementation of digitalization via automation will help us to achieve our bold goals and vision.

Our Warehouse Team achieved outstanding results while utilising the right methodology and resulting to a good performance for year-end stock take 2020 / 2021.

Mereo is steadily and surely building a solid knowledge base & reputation as a strategic partner to its clients. The momentum is set to make the new normal easier and attain our 2021/2022 objectives.

KEY FIGURES

Total N° of Employees : **32**

Sales Turnover = **MUR 27.2 M**

"Crisis also brings opportunities, and the logistics market has continued to show fortitude.

MEREO
PROCUREMENT SOLUTION

EVACO
ESCAPES

la plage

KO TAO
THAI RESTAURANT

INTENSE
Experience

Leisure & Hospitality

Evaco Escapes provides seamlessly integrated hospitality and leisure services. The cluster also includes an exceptional beach club, 'La Plage', located on one of the most beautiful beaches of Mauritius. La Plage is a lavish leisure facility with its white sandy beach, crystal clear lagoon and calm surroundings. Evaco Escapes also includes; Intense Experience, which creates distinctive and tailor-made itineraries, and Hotel Secret Management focuses on creating high performing resorts through unique hospitality experiences.

Norbert Couvreur,
Chief Operating Officer,
Evaco Escapes

EVACO
ESCAPES

2020/2021 saw a drastic fall in revenue for the Evaco Escapes cluster as it had to suspend all of its operations with the second lockdown in March 2021. To mitigate this drop in revenue, we reorganised our business model with new services. This enabled, our restaurants 'La Plage by Evaco' and Ko TAO to develop innovative products and services such as; home delivery and Private Chef Services.

OVERVIEW

The second lockdown enabled us to complete the renovation of the restaurant and the kitchen and the creation of the Rhum Lounge at our beach club. In an era of transitory competitive advantage, we must continually evolve and adapt to market changes.

The launch of Intense Experience has been put on hold. The conjunction of several factors accounts for this situation. The ongoing COVID-19 pandemic has been a major disruptor and it has ushered a new set of complications, impacting companies' capacity to deliver its services. The complexity and diversity of Intense Experience operations were in jeopardy with the ongoing crisis in the hospitality sector.

Resilience is our motto and the Group is continuously leveraging its assets to generate business. We have been foresighted enough to review our business strategy with the incorporation of an international resort management company, named "Secret Hotel Management". This entity will manage the international project Secret Croatia. It will focus on creating high performing resorts through unique hospitality experiences, as well as, delivering outstanding customer service.

Though challenges lay ahead, we remain confident that we will emerge from this crisis stronger, more resilient and more united.

KEY FIGURES

Total N° of Employees = **38**

Sales Turnover = **MUR 11.9 M**

ECONOMIC CONTRIBUTION

EVACO GROUP

Our commitment to support the community is more than ever essential

Evaco Group's global business contributes to the local economy in many ways via direct value creation, innovation, employment, investments in future value creation and contribution to public finances via taxes and other levies. Since its inception in 2001, the group has generated more than $ 250,000,000 in terms of revenue through the development of more than 200 000 m^2 of land. The group provides direct employment for around 700 people in Mauritius and abroad, from maintenance officers to engineers and customer service staff. We also spend millions of rupees a year with thousands of small, medium and large businesses across the island, helping to secure viability through supply. The tax contribution of Evaco Group during the year 2020/2021 was more than MUR 75.4M. We firmly believe that being transparent in our payments can help communities understand the economic benefits generated by our activities and how this is distributed to governments for local, regional, and national economic and social development.

In Mauritius, Evaco Group is committed to the development of industries we operate in whilst improving the quality of life of our employees, their families and the community by being responsible for our actions – socially, ethically and environmentally.

OUR WORKFORCE

Lauriane PALLANY,
Group Head of Human Resources

Challenges, resilience, rethinking…

Those words have been resonating more forcibly these last months not only with businesses but with each individual.

Evaco Group has reinvented some of its businesses to give to each of them a new boost and broader perspectives despite the gloomy previsions worldwide. We were thus pleased to announce the creation of Histia Property Services Ltd, Intense Experience Ltd & Mereo Ltd. Transforming what were once only departments of larger structures to independent companies, has allowed the latter to have new scopes for growth in structure, turnover and people. We have succeeded in reallocating employees to different entities of the group, whilst keeping and using the essence of their competencies for new objectives.

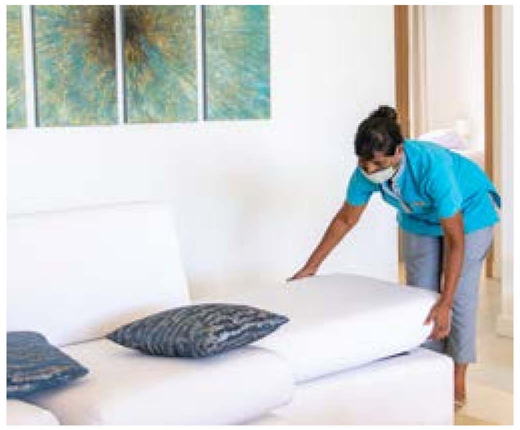
Despite the hurdles posed by Covid-19, the Group has stood its ground and been as productive as ever, with the staff efficiently working from home and producing amazing results. Since the availability of work access passes, all our construction sites as well as our Factory have been up and running, with no major delays over the agreed delivery dates to our clients.

The need for motivated and talented people is ever growing. We have had over 50 new recruits since the end of the lockdown, and we are still recruiting. Is there a better sign of a healthy business? We have a particular approach to recruitment which has proved to be positively impactful over the years. Each candidature we receive is scrutinized and it often happens that the professional profile of an individual creates an opportunity; we do not systematically wait for a specific recruitment need to arise to trigger the search process. As such, we have had a variety of profiles that have joined us and have added significantly to our success over the years.

With an increase of nearly 200% of our manpower since 2016, the structure of the Human Resources team has also been reviewed more than a year ago. To cater for all the employees', each company has its own HR Representative. This proximity makes better industrial relations, enhanced HR services and prompt interventions at all levels. The aim being to promote healthy work environments, conducive to productivity, motivation, and happiness! We want people to be happy to come to work. It is not unachievable. We do have policies and procedures to cater for the basics of all operational structures. We also believe that the prevailing general culture and management style allow our employees to be innovative, creative and at ease when performing their duties.

Our upcoming HR projects include a new Performance Management System for all companies of Evaco Group, aligning ourselves to international standards at all levels and becoming the preferred employer of the local scene.

We foresee tumultuous times ahead at both local and international level. Evaco Group has projects worldwide and we will need to embrace changes, new cultures, and constantly review the way we manage our people. Our way to do it: re-thinking, re-shaping, and re-inventing.



DIRECTOR'S PROFILE

Mr. Philip Patrick Arnaud MAYER
Founder & Chairman

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 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.

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

Born in 1976, Mr Alexandre GOUREL de SAINT 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, 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 2018. He joined Evaco Group in June 2018 as Group Chief Operations Officer and was promoted to Group Chief Executive Officer in July 2019.

Mrs. Karen Florence ANGUS
Executive Director
Group Sales and Marketing Director

Born in 1981 in France, Mrs. Karen ANGUS joined Evaco Group in 2008 as Group Sales and Marketing Director. She holds a Masters' degree from an International Business School (IGS group) in Commerce and Marketing.

With more than fifteen years in sales, she has a solid experience in planning all the sales activities and increasing the revenue for each project. She has a strong built-up relation with customers and succeeds to target her sales goals, coming-up with strategies to generate quality new business.

Mr. Patrick Edgar Fabrice LINCOLN
Executive Director
Group Head of Legal

Fabrice LINCOLN joined Evaco Group in September 2018.

He holds a Bachelor of Economics and a Bachelor of Laws, and practised as a lawyer in Australia for more than 12 years before joining Evaco Group. Fabrice worked as a senior lawyer in large international and Australian law firms in the fields of property and development, commercial law and corporations law, amongst others.

Fabrice adds deep expertise to the group's legal governance and risk management team.

DIRECTOR'S PROFILE

Mr. Charles Philippe de BRAGARD HARDY
Non-Executive Director

Born in 1972 in UK, Mr. Philippe HARDY is a founding member of DMH 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's corporate finance advisory services in Mauritius, having coordinated and advised on several capital structuring as well as M&A transactions across many industries in the past 15 years, with a particular expertise in dealing with family held enterprises and owner managed businesses of all sizes.

Philippe 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 Director on several public and private companies, chairing audit committees in various instances.

Mr. Norbert COUVREUR
Executive Director

Mr. Norbert Couvreur 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.

Mr. 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. He joined Evaco Group in September 2020.

Mr. Mathieu Serge MEUR
Independent Director

Mr. Mathieu Meur holds a Master of Engineering degree from the École Centrale de Lyon, France, one of the most prestigious engineering 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 a prominent international building engineering group for several years. He currently leads one of the top 10 largest architectural firms in the world. Mr. Meur has been involved in the design and engineering of over 100 buildings on five continents. He joined Evaco Group in 2020.

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 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 15 years, mainly in the manufacturing and retailing industries to start with.

She now deals with the various industries related to Evaco Group and its subsidiaries, namely Construction, Manufacturing, Contracting, Property Development, Hospitality & Catering. Holder of a degree in Human Resources, Lauriane is taking up the new challenges faced by the Group to fully support the Management team.

Mr. Nicolas ESPITALIER-NOËL
General Manager, I.D.E.A (Resigned on 17 December 2021)

Born in 1977 in Mauritius, Nicolas E. Noel graduated as Civil Engineer from Ecole Nationale Supérieure d'Ingénieurs de Poitiers (France).

He then worked in France during 12 years for major civil construction companies, incl. the COLAS group. Coming back to Mauritius in 2013, he has worked as Senior Engineer for General Construction Co Ltd, a major actor in the local construction business. He has recently joined Evaco group as General Manager of IDEA.

Mr. Xavier de LA TOUR de CHALAIN
General Manager, MEREO Ltd

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 18 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.

TOP MANAGEMENT DETAILED PROFILES

Mr. Girish JAGARNATH
General Manager, Fineline Contracting

Girish Jagarnath reckons more than 20 years of hands-on experience in the manufacturing and operations field.

He garnered international experience and spent more than 10 years abroad in senior positions for the CIEL group. In 2015 he returned to Mauritius to work as a General Manager in the seafood sector for IBL and as a consultant in Operational Excellence for OMNICANE and PALMAR Group.

Prior to joining FineLine in February 2021, he was the Operations Director for Eclosia Madagascar.

Mr. Juan-Pierre de VILLIERS
General Manager, FairStone (Resigned on 1 June 2021)

Juan Pierre de Villiers is a Senior Manager with more than 15 years of experience in building projects.

He completed his National Diploma - Construction Supervision T3 in 1998 and his Baccalaureus Technologiae – Construction Management in 2000. He is registered as a Professional Construction Manager with The South African Council of the Project and Construction Managers Professional and has worked for reputable firms such as NMC Construction, North Rich Properties and Tucana Construction. Between December 2015 up to 2019, he ran his own company with work assignments on the African territory and joined Evaco Group in 2019.

ADMINISTRATION

Registered Office
Rivière Citron
20101, Arsenal, Mauritius

Company Secretary
Stantons Ltd
Business parc,
Beau Plan

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

Mr. Warren CHUNG
Financial Controller Corporate

Warren Leung is an ACCA member.

He started his career at Deloitte in 2008. Between 2015 and 2017 he worked as Finance Manager in the retail industry and Insurance industry before joining Evaco in 2018.

Mrs. Bianka BHUGON
Group Internal Auditor

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 16 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.

Jonathan Valentin
Head of ICT

Jonathan Valentin has 15 years of experience including 7 years of senior-level leadership spanning IT Infrastructure, communication and network management, system operations, service management and Data Protection. He joined Evaco Group in January 2020 as ICT Manager; hand-picked by the management to craft and execute a comprehensive IT Strategy to align with the group's vision and objectives. Technology oriented, passionate and dedicated person, Jonathan combines technical expertise with strong business acumen and operational understanding. He was appointed as Head of Information Technology in July 2021 to lead ICT cluster through comprehensive organizational change to better align strategy, assets and investments with the group's goal to move toward digital transformation.

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, 2021.

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

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(b) 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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors - Full-time	**18,530**	33,444	-	-
Non-executive Directors	**207**	291	-	-

Details are provided in the Corporate Governance Report.

Directors and senior officers' interests

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

DONATIONS

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Donations made during the year				
- Charitable	**324**	9,056	**324**	9,056
- Political	-	1,905	-	1,905

AUDITORS' FEES

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

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees paid to:				
- BDO & Co	**1,715**	1,500	**535**	600
- RSM Mauritius	**465**	-	-	-
Fees paid for other services provided by:				
- BDO & Co	**300**	-	**300**	-

Approved by the Board of Directors on 29th December 2021 and signed on its behalf by

Arnaud MAYER
Chairperson

Alexandre GOUREL de St PERN
Chief Executive Officer

GROUP PROFILE

EVACO LTD is a public company incorporated on April 3, 2002 and domiciled in the Republic of Mauritius. EVACO LTD is also 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.

Having evolved from a real estate development company, EVACO Ltd is now a Holding and Investment entity which acts as a Group Corporate Executive office with its global head offices located in Mauritius. The Group is present in various sectors of the economy through four main Core Competency Clusters, namely Property, Solutions, Creations and Escapes.

EVACO Property – Property Development & Real Estate Agency

The Evaco Property Cluster is responsible for the development of real estate projects from its inception to its realization. The high-end residential complexes Athena, Oasis, Domaine des Alizées & Clos du Littoral are among its recognized developments.

Cap Marina is the forthcoming property development project which is being developed at Cap Malheureux. Creative Properties Ltd and its subsidiaries Creative Senior Properties Ltd and Creative Local Properties Ltd are the special purpose entities that have been set up to develop the project. This project includes a variety of residential properties and commercial facilities, providing something for everyone, including the needs of Mauritian citizens. Secret Resort Management Services Ltd is responsible for the management of the villas forming part of the Secret Private Villa Resort project.

EVACO Solutions - Consulting & Corporate Services & procurement services

The EVACO Solutions cluster comprises of two main services: (i) the professional service arm and (ii) the procurement service arm. Under the professional services arm, Stantons Ltd offers personalised services to investors and residents in Mauritius, including company incorporation services, corporate services, business support services, AML/CFT consulting services and relocation assistance. Mereo Ltd is the procurement service provider and leverages its network and capabilities to optimise procurement for Evaco group.

EVACO Escapes - Leisure & Hospitality

The services and business model for this cluster has been restructured and optimised to ensure efficiency and to offer an a-la-carte targeted service offering.

Histia Services Ltd (previously known as Evaco Holiday Resorts Ltd) has had its business model completely revamped with a new management team and a more focused orientation towards housekeeping and general cleaning and maintenance of villas developed and sold by Evaco. Histia has also extended its services to customers outside of Evaco Group.

EVACO Creations - Engineering, Construction, Manufacturing & Architecture

The EVACO Creations cluster aims to optimize every aspect of building design, efficiency and construction.

This cluster is in the process of restructuring its SPVs with a view to redefine the scope and segregate business activities falling under different professional disciplines. To this effect a new member entity, namely Evolution Architects Ltd has been incorporated to focus on the architectural side of the cluster. The intention is to further streamline the scope of the other business units under this cluster.

GROUP PROFILE (CONT'D)

Evaco Beach Club Limited is a subsidiary of Histia Services Ltd and trades as 'La Plage', this business unit offers an acclaimed beach-side restaurant at Trou-aux Biches, with swimming pool, kids' corner, rhum-bar, deck chairs and beach massages, all part of the exceptional services and facilities available to the guests and members.

Intense Experience Ltd - this company was created to provide a unique and memorable theme-based holiday experience to guests. It has been placed on hold until there is more visibility in relation to the global pandemic.

EVACO FOUNDATION – WELFARE OF THE SOCIETY

Evaco Ltd established Evaco Foundation, a Foundation registered on September 29, 2020. The main objective of the foundation is to provide a formal platform for Evaco Group and its employees to engage in projects for the welfare of our society. The Foundation will be 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 for 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.434.2m (2020 - Rs.797.9m) and Rs.45.5m (2020 - Rs.20.4m) respectively. The loss after tax for the Group stood at Rs.237.0m (2020 - Loss of Rs.55.5m) and the Company achieved a profit of Rs.2.4m (2020 - Loss of Rs.28.0m).

DIVIDENDS

No dividend was declared by the Group and the Company for the year ended June 30, 2021 (2020 – Rs.50m).

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 Shareholder 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 positions (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 seven 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

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

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 three non-executive directors. The directors come from diverse business backgrounds and possess 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 S159;

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 organisations; and

g. has not served on the board for more than nine consecutive years from the date of their first election.

The Board has only one independent director; the intention is to appoint at least one additional independent director with a financial background and knowledge who will also be a member of the Audit and Risk Committee and Corporate Governance (Nomination and Remuneration) Committee during the next financial year.

The Company therefore does not presently fully comply with Principle 2 (The Structure of the Board and its Committees) of the Code of Corporate Governance. The appointment of an additional independent director with the requisite expertise, experience and qualifications to also chair the Audit & Risk Committee has proved to be challenging given the sensitive and competitive business environment in Mauritius, especially within the property development sector. The current pandemic situation has not favoured the recruitment process.

Company Secretary

Stantons Ltd was appointed as the Company Secretary with effect from June 1, 2020. Mr. Fabrice Lincoln is the Managing Director of Stantons Ltd.

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 Chairperson;
- Circulating agendas and any supporting papers to Directors in good time;
- Convening, attending and drafting of minutes of Board and Committee Meetings and Shareholder' meetings;
- Confirming the required quorums of meetings are present; and
- 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 organisational 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; and
- 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	3/3	Mauritius	Founder and Chairman	Ultimate Beneficial owner of the Company
René Gérard Alexandre GOUREL de St PERN*	M	3/3	Mauritius	Executive Director	Group Chief Executive Officer
Charles Philippe de Bragard HARDY	M	3/3	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	3/3	Mauritius	Executive Director	Group Marketing and Sales Director
Patrick Edgar Fabrice LINCOLN	M	3/3	Mauritius	Executive Director	Group Head of Legal
Mathieu Serge Meur	M	3/3	Singapore	Independent Non-Executive Director	Engineering consultant
NORBERT COUVREUR *	M	2/3	France	Executive Director	Country CEO Croatia

*Norbert Couvreur was appointed as Director on 1st January 2021.

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 - 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; and
- 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	3/3
Fabrice LINCOLN	3/3
Mathieu MEUR	3/3

PRINCIPLE 3:
DIRECTORS APPOINTMENT PROCEDURES

Appointment and election and reelection of Directors

The process pertaining to appointment, election and reelection of directors is outlined in 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 31, 2020. 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 some form of training & development identified and secured for all employees of 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 optimisation 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 56-59.

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

Total remuneration paid to Directors for the year under review amounted to Rs.18.7m (2020: Rs.33.4m).

The remuneration structure with regards to Directors' attendance fees is as follows:

	Independent Director
Per attended Board Meeting	Rs 65,000
Per attended Committee Meeting	Rs 12,000

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.

During the year under review, Rs.207,000 was paid to Independent/Non-Executive Directors.

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

Being sensitive information, the Board has upon the agreement of the sole shareholder and the ultimate beneficial owner of the Company, decided not to disclose individual Directors remuneration in accordance with the provisions of S221(4) Companies Act 2001.

Directors' emoluments

Remuneration and benefits (including bonuses and commissions) received and receivable from the Company were as follows:

	GROUP		COMPANY	
	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2021	Year ended June 30, 2020
	Rs.	Rs.	Rs.	Rs.
Executive Directors	18.5m	33.4m	Rs 18.5m	Rs 33.4m
Non-executive Directors	207,000	290,600	207,000	290,600

Appraisal of Directors

The Board has not yet performed the self-appraisal exercise for the year under review. It is expected that the appraisal exercise 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.

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.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

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.

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 recognises 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, organisational 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.

- 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.
- 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.
- Control Activities: Control activities are established to ensure that risk responses are carried out effectively and consistently throughout the organisation. This involves formalising risk response in our policies, ensuring clear accountability, utilising self-assessment and monitoring tools and designing controls into our systems and critical business processes.
- Information & Communication: Information and communication channels are in place to make the organisation aware of risks that fall into their area of responsibility and expected behaviour and actions to mitigate negative outcomes.
- 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 unauthorised 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 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 Company endeavours to adopt environmentally, socially and ethically sound business behaviour and understands that sustainability reporting is not an increased burden but a tool towards making better resource allocation decisions.

Environmental

The Company, because of its activity, has little impact on the environment but is conscious that each effort counts. The Company and its subsidiaries have started environmental campaigns within the organisation by promoting the 3 R's (reduction of waste, re-use of materials, and recycling).

Health and safety

The Company is committed to providing a safe and healthy working environment to all employees and creates an environment that would perform at their best. The Human Resources Department works in partnership with the management team to follow up on Health and Safety working conditions prevailing in the Company.

Social issues

Remuneration policy

Evaco Group practices fair policies, based on merit, in the recruitment, the remuneration and the promotion of its team members; the Group aims at attracting, retaining, motivating and rewarding qualified and talented employees in a competitive environment. By setting up the relevant remuneration procedures, the company aims at recognizing and rewarding individual ability and performance. The Group also seeks to establish and maintain competitive salary ranges consistent with the economic requirements of the Group and commensurate with other companies where similar positions exist. By merging salaries paid to employees with the responsibilities associated with their positions, the Group promotes employees' self-improvement and advancement to greater responsibilities. A performance appraisal program is maintained which clearly identifies opportunities for employees' development and which provides for compensative remuneration rewards on an unbiased basis.

Employee Share Option Plan

There is no share option plan for the employees of the Company.

Corporate Social Responsibility

The Group is committed to serving the clients and community.

The Group has identified sectors of intervention in the northern region of the island for the next financial year focusing on Training and Education, Health, Welfare, Environment, Leisure and Sports.

There was no contribution to the CSR from Evaco Group at June 30, 2021 (2020: Rs.729,695).

The Company intends to further contribute to the society and has recently registered Evaco Foundation which will act as the vehicle to reach the stakeholders of the group and provide its contributions to the environment and society. and has recently registered the Evaco Foundation which will act as the vehicle to reach the stakeholders of the group and provide its contributions to the environment and society.

Donations

The Company has made no political donations for the year under review (2020: Rs.NIL.)

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 four clusters of 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

The External Auditor is BDO & Co since 2019.

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, 2021, 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

100%

Evaco Foundation

Information on major shareholders as at June 30, 2021

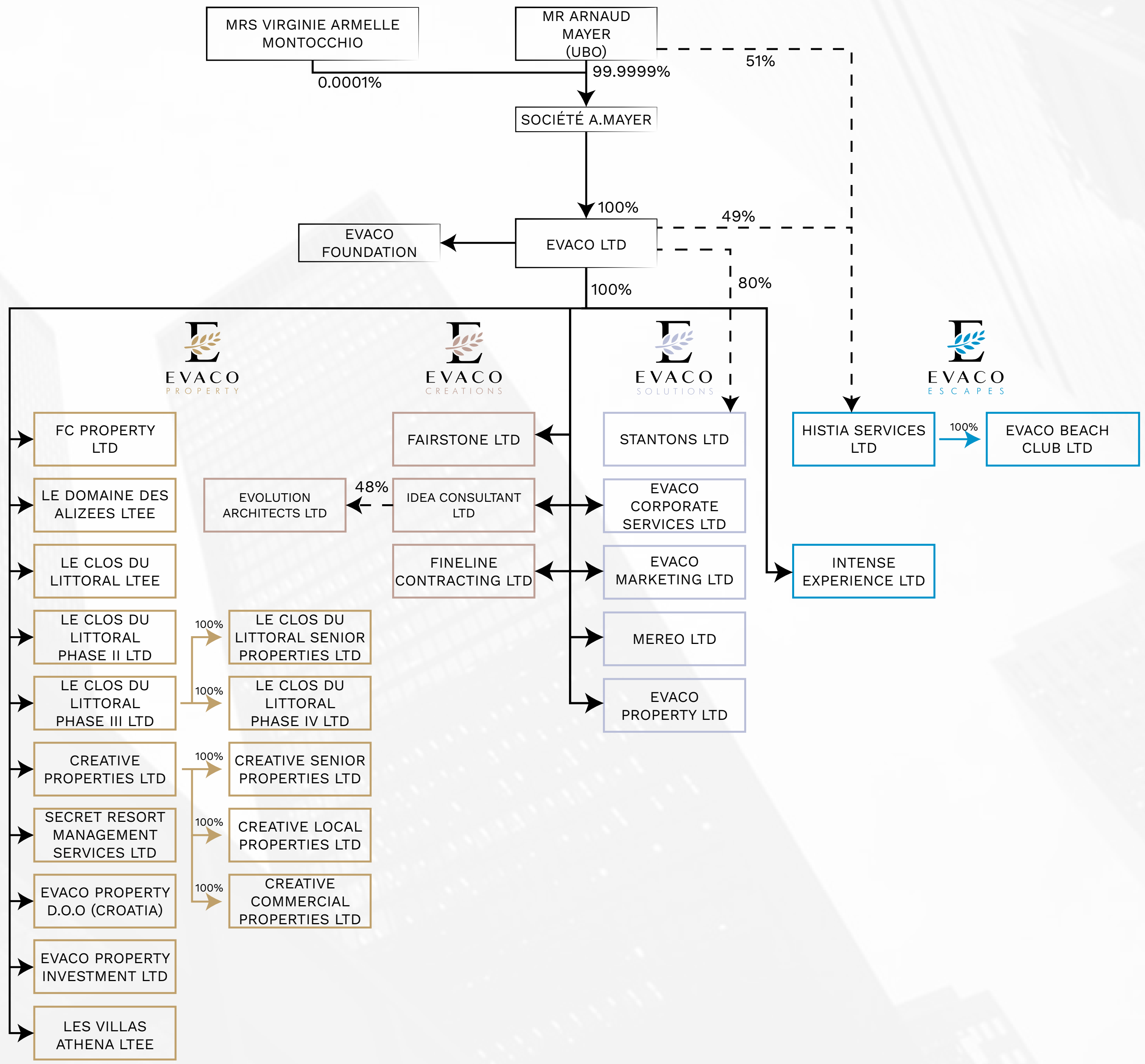
Ultimate Beneficial Owner	Holding (%)
Mr. P. P. Arnaud MAYER	99.9999

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:

EVACO GROUP

SHAREHOLDING STRUCTURE



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. For the year ended June 30, 2021, the Directors did not declare any dividend (June 30, 2020: Rs.50,000,000)

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, 2021, Mr. P. P. Arnaud MAYER held equity interests in the Company as follows:

Directors	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, 655 persons who are involved in the daily operations of the Company.

PROFILES OF SENIOR OFFICERS

Please refer to pages 60-65 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	Abridged audited end of year results
December	Annual Report and 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

29th December 2021

OTHER STATUTORY
DISCLOSURES *(Continued)*

(other than already disclosed in the Corporate Governance report)

Contract of Significance

During the year under review, one of the Company's overseas subsidiary made an investment in land in Croatia.

Directors

A list of Directors of the Company is given on pages 56-59.

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, 2021 are disclosed at page 19.

Auditors' Remuneration

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

	2021 Rs'000	2020 Rs'000
Audit fees	2,180	1,500
Tax services fees	165	Nil
Other services	300	Nil

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, 2021, 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 December 29, 2021 and signed on its behalf by:

P.P. Arnaud
MAYER
Chairman

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

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, 2021 applied the eight principles of the Corporate Governance Code for Mauritius (2016) save except for:

Principle 2:

- The Company does not have at least two independent Directors as per the Board Charter.
- In view of the current pandemic situation, it has been challenging to select and nominate the right person to sit on the Board of Directors as Independent Director.

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 of remuneration of executive Directors

Being sensitive information, the Board has upon the agreement of the sole shareholder and the ultimate beneficial owner of the Company, decided not to disclose individual Directors remuneration in accordance with the provisions of S221(4) Companies Act 2001.

Explanations and measures are provided in the Corporate Governance report.

P.P. Arnaud
MAYER
Chairman

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

29th December 2021

EVACO LTD

I certify to the best of my knowledge and belief that 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.

Stantons Limited
Company Secretary
Beau Plan, Business Parc,
Pamplemousses
Mauritius

29th December 2021

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Fax : +230 202 9993 Port Louis, Mauritius
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O Box 799

Report on the audit of the Financial Statements

OPINION

We have audited the consolidated financial statements of Evaco Ltd and its subsidiaries (the Group), and the Company's separate financial statements on pages 90-137 which comprise the statements of financial position as at June 30, 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 90-137 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2021 and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies act 2001.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATING TO GOING CONCERA

On March 11, 2020, COVID-19 was labelled as pandemic by the World Health Organisation causing extensive disruptions to business operations around the globe, impacting significantly in the hospitality and construction sector with the closure of international borders, resulting in decrease in restaurant activities and delay in construction in the Group. There exists a significant uncertainty related to the generation of cash on real estate operations due to the impossibility of foreign buyers to organize their travel to Mauritius with the closure of international frontiers worldwide. We draw attention to note 41 in the financial statements, concerning COVID-19 situation that exists and continues to develop at the date of approval of these financial statements. This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

OTHER INFORMATION (CONT'D)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The total remuneration and benefits for executive Directors (Rs'000 18,530) and Non-Executive Directors (Rs'000 207) have been disclosed under Statutory Disclosures on page 1. However, Section 221 (1) (e) of the Companies Act 2001 requires disclosure of Directors' remuneration and benefits individually but such disclosure has not been made in the financial statement. The Group & the Company have therefore not complied with Section 221(1)(e) of the Companies Act 2001.

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 in the annual report, the public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

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

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

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

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

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

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

· Identity and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of the Company's internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

· Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 Group and the company to cease to continue as a going concern.

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

· 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 out audit opinion.

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

Report on other Legal and Regulatory Requirements.

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

OTHER MATTER

This report is made solely to the members of Evaco Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to then 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 members as a body, for our audit work, for this report, or the opinions we have formed.

BDO & Co

BDO & CO
Chartered Accountants

Shabnam Peerbocus, FCA
Licensed by FRC

Port Louis,
Mauritius
December 29, 2021

	Note	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Non-current assets		**Rs'000**	Rs'000	**Rs'000**	Rs'000
Property, plant and equipment	5	**346,980**	338,927	**45,209**	36,216
Right-of-use assets	5A	**45,906**	46,694	**85,426**	56,452
Intangible assets	6	**9,706**	7,978	**1,513**	503
Investment properties	7	**142,800**	-	**-**	-
Investments in subsidiary companies	8	**-**	-	**3,209,354**	146,500
Financial assets at amortised cost	9	**-**	-	**736,873**	798,162
Deferred tax asset	21	**1,985**	-	**-**	-
		547,377	393,599	**4,078,375**	1,037,833
Current assets					
Inventories	10	**1,319,942**	1,236,545	**20,621**	28,420
Trade receivables	11	**78,564**	5,036	**-**	-
Other financial assets at amortised cost	9	**88,410**	42,089	**505,134**	330,863
Contract assets	12	**29,221**	184,780	**-**	-
Current tax assets	13	**-**	686	**-**	158
Cash and cash equivalents	14	**27,660**	103,235	**10,213**	10,256
		1,543,797	1,572,371	**535,968**	369,697
Current liabilities					
Bank overdrafts	14	**453,561**	295,848	**165,589**	135,504
Borrowings	15	**217,564**	59,504	**57,489**	40,781
Lease liabilities	5B	**8,868**	13,217	**10,865**	5,704
Trade and other payables	16.	**205,532**	65,801	**35,487**	17,500
Contract liabilities	12	**3,051**	70,753	**-**	-
		888,576	505,123	**269,430**	199,489
Net current assets/(liabilities)		**655,221**	1,067,248	**266,538**	170,208
		1,202,598	1,460,847	**4,344,913**	1,208,041
Capital and reserves					
Share capital	17	**100,000**	100,000	**100,000**	100,000
Capital contribution from ultimate shareholder		**30,707**	30,707	**30,707**	30,707
Retained earnings		**263,470**	458,509	**346,762**	344,371
Other reserves		**72,833**	57,450	**3,065,746**	3,543
Owner's interest		**467,010**	646,666	**3,543,215**	478,621
Non-controlling interests		**(44,016)**	(17,834)	**-**	-
Total equity		**422,994**	628,832	**3,543,215**	478,621
Non-current liabilities					
Redeemable secured notes	19	**643,980**	641,001	**643,980**	641,001
Borrowings	15	**71,584**	137,399	**64,729**	29,795
Lease liabilities	5B	**44,980**	39,923	**84,694**	52,537
Retirement benefit obligations	20	**19,060**	12,462	**8,295**	6,087
Deferred tax liabilities	21		1,230		-
		779,604	832,015	**801,698**	729,420
		1,202,598	1,460,847	**4,344,913**	1,208,041

These financial statements have been approved for issue by the Board of Directors on 29th December 2021.

Arnaud Mayer
Chairman

Alexandre Gourel de St Pern
Director

The notes on pages 68 to 98 form an intergral part of these financial statements. Auditor's report on pages 60 and 61.

FOR THE YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
Continuing operations					
Revenue	2.2/22	**434,237**	797,903	**45,469**	20,402
Cost of sales	23	**(472,832)**	(645,187)	**(9,917)**	(6,301)
Gross (loss)/profit		**(38,595)**	152,716	**35,552**	14,101
Other income	25	**1,120**	45,379	**66,052**	55,083
Other (losses)/gains - net	26	**(4,336)**	(30)	**-**	5
Administrative and selling expenses	27	**(205,918)**	(208,227)	**(25,750)**	(65,595)
Operating (loss)/profit	28	**(247,729)**	(10,162)	**75,854**	3,594
Non-recurring items	29	**94,111**	-	**(45,438)**	(4,080)
Finance costs	30	**(58,633)**	(45,249)	**(28,025)**	(28,112)
(Loss)/profit before taxation		**(212,251)**	(55,411)	**2,391**	(28,598)
Income tax credit/(expense)	13	**720**	(124)	**-**	581
(Loss)/profit for the year from continuing operations		**(211,531)**	(55,535)	**2,391**	**(28,017)**
Discontinued operations	31	**(9,690)**	-	**-**	-
(Loss)/profit for the year		**(221,221)**	(55,535)	**2,391**	(28,017)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Changes in fair value of investments	8	**-**	-	**3,062,695**	-
Remeasurements of retirement benefit obligations, net of deferred tax	20	**(2,879)**	3,646	**(492)**	3,280
Items that may be reclassified subsiquently to profit or loss					
Currency translation differences		**18,262**	2,775	**-**	-
Comprehensive income for the year		**15,383**	6,421	**3,062,203**	3,280
Total comprehensive (loss)/income for the year		**(205,838)**	(49,114)	**3,064,594**	(24,737)
(Loss)/profit for the year attributable to:					
Owners of the Company		**(195,039)**	(49,065)	**2,391**	(28,017)
Non-controlling interests		**(26,182)**	(6,470)	**-**	-
		(221,221)	(55,535)	**2,391**	(28,017)
Total comprehensive income for the year attributable to:					
Owners of the Company		**(179,656)**	(42,644)	**3,064,594**	(24,737)
Non-controlling interests		**(26,182)**	(6,470)	**-**	-
		(205,838)	(49,114)	**3,064,594**	(24,737)

THE GROUP	Note	Share capital Rs'000	Capital contribution from ultimate shareholder Rs'000	Retained earnings Rs'000	Translation reserve Rs'000	Actuarial reserve Rs'000	Revaluation reserve Rs'000	Owners' interests Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
		Equity attributable to owners of the Company			Other reserves					
2021										
At July 1, 2020		100,000	30,707	458,509	2,667	6,416	48,367	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
Total comprehensive income for the year		-	-	(195,039)	18,262	(2,879)	-	(179,656)	(26,182)	(205,838)
At June 30, 2021		100,000	30,707	263,470	20,929	3,537	48,367	467,010	(44,016)	422,994
2020										
At July 1, 2019		100,000	30,707	557,574	(108)	2,770	55,221	746,164	(11,364)	734,800
Loss for the year		-	-	(49,065)	-	-	-	(49,065)	(6,470)	(55,535)
Other comprehensive income for the year		-	-	-	2,775	3,646	-	6,421	-	6,421
Total comprehensive income for the year		-	-	(49,065)	2,775	3,646	-	(42,644)	(6,470)	(49,114)
Dividends	32	-	-	(50,000)	-	-	-	(50,000)	-	(50,000)
Consolidation adjustments		-	-	-	-	-	(6,854)	(6,854)	-	(6,854)
At June 30, 2020		100,000	30,707	458,509	2,667	6,416	48,367	646,666	(17,834)	628,832

The notes on pages 10 to 58 form an intergral part of these financial statements.
Auditor's report on pages 4 to 4(c).

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
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
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
2020							
At July 1, 2019		100,000	30,707	422,388	-	263	553,358
Loss for the year		-	-	(28,017)	-	-	(28,017)
Other comprehensive income		-	-	-	-	3,280	3,280
Comprehensive income for the year		-	-	(28,017)	-	3,280	(24,737)
Dividends	32	-	-	(50,000)	-	-	(50,000)
At June 30, 2020		100,000	30,707	344,371	-	3,543	478,621

(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.

FOR THE YEAR ENDED JUNE 30, 2021

	Note	THE GROUP 2021	THE GROUP 2020	THE COMPANY 2021	THE COMPANY 2020
Cash generated from operations		**Rs'000**	Rs'000	**Rs'000**	Rs'000
(Loss)/profit for the year from continuining operations		**(212,251)**	(55,411)	**2,391**	(28,598)
(Loss)/profit for the year from discontinued operations		**(9,690)**	-	-	-
(Loss)/profit before tax		**(221,941)**	(55,411)	**2,391**	(28,598)
Adjustments for:					
Depreciation on property, plant and equipment	5	**22,299**	21,359	**3,204**	2,236
Amortisation of intangible assets	6	**1,075**	662	**443**	157
Amortisation of right-of-use assets	5A	**10,267**	6,779	**11,598**	6,904
Amortisation of capitalised borrowings costs		**2,979**	-	**2,979**	-
Assets wite offs		**(7,708)**	-	-	-
Impairment of investment in subsidiaries		-	-	-	4,080
Movement in provision for retirement benefit obligations	22	**3,849**	4,957	**1,716**	2,952
Profit on disposal of asset held for sale		-	(16,916)	-	-
Interest income		**(1,120)**	(7,665)	-	(6,516)
Interest expense		**58,633**	45,249	**16,771**	28,112
Fair value of investment properties	7	**(94,111)**	-	-	-
Exhange differences		**(63)**	-	-	-
Changes in working capital:					
-inventories		**(136,496)**	(339,386)	**7,799**	(12,224)
-trade and other receivables		**(73,528)**	77,653	-	184
-trade and other payables		**141,104**	(82,014)	**17,986**	2,981
-contract assets		**155,559**	72,953	-	-
-contract liabilities		**(67,702)**	57,047	-	-
-financial assets at amortised cost		-	935	**61,289**	(57,520)
-other financial assets at amortised cost		**(46,321)**	10,957	**(174,271)**	(151,036)
Cash flows from operations		**(253,225)**	(258,252)	**(48,095)**	(236,886)
Interest received		**1,120**	7,665	-	6,516
Interest paid		**(58,633)**	(40,173)	**(16,771)**	(25,269)
Loss on retranslation of foreign loan		-	9,271	-	9,271
Tax refunded/(paid)		**(3,312)**	(6,629)	**158**	(459)
Net cash used in operating activities		**(314,049)**	(288,118)	**(64,708)**	(246,827)
Cash flows from investing activities					
Purchase of property, plant and equipment	5	**(16,482)**	(19,994)	**(5,134)**	(3,917)
Purchase of intangible assets	6	**(2,803)**	(574)	**(1,453)**	(574)
Purchase of investments in subsidiaries	8	-	-	**(159)**	400
Proceeds from disposal of assets held for sale		-	49,380	-	-
Net cash (used in)/generated from investing activities		**(19,285)**	28,812	**(6,746)**	(4,091)
Cash flows from financing activities					
Repayment of redeemable secured notes		-	(220,200)	-	(220,200)
Issue of redeemable secured notes		-	650,000	-	650,000
Loan from subsidiary	15	-	-	-	6,394
Costs associated with issue of bonds		-	(8,999)	-	(8,999)
Dividend paid to company shareholder		-	(62,000)	-	(62,000)
Net proceeds/(repayment) on loan		**92,245**	(9,742)	**51,642**	(633)
Interest paid on lease liabilities		**2,648**	-	**4,746**	-
Principal paid on lease liabilities		**(13,108)**	(11,643)	**(15,062)**	(7,606)
Net cash from financing activities		**81,785**	337,416	**41,326**	356,956
Net (decrease)/increase in cash and cash equivalents		**(251,550)**	78,110	**(30,128)**	106,038
Movement in cash and cash equivalents					
At July 1,		**(192,613)**	(326,134)	**(125,248)**	(259,884)
(Decrease)/increase,		**(251,550)**	133,521	**(30,128)**	134,636
Effect of foreign exchange rate		**18,262**	-	-	-
At June 30,	14 (a)	**(425,901)**	(192,613)	**(155,376)**	(125,248)

The notes on pages 10 to 58 form an intergral part of these financial statements.
Auditor's report on pages 4 to 4(c).

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

Amendments to published Standards effective in the reporting period

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

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

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

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

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

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

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2021 or later periods, but which the Group has not early adopted.

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 17 Insurance Contracts
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
Annual Improvements 2018-2020
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
Reference to the Conceptual Framework (Amendments to IFRS 3)
Amendments to IFRS 17
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
Definition of accounting estimates (Amendments to IAS 8)
Disclosure of accounting policies (Amendments to IAS 1)
Deferred tax related to assets and liabilities arising from a single transaction (IAS 12)

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

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

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:

(i) 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.

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.

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 currency profile is as follows:

	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
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**
2020				
MUR	333,056	1,125,959	986,313	857,543
EUR	14,345	105,102	159,907	59,590
USD	1,359	2,769	397	2,769
	348,760	1,233,830	1,146,617	919,902

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.

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

Foreign currency sensitivity (cont'd)

	THE GROUP			
	2021		2020	
	Change in rate	Impact on post-tax loss	Change in rate	Impact on post-tax loss
		Rs'000		Rs'000
EUR	+5%	(3,385)	+5%	(3,857)
USD	+5%	(5,721)	+5%	(60)
GBP	+5%	(148)	+5%	-

	THE COMPANY			
	2021		2020	
	Change in rate	Impact on post-tax loss	Change in rate	Impact on post-tax loss
		Rs'000		Rs'000
EUR	+5%	8,986	+5%	4,263
USD	+5%	(3,166)	+5%	(101)

(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	
	2021	2020	2021	2020
	+/-	+/-	+/-	+/-
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on results for the year	2,718	5,934	1,954	4,527

(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	(192,613)	(125,248)
Cash from/(used in) operating activities	374,305	174,829
Cash used in investing activities	(212,521)	179,148
Cash from financing activities	(36,799)	(115,980)
Closing balance for the period	(67,628)	112,749

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, 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
At June 30, 2020				
Trade and other payables	65,801	-	-	65,801
Loans payable	59,504	59,504	80,534	199,542
Bank overdraft	295,848	-	-	295,848
Bonds	-	-	641,001	641,001
Lease liabilities	13,217	13,217	26,706	53,140

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
	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY				
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**
At June 30, 2020				
Trade and other payables	17,500	-	-	17,500
Loans payable	40,781	-	29,795	70,576
Bank overdraft	135,504	-	-	135,504
Bonds	-	-	641,001	641,001
Lease liabilities	5,704	5,704	46,833	58,241

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, 2021 and June 30, 2020 were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**453,561**	295,848	**165,589**	135,504
Loans payable	**289,148**	199,542	**122,218**	70,576
Redeemable secured notes	**643,980**	641,001	**643,980**	641,001
Lease liabilities	**53,848**	53,140	**95,559**	58,241
Total debt	**1,440,537**	1,189,531	**1,027,346**	905,322
Less: cash and cash equivalents	**(27,660)**	(103,235)	**(10,213)**	(10,256)
Net debt	**1,412,877**	1,086,296	**1,017,133**	895,066

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Capital risk management (cont'd)

The debt-to-adjusted capital ratios at June 30, 2021 and June 30, 2020 were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Owners' interest	**467,010**	646,666	**3,543,215**	478,621
Debt-to-adjusted capital ratio	**3.03**	1.68	**0.29**	1.87

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.

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

4.1 Critical accounting estimates and assumptions (cont'd)

(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.

(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 Company has developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at June 30, 2021 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 Rs'000	Plant, furniture and equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
(a) **2021**				
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**

* Rs'000 4,410 (2020:Rs. Nil) has been reclassified from Inventories to Property, plant and equipment for the group during the financial year 2021. Rs'000 2,684 (2020:Nil) has been reclassified from Rights of use assets to Property, plant and equipment for the group.

	Freehold land and buildings Rs'000	Plant, furniture and equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
(b) **2020**				
COST/REVALUATION				
At July 1, 2019	285,529	115,129	36,886	**437,544**
Additions	3,894	14,573	1,527	**19,994**
Exchange Differences	-	(905)	-	**(905)**
Disposals	-	(10)	-	**(10)**
At June 30, 2020	**289,423**	**128,787**	**38,413**	**456,623**
DEPRECIATION				
At July 1, 2019	13,325	55,625	27,397	**96,347**
Charge for the year	6,341	13,135	1,883	**21,359**
Disposals adjustment	-	(10)	-	**(10)**
At June 30, 2020	**19,666**	**68,750**	**29,280**	**117,696**
NET BOOK VALUE				
At June 30, 2020	**269,757**	**60,037**	**9,133**	**338,927**

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

THE COMPANY	Freehold land buildings Rs'000	Plant, furniture and equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
(a) **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**
(b) **2020**				
COST				
At July 1, 2019	32,772	5,744	13,719	**52,235**
Additions	-	2,273	1,644	**3,917**
At June 30, 2020	**32,772**	**8,017**	**15,363**	**56,152**
DEPRECIATION				
At July 1, 2019	171	2,797	14,732	**17,700**
Charge for the year	398	1,773	65	**2,236**
At June 30, 2020	**569**	**4,570**	**14,797**	**19,936**
NET BOOK VALUE				
At June 30, 2020	**32,203**	**3,447**	**566**	**36,216**

(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 has been included in the profit or loss as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Administrative expenses	**18,995**	20,862	**3,204**	2,236
Cost of sales	**3,304**	497	**-**	-
	22,299	21,359	**3,204**	2,236

(e) 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. 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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost	**13,205**	13,205	**160,666**	157,507
Accumulated depreciation	**-**	-	**16,067**	12,601
Net book value	**13,205**	13,205	**176,733**	170,108

(g) THE GROUP

	2021	2020
	Rs'000	Rs'000
FAIR VALUE	**Level 2**	Level 2
Freehold land	**28,000**	28,000
Building	**244,204**	244,204
At June 30,	**272,204**	272,204

There were no transfers between the levels during the year.

The fair value of land and building is classified in level 2 of the fair value hierarchy as it had been valued using observable market date but there is no active market.

(h) 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.

	2021	2020
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

	Land and buildings	**Motor vehicles**	**Total**
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 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 June 30, 2021	**42,348**	**3,558**	**45,906**
THE GROUP			
At July 1, 2019	50,571	2,902	53,473
Amortisation	(5,920)	(859)	(6,779)
At June 30, 2020	**44,651**	**2,043**	**46,694**

5A RIGHT-OF-USE-ASSETS (continued)

	Building	**Motor vehicles**	**Total**
THE COMPANY	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2019	60,454	2,902	63,356
Amortisation	(6,045)	(859)	(6,904)
At June 30, 2020	**54,409**	**2,043**	**56,452**

5B LEASE LIABILITIES

	Land and buildings	**Motor vehicles**	**Total**
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2020	46,445	6,695	53,140
Addition	13,123	8,628	21,751
Terminations	(11,088)	-	(11,088)
Interest expense	1,984	664	2,648
Adjustments	505	-	505
Lease payments	(8,158)	(4,950)	(13,108)
At June 30, 2021	**42,811**	**11,037**	**53,848**
Current			8,868
Non current			44,980
			53,848

	Land and buildings	**Motor vehicles**	**Total**
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2019	50,571	10,493	61,064
Addition	-	1,058	1,058
Interest expense	2,009	652	2,661
Lease payments	(6,135)	(5,508)	(11,643)
At June 30, 2020	**46,445**	**6,695**	**53,140**
Current			13,217
Non current			39,923
			53,140

	Building	**Motor vehicles**	**Total**
THE COMPANY	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2020	55,997	2,243	58,240
Addition	39,007	8,628	47,635
Interest expense	4,266	480	4,746
Lease payments	(12,331)	(2,731)	(15,062)
At June 30, 2021	**86,939**	**8,620**	**95,559**
Current			10,865
Non current			84,694
			95,559

THE COMPANY	Building Rs'000	Motor vehicles Rs'000	Total Rs'000
At July 1, 2019	60,454	2,034	62,488
Addition	-	1,058	1,058
Interest expense	2,720	123	2,843
Lease payments	(7,177)	(971)	(8,148)
At June 30, 2020	**55,997**	**2,244**	**58,241**
Current			5,704
Non current			52,537
			58,241

(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, 2021	*Lease Contracts Number*	*Fixed payments %*	*Variable payments %*	*Sensitivity Rs.*
THE GROUP				
Building lease	6	100%	-	N/a
Vehicle lease	17	100%	-	N/a
At June 30, 2020	*Lease Contracts Number*	*Fixed payments %*	*Variable payments %*	*Sensitivity Rs.*
THE GROUP				
Building lease	4	100%	-	N/A
Vehicle lease	12	100%	-	N/A
	Lease Contracts Number	*Fixed payments %*	*Variable payments %*	*Sensitivity Rs.*
THE COMPANY				
Building lease	1	100%	-	N/a
Vehicle lease	9	100%	-	N/a
THE COMPANY				
Building lease	1	100%	-	N/A
Vehicle lease	5	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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense (included in finance cost)	**6,594**	5,076	**4,901**	2,843

(The total cash outflow for leases in 2021 was Rs’000 13,108 (2020:Rs’000 11,643) for the Group and Rs’000 15,062 (2020:Rs’000 8,148) for the Company.

6. INTANGIBLE ASSETS (CONT’D)

6. **INTANGIBLE ASSETS**

	THE GROUP			THE COMPANY
	Goodwill on consolidation	**Computer software**	**Total**	**Computer software**
(a) **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
Amortisation charge	-	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**

	THE GROUP			THE COMPANY
	Goodwill on consolidation	**Computer software**	**Total**	**Computer software**
(b) **2020**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
COST				
At July 1, 2019	4,898	7,641	12,539	266
Consolidation adjustment	-	(2,007)	(2,007)	-
Addition	-	574	574	574
At June 30, 2020	4,898	6,208	11,106	840
AMORTISATION				
At July 1, 2019	-	2,466	2,466	180
Amortisation charge	-	662	662	157
At June 30, 2020	-	3,128	3,128	337
NET BOOK VALUE				
At June 30, 2020	4,898	3,080	7,978	503

(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	
	2021	2020
	Rs'000	Rs'000
Histia Services Ltd	**4,898**	4,898

7. INVESTMENT PROPERTIES

(a) THE GROUP

	Rs'000	Rs'000
Level 2		
FAIR VALUE		
At July 1,	**-**	651,170
Transfer from/(to) inventories (note 10)	**48,689**	(651,170)
Increase in fair value (note 28)	**94,111**	-
At June 30,	**142,800**	-

(i) Land held in Le Clos Du Littoral Phase III Ltd was transferred from inventories to investment properties during the financial year 2021 and was fair valued as at 30th June 2021 by Messrs Tristan Doger de Speville MRICS using the residual method.

(ii) Significant unobservable valuation input:

	2021	2020
	Rs'000	Rs'000
Rate per arpent	**12,000**	12,000

There were no transfers between levels 1 and 2 during the year.

8. INVESTMENTS IN SUBSIDIARY COMPANIES - FAIR VALUE

(a) THE COMPANY

	Level 3	
	2021	2020
	Rs'000	Rs'000
FAIR VALUE		
At July 1,	**146,500**	150,180
Increase in fair value	**3,062,695**	-
Additions	**159**	400
Impairment (note 29)	**-**	(4,080)
At June 30,	**3,209,354**	146,500

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	
		2021	2020
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
• Merco Ltd	Dormant	100	100
• Secret Holdings	Property Development	100	-
• Intense Experience Ltd	Dormant	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 *	-

* 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.

2021	**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%	3,255,890
				-1.45%	3,162,818
		Growth rate	**1.60% - 3.32%**	+2.4%	3,286,378
				-2.40%	3,132,330

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**
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**
2020							
Fairstone Ltd	470,718	271,558	487,775	136,759	416,322	(12,532)	(12,255)
Le Clos du Littoral Phase II Ltd	334,586	-	239,149	101,222	539,985	8,269	9,331

9. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP			
	2021		2020	
	Rs'000 Non-current	**Rs'000 Current**	Rs'000 Non-current	Rs'000 Current
Other receivables	**-**	**88,410**	-	42,089
	-	**88,410**	-	42,089
Less: Loss allowance for financial assets at amortised cost (note 9(b))	**-**	**-**	-	-
	-	**88,410**	-	42,089

	THE COMPANY			
	2021		2020	
	Rs'000 Non-current	**Rs'000 Current**	Rs'000 Non-current	Rs'000 Current
Loan to related parties (note 33 (a))	**742,069**	**-**	803,358	155,116
Receivable from related parties (note 33 (a))	**-**	**497,039**	-	166,075
Other receivables	**-**	**9,902**	-	11,479
	742,069	**506,941**	803,358	332,670
Less: Loss allowance for financial assets at amortised cost (note 9(b))	**(5,196)**	**(1,807)**	(5,196)	(1,807)
	736,873	**505,134**	798,162	330,863

(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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
MUR	**-**	-	**736,873**	798,162
	-	-	**736,873**	798,162
Current				
MUR	**88,410**	40,976	**330,234**	177,895
EUR	**-**	1,113	**174,900**	152,968
	88,410	42,089	**505,134**	330,863

(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 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
(a) Property held for development	-	96,898	-	-
Land	618,453	71,327	-	-
Works in progress	653,251	314,178	20,734	26,816
Transfer from investment properties (Note 7)	-	651,170	-	-
Expected credit losses	-	-	(113)	(113)
Goods in transit	-	171	-	-
Raw materials and consumables	48,238	102,801	-	1,717
	1,319,942	1,236,545	20,621	28,420

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

(c) Rs'000 4,410 (2020:Rs. Nil) has been reclassified from Inventories to Property, plant and equipment for the group during the financial year 2021.

11. TRADE RECEIVABLES

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Trade receivables	78,564	5,036	-	-
Less: provision for impairment	-	-	-	-
Trade receivables - net	78,564	5,036	-	-
(a) *Accumulated allowances for credit losses*				
At July1 and June 30,	-	-	-	-
(b) *Ageing of net trade receivables not impaired*				
Not later than 3 months	78,564	2,713	-	-
Later than 3 months	-	2,323	-	-
	78,564	5,036	-	-

(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 (2020: 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 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
MUR	78,564	4,066	-	-
EUR	-	970	-	-
	78,564	5,036	-	-

(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 Assets 2021 Rs'000	THE GROUP Liabilities 2021 Rs'000	THE GROUP Assets 2020 Rs'000	THE GROUP Liabilities 2020 Rs'000
Assets and (liabilities) relating to contract with customers	29,221	(3,051)	184,780	(70,753)

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 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
(a) Statement of financial position				
At July 1,	686	8,054	158	1,198
Current tax on adjusted profit at 15% (2020:15%)	100	-	-	-
Underprovision/(overprovision) in previous year	2,526	(581)	-	(581)
Advance Payments Scheme	-	(158)	-	(158)
Payments during the year	(3,312)	(6,629)	(158)	(301)
At June 30,	-	686	-	158

(b) Statement of profit or loss	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Tax on the adjusted profit for the year	100	-	-	-
Deferred tax (note 21)	(3,346)	-		
Corporate social responsibility at 2% (2020: 2%)	-	705	-	-
Under/(over)provision in previous year	2,526	(581)	-	(581)
	(720)	124	-	(581)

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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(Loss)/profit before tax	**(212,251)**	(55,411)	**2,391**	(28,598)
Tax calculated at 15 % (2020: 15%)	**(31,838)**	(8,312)	**359**	(4,290)
Corporate social responsibility at 2 % (2020: 2%)	**-**	705	**-**	-
Other timing differences	**3,345**	-	**-**	-
Expenses not deductible for income tax purposes	**23,934**	8,312	**7,639**	4,290
Income not subject to tax	**(16,980)**		**(7,500)**	
Overprovision in previous year	**2,526**	(581)	**-**	(581)
Utilisation of tax losses	**(18,741)**	-	**(10,516)**	-
Unused tax losses	**40,844**	-	**10,018**	-
Tax charge for the year	**3,090**	124	**-**	(581)

(d) At the end of the reporting year, the Group had unused tax losses of Rs'000 272,296 (2020: Rs'000 140,390). 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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**27,660**	103,235	**10,213**	10,256
Bank overdrafts	**(453,561)**	(295,848)	**(165,589)**	(135,504)
	(425,901)	(192,613)	**(155,376)**	(125,248)

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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
MUR	**(431,399)**	(206,234)	**(160,461)**	(132,584)
EUR	**5,240**	12,262	**4,985**	6,939
USD	**258**	1,359	**100**	397
	(425,901)	(192,613)	**(155,376)**	(125,248)

(c) Non cash transactions

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Property, plant and equipment (note 5)	**23,195**	19,994	**12,197**	3,917
Right-of-use-assets (note 5A)	**15,038**	53,473	**40,572**	63,356
Acquired under finance lease	**(21,751)**	(53,473)	**(47,635)**	(63,356)
Acquired using own fund	**16,482**	19,994	**5,134**	3,917

(d) Reconciliation of liabilities arising from financing activities

				Non-cash flows		
	At July 1, 2020	**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**
2021						
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	(13,108)	2,648	-	53,848
Total liabilities from financing activities	250,024	11,168	79,157	2,648	-	342,997
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

					Non-cash flows		
	At July 1, 2019	**Recognised on adoption of IFRS 16**	**Acquisition**	**Cash flows**	**Interest expense on lease liabilities**	**Foreign exchange movement**	**At June 30, 2020**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2020							
THE GROUP							
Bank loans	156,326	-	-	(130,729)	-	-	**25,597**
Loan payable to third party	50,319	-	111,697	-	-	9,271	**171,287**
Finance lease liabilities	10,714	(10,714)	-	-	-	-	**-**
Lease liabilities	-	61,064	1,058	(11,643)	2,661	-	**53,140**
Total liabilities from financing activities	217,359	50,350	112,755	(142,372)	2,661	9,271	**-** **250,024**
THE COMPANY							
Bank loans	5,206	-	-	(633)	-		**4,573**
Loan payable to third party	50,319	-	-			9,271	**59,590**
Loan payable to subsidiaries	-	-	-	6,394	-		**6,394**
Finance lease liabilities	2,034	(2,034)	-	-	-	-	**-**
Lease liabilities	-	62,488	1,058	(8,148)	2,843	-	**58,241**
Total liabilities from financing activities	57,559	60,454	1,058	(2,387)	2,843	9,271	**128,798**

15. BORROWINGS

		THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current					
Bank loans (note 15(a))		**8,249**	6,874	**1,393**	-
Loan payable to third party (note 15 (b))		**63,335**	130,525	**63,336**	29,795
		71,584	137,399	**64,729**	29,795
Current					
Bank loans (note 15(a))		**46,519**	18,723	**1,687**	4,573
Loan payable to third party (note 15 (b))		**127,554**	40,762	**12,311**	29,795
Loan payable to subsidiaries (note 15 (c))		-	-	-	6,394
Shareholder's loan (note 15 (d))		**43,491**	19	**43,491**	19
		217,564	59,504	**57,489**	40,781
Total borrowings	Rs.	**289,148**	196,903	**122,218**	70,576

(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, 2021				
Total borrowings	**46,519**	**3,802**	**4,447**	**54,768**
At June 30, 2020				
Total borrowings	**18,723**	**6,874**	**-**	**25,597**
The Company				
At June 30, 2021				
Total borrowings	**1,687**	**1,393**	**-**	**3,080**
At June 30, 2020				
Total borrowings	**4,573**	**-**	**-**	**4,573**

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
After one year and before two years	**3,802**	6,874	**1,393**	-
After two years and before five years	**4,447**	-	-	-
	8,249	6,874	**1,393**	-

(b) Loan payable to third party

The loan from third party bears an interest rate of 2.5% p.a and is unsecured.

The maturity of loans is as follows:	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Less than one year	**127,554**	40,762	**12,311**	29,795
After one year and before two years	**63,335**	130,525	**63,336**	-
After two years and before five years	**-**		**-**	29,795
	190,889	171,287	**75,647**	59,590

(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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**110,569**	137,313	**58,882**	10,986
USD	**63,336**	-	**63,336**	-
Euro	**115,243**	59,590	**-**	59,590
	289,148	196,903	**122,218**	70,576

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

16. TRADE AND OTHER PAYABLES

		THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
(a)	Trade payables	**16,323**	801	**5,331**	9,847
	Provision for claims (note 16 (b))	**65,378**	65,000	**-**	-
	Retention payable	**11,520**	-	**-**	-
	Deposit from customers	**1,475**	-	**-**	-
	Accruals and other payables	**110,836**	-	**14,546**	7,567
	Amount payable to subsidiaries (note 33)	**-**	-	**15,610**	86
		205,532	65,801	**35,487**	17,500

(b) The Company was disputing the claims received from two suppliers in respect of the construction of Le Domaine des Alizées Ltée's (a subsidiary) real estates project for an amount of Rs'000 63,832 (2019:Rs'000 63,832) for a court ruling, being unsatisfied with the performance obligations of these suppliers. Pending the outcome and the timing of the Court ruling, the Company has recognised a provision of Rs'000 65,000 in that respect.

16. TRADE AND OTHER PAYABLES (CONT'D)

(b) An agreement has been reached post year on the amount to be settled for the claim received from the two suppliers in respect of the construction of Le Domaine des Alizées Ltée. The final settlement agreement has not been finalised yet.

(c) 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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
MUR	**193,157**	17,520	**35,487**	14,731
GBP	**2,532**	-	-	-
EURO	**9,843**	45,512	-	-
USD	**-**	2,769	**-**	2,769
	205,532	65,801	**35,487**	17,500

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

17. SHARE CAPITAL

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	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 Rs'000	Actuarial gains/(losses) Rs'000
THE GROUP			
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	-
Other comprehensive income for the year	**Rs.**	**18,262**	**(2,879)**

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) reserv represents the cummulative remeasurement of defined benefit obligation recognised.

	Note	Translation reserve Rs'000	Actuarial gains/(losses) Rs'000
2020			
Items that will not be reclassified to profit or loss			
Remeasurements of retirement benefit obligations	20	-	3,646
Items that may be reclassified subsiquently to profit or loss			
Currency translation differences		2,775	
Comprehensive income for the year	**Rs.**	**2,775**	**3,646**

18. OTHER COMPREHENSIVE INCOME

	Note	Fair value reserve Rs'000	Actuarial gains/(losses) Rs'000
THE COMPANY			
2021			
Items that will not be reclassified to profit or loss			
Changes in fair value of investments	8	3,062,695	-
Remeasurements of retirement benefit obligations	20	-	(492)
Other comprehensive income for the year	**Rs.**	**3,062,695**	**(492)**

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) reserv represents the cummulative remeasurement of defined benefit obligation recognised.

	Note	Fair value reserve Rs'000	Actuarial gains/(losses) Rs'000
2020			
Items that will not be reclassified to profit or loss			
Remeasurements of retirement benefit obligations	20	-	3,280
Other comprehensive income for the year	**Rs.**	**-**	**3,280**

19. REDEEMABLE SECURED NOTES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**641,001**	220,200	**641,001**	220,200
Addition during the year (Note 19 (a))	**-**	650,000	**-**	650,000
Costs associated with issue of bonds (Note 19 (e))	**-**	(8,999)	**-**	(8,999)
Amortisation of capitalised borrowings costs	**2,979**	-	**2,979**	-
Repayment	**-**	(220,200)	**-**	(220,200)
At June 30,	**643,980**	641,001	**643,980**	641,001

(a) 650,000 (2020:650,000) five-year redeemable secured notes of Rs.1,000 each.

(b) Security:

- The mortgaged land of an extent of $14,570m^2$ and buildings of an extent of 7,910 m^2 situated at Riviere 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.

(c) Interest : Repo +2.65 % (2020: Repo +2.65%)

(d) Maturity date: November 26, 2024.

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

20. RETIREMENT BENEFIT OBLIGATIONS

		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
(a)	Other retirement benefits 20((a)(i))	**19,060**	12,462	**8,295**	6,087

(i) Reconciliation of the present value of obligations:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**12,462**	10,928	**6,087**	6,415
Charged to profit or loss (note 20((a)(ii)))	**3,849**	4,957	**1,716**	2,952
Charged/(credited) to other comprehensive income (note 20((a)(iii)))	**2,749**	(3,423)	**492**	(3,280)
At June 30,	**19,060**	12,462	**8,295**	6,087

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**6,305**	4,139	**2,000**	1,153
Net interest cost	**(2,456)**	666	**173**	391
Past service cost	**-**	152	**(457)**	1,408
	3,849	4,957	**1,716**	2,952

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Liability experience gains	**(3)**	(3,549)	**(326)**	(3,331)
Actuarial losses arising from changes in financial assumptions	**2,752**	126	**818**	51
	2,749	(3,423)	**492**	(3,280)

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Discount rate	**3.20%**	3.20%	**3.20%**	3.20%
Future long term salary increase	**1.50%**	1.50%	**1.50%**	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, 2021.

21. DEFERRED INCOME TAX

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

(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

21. DEFERRED INCOME TAX (CONT'D)

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Deferred tax assets	**1,985**	6,833
Deferred tax liabilities	**-**	(8,063)
	1,985	(1,230)

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 respct 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	
	2021	2020
	Rs'000	Rs'000
At July 1,	**(1,230)**	-
Consolidation adjustment	**-**	(1,230)
Charged to profit or loss (note 13)	**3,346**	-
Credited to other comprehensive income	**(131)**	-
At June 30	**1,985**	(1,230)

(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, 2020	(Credited)/ debited to profit and loss	Credited to other comprehensive income	At June 30, 2021
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Accelerated tax depreciation	(1,209)	(1,383)	-	**(2,592)**
Revaluation of assets	(6,854)	-	-	**(6,854)**
Deferred tax assets		-	-	
Retirement benefit obligations	294	369	(130)	**533**
Tax losses	6,539	4,359	-	**10,898**
Net deferred tax liability/(asset)	(1,230)	3,345	(130)	**1,985**

	At July 1, 2019	Consolidation Adjustment	At June 30, 2020
THE GROUP	Rs'000	Rs'000	Rs'000
Deferred tax liabilities			
Accelerated tax depreciation	-	(1,209)	(1,209)
Revaluation of assets	-	(6,854)	(6,854)
Deferred tax assets			
Retirement benefit obligations	-	294	294
Tax losses	-	6,539	6,539
Net deferred tax asset	-	(1,230)	(1,230)

22. REVENUE

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Revenue is analysed as follows:-				
Sales of real estates	**331,021**	593,460	-	-
Sales of goods	**65,038**	68,835	-	-
Commission	**24,524**	4,927	-	-
Provision of services	**13,654**	51,154	**45,469**	20,402
Rental of apartments	-	79,527	-	-
	434,237	797,903	**45,469**	20,402

(b) Disaggregation of revenue from contracts with customers

Timing of satisfaction of performance obligation and significant payment terms

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At a point in time	**103,216**	204,443	**45,469**	20,402
Over time	**331,021**	593,460	-	-
	434,237	797,903	**45,469**	20,402

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 SALE

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of real estates sold	**224,010**	378,369	-	-
Land transfer tax	**28,105**	2,318	-	-
Commission payable to real estate agents	**24,091**	15,160	-	-
Cost of goods sold	**40,783**	77,731	-	-
Cost of services rendered	**41,746**	47,812	9,917	6,301
Employee benefit expense (note 24)	**89,532**	84,397	-	-
Cost of rental apartments	**11,894**	30,040	-	-
Cost of manufacturing	**9,367**	8,863	-	-
Depreciation	**3,304**	497	-	-
	472,832	645,187	**9,917**	6,301

24. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**187,676**	153,006	**75,331**	78,548
Pension costs and social costs	**3,830**	2,713	**1,537**	2,952
	191,506	155,719	**76,868**	81,500
Disclosed as follows:				
Administrative and selling expenses	**101,974**	71,322	**76,868**	81,500
Cost of sales	**89,532**	84,397	-	-
	191,506	155,719	**76,868**	81,500

25. OTHER INCOME

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	-	-	**50,000**	41,000
Profit on disposal of asset held for sale	-	16,916	-	-
Interest income	**1,120**	7,665	-	6,516
Others	-	20,798	**16,052**	7,567
	1,120	45,379	**66,052**	55,083

26. OTHER (LOSSES)/GAINS NET

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net foreign exchange (losses)/gains	**(4,336)**	(30)	-	5

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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term employee benefits (note 25)	**101,974**	71,322	**76,868**	81,500
General administrative and selling expenses	**73,607**	108,602	**35,213**	29,278
Depreciation of property, plant and equipment	**18,995**	20,862	**3,204**	2,236
Amortisation of intangible assets	**1,075**	662	**443**	157
Amortisation of right-of-use assets	**10,267**	6,779	**11,598**	6,904
Refund of overheads from subsidiaries	**-**	-	**(101,576)**	(54,480)
	205,918	208,227	**25,750**	65,595

28. OPERATING LOSS(PROFIT)

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	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)	**22,299**	21,359	**3,204**	2,236
Amortisation of intangible assets (note 6)	**1,075**	662	**443**	157
Amortisation of right-of-use assets (note 5A)	**10,267**	6,779	**11,598**	6,904
Employee benefit expense (note 25)	**191,506**	155,719	**76,868**	81,500
and crediting:				
Increase in fair value (note 7)	**94,111**	-	**-**	-
Profit on disposal of asset held for sale	**-**	16,916	**-**	-

29. NON-RECURRING ITEMS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in fair value of investment properties (note 7)	**94,111**	-	**-**	-
Construction cost overrun	**-**	-	**(45,438)**	-
Impairment of investment in subsidiaries (note 8)	**-**	-	**-**	(4,080)
	94,111	-	**(45,438)**	(4,080)

30. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
(a) *Interest expense*	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**23,991**	12,874	**6,769**	6,972
Leases	**6,594**	5,076	**4,901**	2,843
Redeemable secured notes	**26,735**	26,446	**26,735**	26,446
Bank loans	**648**	532	**209**	-
Loan payable to third party	**-**	321	**-**	321
Loan from ultimate shareholder	**665**	-	**665**	-
Recharge of finance costs to subsidiaries	**-**	-	**(11,254)**	(8,470)
	58,633	45,249	**28,025**	28,112

31. DISCONTINUED OPERATIONS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Subsidiary - Le Clos du Littoral Phase III Ltd	**9,690**	-	**-**	-
	9,690	-	**-**	-

32. DIVIDENDS PER SHARE

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**-**	12,000	**-**	12,000
Amounts recognised as distributions to equityholders in the year:				
Final dividend paid for the year ended June 30, 2021 of Rs.Nil (2020:Rs.0.50) per share	**-**	50,000	**-**	50,000
Dividend paid	**-**	(62,000)	**-**	(62,000)
At June 30,	**-**	-	**-**	-

33. RELATED PARTY TRANSACTIONS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) *Transactions with related parties*				
Sales of goods & services to				
- subsidiaries	**-**	-	**45,469**	20,402
Recharge of goods & services to				
- subsidiaries	**-**	-	**101,576**	79,641
Receivable from related parties				
- Loan receivable from subsidiaries	**-**	-	**742,069**	958,474
- Other receivable from subsidiaries	**-**	-	**497,039**	166,075
	-	-	**1,239,108**	1,124,549
Payable to related parties				
- subsidiaries	**-**	-	**15,610**	86

(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	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term employee benefits incurred by the Group and the Company	**45,773**	56,562	**30,763**	42,894

34. CONTINGENT LIABILITIES

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

35. COMMITMENTS

(a) Capital commitments

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

36. ULTIMATE HOLDING ENTITY

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

37. EVENT AFTER THE REPORTING PERIOD

(a) The country has opened its borders since 1st October 2021.
Management has made an assessment of the operations of the Group and the Company for the next 12 months and are satisfied that the financial statements are prepared on a going concern basis.

Except for the above, there has been no material event, since the end of the reporting date, which would require disclosure or adjustment to the financial statements for the year ended June 30, 2021.

(b) An agreement has been reached post year on the amount to be settled for the claim received from the two suppliers in respect of the construction of Le Domaine des Alizées Ltée. The final settlement agreement has not been finalised yet.

38. IMPACT OF COVID-19 AND GOING CONCERN

The Coronavirus disease 2019 ("COVID-19") outbreak has caused extensive disruptions to businesses operation around the globe. On March 11, 2020, COVID-19 was labelled as pandemic by the World Health Organisation. This has directly impacted the Group and the Company's business activities.

The impact of COVID-19 on the Group has been unprecedented. The measures taken by the Governments across the world to slow the spread of COVID-19 severely impacted airlines as travel restrictions and border closures were imposed. These travel restrictions resulted in a decrease in restaurant activities and delay in sales and consequently construction of villas.

"In Mauritius, the airport has been reopened to some categories of passengers only and subject to various sanitary conditions, as from October 1, 2020. Despite the country having been locked down for several months, the Group has experienced very few sales reservation cancellations during that period. On the contrary, the Group has been able to sign the first title deeds of its Cap Marina project and continue to secure additional reservations on the diferent phases.

In the light of the impact of the pandemic, governments worldwide announced relief packages to support affected businesses, including the hospitality industry and the construction industry to mitigate the impact of COVID-19. The Government of Mauritius has introduced Wages Assistance Scheme in March 2021. The Group has benefited from the Wages Assistance Scheme during that month. The Group continues to take mitigating measures to minimise the impact of COVID-19.

Recovery Plan

Key actions of the Group's recovery plan include:

(i) Decrease in fixed overheads through shorter construction periods on the ongoing projects;

(ii) For the property sector, signature of deeds are being proposed to a certain extent through proxys until the complete opening of the frontiers; mitigating measures are being put in place to cater for the rise in freight and material costs;

(iii) For the hospitality cluster, the business model has been changed to mitigate the COVID-19 impact. Evaco Holiday Resorts Ltd is now rebranded as Histia Property Care which will be engaged only in maintenance and houskeeping;

(iv) Fine and Country will now manage all long term and short term rentals previously managed by Evaco Holiday Resorts Ltd;

(v) Evaco Ltd is seeking additional financing to advance ongoing projects locally and overseas.
The Group is also relying on continuous support from its shareholders and bankers in the foreseeable future.

Following the going concern assessment and key areas of uncertainty, the Directors having considered the adequacy of the Group's funding, borrowing facilities and operating cash flows, for at least the next 12 months, are satisfied that the financial statements are prepared on a going concern basis.

In line with its operating plan, the Group has prepared cash flow forecasts over a period of 5 years. The Group has launched its new property development project, Cap Marina this year. Cap Marina will be the main cash flow driver of the Group in Mauritius for the next 5 years.

The Group has brought about some changes to the operations of the business units to cater for the uncertainties due to the pandemic situation. The Directors continue to monitor the impact of COVID-19 on the activities of the Group as the situation develops and the facts become clearer.

The country has entered into a second confinement since 10th March 2021 following a resurgence of cases of COVID-19.

The group has sufficient liquid assets to meet all of its current obligations and financial commitments over at least the next 12 months from the date of approval of the consolidated financial statements. Consequently, the Directors have concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.


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