



# ANNUAL REPORT & FINANCIAL STATEMENTS 2023



**Happy  
World**  
PROPERTY



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The directors are pleased to present the annual report together with the audited consolidated and separate financial statements of Happy World Property Ltd (the "Company") for the year ended 30 June 2023.

While focusing on material matters, the report informs stakeholders about the governance, performance and strategy of the Company. It also provides a forward-looking view on how it manages challenges and opportunities in order to achieve its ambitions in the fast-changing context.

## REVIEW OF BUSINESS

The main activities of the Group are:

- The rental of Commercial Property providing office and retail spaces.
- Operation of car parking facilities.
- Business Centres offering serviced office facilities.

## RESULTS

For the year under review, the Company recorded a turnover of Rs 52,262K (2022: Rs 45,767K). The Company's profit for the year ended 30 June 2023 is Rs 26,291K (2022: Rs 31,153K).

TURNOVER	2023	2022	PROFIT	2023	2022
	52,262	45,767		26,291	31,153
IN RS'000			IN RS'000		

## DIVIDENDS

The Board resolved not to declare any dividends for the year ended 30 June 2023 (2022: Nil).

## BOARD OF DIRECTORS

The following directors held office during the year ended 30 June 2023:



## DIRECTORS' REMUNERATION AND BENEFITS

The following table highlights the remuneration and benefits received by the directors during the financial year.

RENUMERATION AND BENEFITS RECEIVED	Rs'000
Mr. Jason Paul HAREL	60
Mr. Khushhal Chand KHUSHIRAM	140
Mr. Marie Joseph Jean Pierre MONTOCCHIO	70
Mr. Mushtaq M.Oomar Noormohammed OOSMAN	140
Mr. Antoine Andre Sow Fook SEEYAVE	90
Mr. Jonathan Cheh SEEYAVE	70
Mrs. Tharangany SINGARAVELLOO	80
Mr. Neermal SHIMADRY	60
<b>Total Independent and Non-Executive</b>	<b>710</b>
Mr. Antoine Nicolas Cheh SEEYAVE	70
<b>Total Executive</b>	<b>70</b>
<b>Total (Independent, Non-Executive and Executive)</b>	<b>780</b>



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

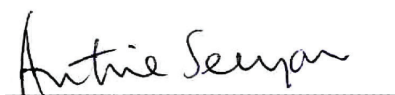
- (i) leading and controlling the organisation and meeting all legal and regulatory requirements.
- (ii) ensuring adequate accounting records and maintenance of effective internal control systems.
- (iii) the preparation of consolidated and separate financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS), Financial Reporting Act and in compliance with the Mauritius Companies Act 2001;
- (iv) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates;
- (v) the Company's adherence to the New Code of Corporate Governance (2016); and
- (vi) the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives, and for ensuring that the Company develops and executes a comprehensive and robust system of risk management.

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

The Directors report that:

- (i) the Company is a public interest entity as defined by law;
- (ii) the Company is headed by an effective Board, and responsibilities and accountabilities within the Company (including at the level of Senior Management) are clearly identified;
- (iii) appropriate Board committees, namely the Audit and Risk Committee and the Corporate Governance Committee (which is also tasked with duties regarding remuneration of Senior Management), have been set up to assist the Board in the effective performance of its duties;
- (iv) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (v) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (vi) International Financial Reporting Standards, the Financial Reporting Act and the Mauritius Companies Act have been adhered to. Any departure has been disclosed, explained and quantified in the consolidated and separate financial statements;
- (vii) The Code of Corporate Governance has been adhered to in all material aspects and explanations have been provided for any non-compliance;
- (viii) they have assessed the Company as a going concern and have a reasonable expectation that the Company will continue to operate for the foreseeable future and meet its liabilities as they fall due; and
- (ix) they have approved the composition of the Audit and Risk Committee and the Corporate Governance Committee.

Approved by the Board of Directors on 25 October 2023 and signed on its behalf by:



Director  
**Mr. Antoine SEEYAVE**



Director  
**Mr. Jean Pierre MONTOCCHIO**

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 1: GOVERNANCE STRUCTURE

### 1.1 Company Information

Happy World Property Ltd (HWP), formerly known as Newton Development Limited, was incorporated on 14 February 1986 as a private Company limited by shares under the laws of the Republic of Mauritius. It was converted into a public Company limited by shares on 25 November 2020. The registered office address of the Company is Level 8, Happy World House, 37 Sir William Newton Street, Port Louis 11328, Mauritius. The main activity of the Company is the rental of its Commercial Property providing office and retail spaces. The Company is registered as a reporting issuer with the Financial Services Commission in line with the Securities Act 2005. HWP is listed on the DEM since 18 December 2020. HWP is a Public Interest Entity in accordance with the Financial Reporting Act 2004.

### 1.2 Company's Philosophy

The Company is committed to the conduct of business practices that display characteristics of good corporate governance, namely business integrity, transparency, independence, accountability, fairness and professionalism in all its activities and ensures that its organisation and operations are managed ethically and responsibly to enhance business value for its shareholders and other stakeholders. The Board Charter will be considered by the Board of directors during the next financial year.

### 1.3 Corporate Governance Statement

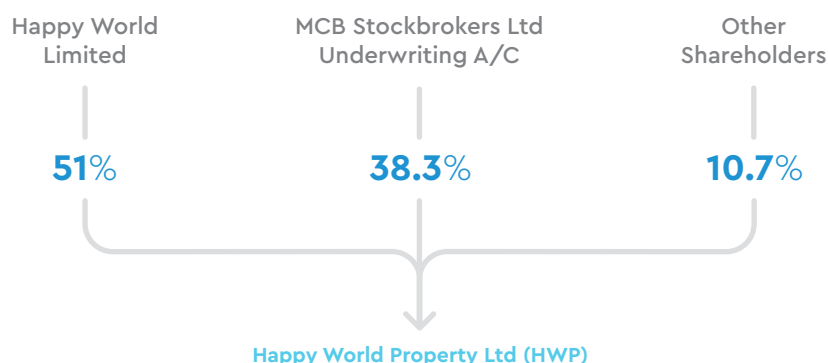
During this financial year ended 30 June 2023, the Board of HWP has applied the eight principles of the new Code of Corporate Governance (2016). The Board shall continue to monitor the recommended disclosures under each principle which it did not disclose during this current financial year, in the forthcoming financial year.

The Board of HWP considers that the current application of the principles of the code is likely to work in the particular context of HWP's business and culture, and which promote the following:

- Effective decision-making, risk management and control;
- Keeping the interests of the owners of the business aligned with, and foremost in the mind of, the people charged with managing the business; and
- The ability of the Company to hear the voice of stakeholders other than shareholders; principally these are regulatory and standard bodies, employees, customers, suppliers and the communities in which the Company operates.

### 1.4 Holding Structure

The holding structure of the Company is as follows:



### 1.5 Relations with shareholder/Key stakeholders

The following shareholders held more than 5% of the shareholding of the Company as at 30 June 2023:

SHAREHOLDERS	HOLDING %
Happy World Ltd	51
MCB Stockbrokers Ltd – Underwriting a/c	38.3

### 1.6 Statement of Main Accountabilities

The Directors have approved the following Statement of Accountabilities:

- The Board assumes the responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. Directors are aware of their legal duties.
- The Board is accountable for the performance and affairs of the Company and for achieving sustainable growth.
- The Board is responsible for ensuring that the Company adheres to high standards of ethical behaviour and acts in the best interest of shareholders.

### 1.7 Directors Interest in shares

At 30 June 2023, Messrs Antoine, Jonathan and Nicolas SEEYAVE have indirect interests in the shareholding of the Company through Happy World Ltd.

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

### 2.1 Structure of the board

The Board structure of Happy World Property Ltd is a unitary Board. The directors of Happy World Property Ltd share responsibility for directing the Company and promoting its affairs collectively and not individually when acting on behalf of the Company.

### 2.2 Composition of the Board

The Board currently comprises of one (1) executive director, three (3) non-executive directors and five (5) independent 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.

To determine its current size and composition, the Board has taken into account (a) the size of its operations and its sector of activity, (b) the various qualifications and experience of its members, (c) the recommendations of the Code. The Board is satisfied that it is currently of a size and level of diversity that is commensurate with the operations and scale of Happy World Property Ltd.

The company carefully reviewed the comments provided by the Financial Regulatory Commission (FRC), and after thorough consideration, the Board has made the decision not to appoint an additional executive director at this time. This decision has been made taking into account the company's current size and its specific needs and priorities.

### 2.3 Role and Function of the Board

The Board is responsible for the stewardship of the Company, overseeing its conduct and affairs to create sustainable value for the benefit of its stakeholders. It acknowledges its responsibility for leading and controlling the Company, ensuring that strategic direction and management structure are in place to meet legal and regulatory requirements.



Its principal functions also include the following:

- protecting and enhancing shareholders' value by identifying and monitoring key risks areas and key performance indicators;
- approving such acquisition and disposal of assets as appropriate;
- exercising leadership, enterprise, intellectual honesty, integrity and judgement in directing the Company to achieve sustainable prosperity for the Company; and
- ensuring timely communication with shareholders and other stakeholders.

The Board will approve a Statement of Main Accountabilities within the Company which will then be displayed on the Company's website. The Board is also considering the publication of its Annual Report and other documents on the Company's website which will be reviewed and updated on a regular basis.

#### 2.4 Residency

All directors of the Company are residents in Mauritius.

#### 2.5 Role and Function of the Chairman

The Chairman has no executive or management responsibilities and acts as Chairperson of the Board and of Shareholders' meetings.

There is a job description in place for the appointment of Chairperson. The Chairperson's other commitments have been disclosed to the Board before his appointment and any change would be communicated to the latter.

#### 2.6 Role and Function of the Executive Director

The Executive Director is responsible for guiding the implementation of the board strategy and policy with respect to the Company's business. The Executive Director reports to the board of directors.

#### 2.7 Role of the Non-Executive and Independent Director

The non-executive directors and the independent directors make a significant contribution to the functioning of the board, thereby ensuring that no one individual or group dominates the decision-making process.

#### 2.8 Role and Function of the Company Secretary

The Company Secretary manages the provision of timely, accurate and considered information to the board and ensures that the board maintains its awareness of the ever-changing corporate governance environment. The Company Secretary attends every Board Meeting and Board Committee Meeting.

#### 2.9 Board Meetings

The Board meets on quarterly basis and at such ad hoc times as may be required. In the year under review, the Board has met five (5) times and has performed its duties and considered matters relevant to the development of the business, strategic orientation, key transactions of relevance to the Company, its position, the risk situation and management as well as reviewed the budget and long-term plans.

All directors receive timely information so that they are equipped to fulfil their duties at Board Meetings.

Senior management is also invited on a regular basis at the Board meeting of the Company. The Executive Director of the Company is regularly invited to attend all subcommittee meetings.

The records of proceedings of each Board meetings are recorded by the Company Secretary of the Board. The minutes of each Board meeting are submitted for confirmation at its next meeting and signed by the Chairperson and the Secretary. All Board members have access to the Company Secretary for any further information they require.

## 2.10 Directors' Attendance at Meetings

The record of attendance at Board and Sub Committee meetings is shown in the summary table below:

	BOARD MEETINGS	AUDIT & RISK COMMITTEE MEETINGS	CORPORATE GOVERNANCE COMMITTEE MEETINGS
Number of meetings held	5	4	
<b>Director/committee member:</b>			
Mr. Jason Paul HAREL	3		
Mr. Khushhal Chand KHUSHIRAM	5	4	
Mr. Marie Joseph Jean Pierre MONTOCCHIO	4		
Mr. Mushtaq M.Oomar Noormohammed OOSMAN	5	4	
Mr. Antoine Andre Sow Fook SEEYAVE	4		
Mr. Antoine Nicolas Cheh SEEYAVE	4		
Mr. Jonathan Cheh SEEYAVE	4		
Mrs. Tharangany SINGARAVELLOO	5		
Mr. Neermal SHIMADRY	3		

## 2.11 Board Committees

The Board delegates certain roles and responsibilities to its principal Board committees. Whilst the Board retains overall responsibility, a sub-committee structure allows these committees to probe the subject matter more deeply and gain a greater understanding of the detail, and then report back to the Board on matters discussed, decision taken, and where appropriate make recommendations to the Board on matters requiring its approval.

The Board is satisfied that the committees are appropriately structured and competent to deal with both the Company's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review.

The committees, which are set out below, meet regularly under terms of reference set by the Board. The chairman of each committee has the responsibility to report to the Board regarding all decisions and matters arising at sub-committee meetings. The committees may from time to time seek independent professional advices which are then approved by the Board.

### 2.11.1 Corporate Governance Committee

Membership of the Corporate Governance Committee:

NAMES	STATUS
Mr. Marie Joseph Jean Pierre MONTOCCHIO (Chairman)	Independent Director
Mr. Jason Paul HAREL	Independent Director

### 2.11.2 Main Duties of the Corporate Governance Committee

The main duties and responsibilities of the Corporate Governance Committee encompass that of the Remuneration Committee and Nomination and include namely:

- Determine, agree and develop the Company's general policy on executive and senior management remuneration.
- Determine specific remuneration packages for executives and directors of the Company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance based incentives, pensions and other benefits.

- Determine the level of the non-executive and independent non-executive director's fees.
- Aim to give the executive director every encouragement to enhance the Company's performance and to ensure that they are fairly rewarded for their contributions and performance.
- Be responsible to ascertain whether a new Director is fit and proper and not disqualified from being a director.
- Ensure that the Board has a right balance of skills, expertise and independence.
- Make recommendations on the composition of the Board.
- Ensure that the potential new director is fully cognizant of what is expected from a director.
- Ensure that the right candidates are chosen to assume executive and senior management responsibilities.
- Determine, agree and develop the Company's general policy on Corporate Governance in accordance with the New Code of Corporate Governance of Mauritius.
- Ensure that a succession planning does exist in respect of the Executive Director.
- Appoint independent advisors and professionals as it deems necessary to carry out its duties.
- Have unrestricted access to any employee and information relevant to the performance of its duties.

### 2.11.3 Audit and Risk Committee (ARC)

#### Membership of the Audit and Risk Committee:

NAMES	STATUS
Mr. Mushtaq M.Oomar Noormohammed OOSMAN (Chairman)	Independent Director
Mr. Khushhal Chand KHUSHIRAM	Independent Director
<b>Regular attendees by invitation:</b> Executive Director and Financial Controller	

### 2.11.4 Main Duties of the Audit and Risk Committee

The primary objective of the Audit and Risk Committee is to provide the Board with additional assurance regarding accounting, auditing, internal control and financial matters together with their associated risks and includes:

- review and recommend to the Board for approval, the audited consolidated and separate financial statements at 30 June and the quarterly consolidated and separate unaudited management accounts;
- review the internal audit plan and the Company's internal financial control and risk management system;
- evaluate the work of the external auditors;
- ensure that significant adjustments, unadjusted differences, disagreements with Management, management letters, accounting principles along with the external audit process are discussed with the external auditors;
- review and discuss with Management the recommendations made by internal and external auditors and their implementation;
- review the contents of the annual report before its release;
- review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up of any fraudulent acts and/or non-compliance; and
- oversee the Company's compliance with legal and regulatory provisions, its Constitution, code of conduct, by-laws and any rules established by the Board.

The meetings of each Audit and Risk committee are minuted and recorded.

The external auditors have unrestricted access to the records, to management and employees of the Company. Meetings may also be scheduled with the external auditor without the presence of Management.

The members of the Committee have examined and tabled their views on financial reports prior to the approval of the audited consolidated and separate financial statements, as well as reports from the Internal and External Auditors.

For the year under review, there were no significant issues in relation to the financial statements.

The Audit Committee met four (4) times during the year.

## PRINCIPLE 3 DIRECTOR APPOINTMENT PROCEDURES

### 3.1 Nomination Process

The Board recognises the importance of having a formal and transparent process for the nomination and appointment of directors.

**The nomination and appointment process of directors which is owned by the Corporate and Governance Committee for the Company is as follows:**

- 1 Identification of candidates;
- 2 Interviews conducted by members of the Corporate Governance Committee;
- 3 Board approval of candidate;
- 4 Regulatory approval (if any);
- 5 Election at Annual/Special Meeting;
- 6 Letter of appointment;
- 7 Regulatory filing

### 3.2 Appointment and Re-Election of Directors

In accordance with the Constitution of the Company, the Directors of the Company shall be such person or persons as may from time to time be appointed by the shareholders' ordinary resolution.

### 3.3 Board Induction and Professional Development

All new Directors receive a full, formal and tailored induction on joining the Board, including meetings with senior management and visits to the Company's operational locations. The Board recognises the importance of on-going professional development and training to sustain an effective, well informed and functional Board which is continuously reviewed.

### 3.4 Succession Planning

The Corporate Governance Committee shall consider a set of criteria for the selection of prospective directors and key employees in view of the needs and strategic orientations of the Company, alongside considering gender diversity in its assessment. These, amongst others, relate to their knowledge base, competencies, experience, time commitment, ethics and values which provide the basis for assessing prospective successors for the Board and key employees.

### 3.5 Directors' Profile



**Mr. Antoine SEEYAVE**  
Chairman and Non-Executive Director

Mr. Antoine Seeyave has a long-standing and continuing association with Happy World Ltd as a core shareholder and director. He is co-Founder of Innodis Ltd where he held leadership positions from its inception in 1973 to 1998. He is a co-Founder of Floreal Knitwear Ltd, and a former Member of the National Committee on Corporate Governance. He is a Sloan Fellow of the London Business School.

Directorships in related companies: Happy World Ltd and several companies and sociétés related to Happy World Ltd.

Directorships in other listed companies: None.

Mr. Antoine Seeyave was appointed on 27 September 2004.



**Mr. Nicolas SEEYAVE**  
Executive Director

Mr. Nicolas Seeyave is the General Manager of Happy World Ltd and has worked at the group level since 2019. He qualified as a Certified Accountant and worked at Cohen Arnold LLP, London UK (February 2016-August 2019). He graduated with an Honours degree in Economics at the University of London School of Oriental and African Studies.

Directorships in related companies: Happy World Enterprises Ltd and several companies and sociétés related to Happy World Enterprises Ltd.

Directorship in other listed companies: None.

Mr. Nicolas Seeyave was appointed on 26 October 2020.



**Mr. Jason HAREL**  
Independent Director

Mr. Jason Harel is a co-founding Partner of BLC Robert, a leading law firm in Mauritius which is ranked as tier one firm by legal directories such as Legal 500, Chambers and Partners and IFLR1000. He is a qualified Chartered Accountant and as a Barrister both in England and Wales and the Republic of Mauritius. He possesses substantial experience in real estate, banking, corporate finance, corporate transactions, mergers & acquisitions and taxation law. Jason is consistently identified as a 'leading practitioner' in his field by the legal directories whilst he acts for public and private companies.

Directorship in other listed companies: None.

Mr. Jason Harel was appointed on 26 October 2020.



**Mr. Khushhal Chand KHUSHIRAM**  
Independent Director

Following a post-graduate degree in economics, Mr Khushhal Chand Khushiram joined the Bank of Mauritius in 1976, and was closely involved for ten years with the implementation of monetary and financial policies. Upon leaving the Bank, he set up a stock broking and investment management business. Elected Chairman of the Stock Exchange in 1993-94, he contributed to expand trading and issuance activities, and to enhance stock market infrastructure. In 2000, he was elected Member of Parliament, and was appointed Minister of Economic Development, Financial Services and Corporate Affairs, and later Minister of Industry, until July 2005. In this capacity, he led a wide-ranging program of economic and financial reforms, including the setting-up of the Financial Services Commission, and the introduction of a Code of Corporate Governance. He acted as Senior Adviser to the President of the African Development Bank during 2005-08, dealing mainly with strategic and finance issues, and was then appointed as the AfDB's Resident Representative in Egypt until 2011. Mr Khushiram is currently the Chairman of the Kibo II Fund LLC, a private equity fund investing in Africa.

Directorships in other listed companies: IPRO Growth Fund Ltd.

Mr. Khushhal Chand Khushiram was appointed on 26 October 2020.



**Mr. Jean Pierre MONTOCCHIO**  
Independent Director

Mr. Jean-Pierre Montocchio was appointed Notary Public in Mauritius in 1990. He participated in the National Committee on Corporate Governance as a member of the Board of Directors' Sub- Committee.

Directorships in other listed companies: Les Moulins de la Concorde Ltee, New Mauritius Hotels Limited, Rogers and Company Limited, ENL Limited, Fincorp Investment Ltd, Swan Forex Ltd and The General Construction Co Ltd.

Mr. Jean-Pierre Montocchio was appointed on 26 October 2020.



**Mr. Mushtaq OOSMAN**  
Independent Director

Mr. Mushtaq Oosman has over 30 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading. Mr. Mushtaq Oosman trained and qualified as a Chartered Accountant with Sinclairs in the UK. He joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius), serving as a partner from 1991 until his retirement in 2015. He was primarily an Assurance Partner, also responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. In January 2016, Mushtaq Oosman formed his own Insolvency Practice. He has served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board.

Directorships in other listed companies: Automatic Systems Ltd, Mauritius Union Assurance Co. Ltd, United Docks Ltd, ENL Limited, PIM LTD and Les Moulins de la Concorde Ltée.

Mr. Mushtaq Oosman was appointed on 26 October 2020.





**Mr. Jonathan SEEYAVE**  
Non-Executive Director

Mr. Jonathan Seeyave is the General Manager of Happy World Enterprises Ltd. He graduated from ESSEC Business School with an MBA and from the University of Reading with an Honours degree in Philosophy and French.

Directorships in related companies: Happy World Enterprises Ltd and several companies and sociétés related to Happy World Enterprises Ltd.

Directorships in other listed companies: None.

Mr. Jonathan Seeyave was appointed on 01 January 2015.



**Mrs. Tharangany SINGARAVELLOO**  
Independent Director

Mrs. Tharangany SINGARAVELLOO is a qualified Actuary with over 23 years of experience across the sub-Saharan Africa region, the UK, and the Netherlands. She holds a BSc Economics and Statistics (South Africa), a BSc (Hons) Operation Research (South Africa), a LLM International Business Law (France) and is a Fellow of the Institute of Faculty of Actuaries (UK).

Her experience spans an array of disciplines in the insurance fields with particular interest in developing markets. She currently heads Aon's Global Benefits Africa unit.

Directorship in other listed companies: MCB Group

Mrs. Tharangany SINGARAVELLOO was appointed on 25 February 2021.



**Mr. Neermal SHIMADRY**  
Non-Executive Director

Mr. Neermal Shimadry joined MCB Capital Markets in July 2011 and is currently a Senior Vice President with MCB Financial Advisers, the corporate finance advisory arm of MCB Capital Markets Ltd. He has extensive experience in financial structuring, capital raising, strategic planning, valuation, and transaction execution with a particular focus on corporate finance advisory and private equity transactions in Africa. He has led some of the largest bond issuances in the debt capital markets in Mauritius and is also actively involved in advising African corporates in their fund-raising initiatives.

Before joining MCB Group, Mr. Neermal Shimadry accumulated deep experience in several sectors like aviation, logistics, agro-industry, and property during his tenure as "Project and Development Manager" at Rogers and CIEL Groups and 'Planning Manager' at Air Mauritius.

Mr. Neermal Shimadry has a Master's in Economics and Business Strategy from the University of Paris IX Dauphine, France, and is a Fellow Certified Chartered Accountant (FCCA).

He holds directorships in three unlisted companies, subsidiaries of large conglomerates, in Mauritius, and one directorship in a French company headquartered in Rungis, France.

Mr. Neermal SHIMADRY was appointed on 12 May 2022.

### 3.6 Company Secretary

The Company Secretary is Executive Services Limited, and its registered office address is found at 2<sup>nd</sup> Floor, Les Jamalacs Building, Vieux Conseil Street, Port Louis.

Executive Services Limited is a leading company with over 35 years of experience in the field of corporate secretarial services in Mauritius. Its core businesses are incorporation of companies, business registration, full corporate secretarial and administrative services including accounting and tax services.

The Directors of Executive Services Limited are Mr. Christian Angseesing, Mr. Didier Angseesing, and Ms. Emmanuelle Angseesing.

## PRINCIPLE 4: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

### 4.1 Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Company and works with the management to take objective decisions in the interest of the Company. The Company Secretary keeps Directors inform of their duties as per the Companies Act 2001. They are also made aware of their responsibilities and legal duties.

### 4.2 Conflict of Interests and Related Party Transaction Policy

Each Director ensures that no decision or action is taken that places his interests in front of the interests of the business. At each Board meeting a Director will be requested to disclose any actual or potential conflicts of interests.

There is currently no specified policy for Related Party Transaction. The Company is currently working on same and would report in the next financial year.

### 4.3 Interests Register

The interest register is available to shareholders upon request to the Company Secretary.

### 4.4 Remuneration Philosophy

The Corporate Governance Committee has the responsibility for reviewing the remuneration of directors and key executives. The level of remuneration is based on market trend and is reviewed on a regular basis.

The Board is transparent, fair and consistent in determining the remuneration policy for directors and key executives. The remuneration of directors and key executives is generally aligned with the salary packages in the industry. The Company believes that adequate remuneration is essential to attracting and retaining talent and to motivating our key executives to perform at their best.

### 4.5 Directors' Remuneration

Remuneration received by the directors from the Company for the year was Rs 780,000/-

The Non-Executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

### 4.6 Board Evaluation

The Board shall consider setting up a well-established process for conducting the evaluation of the Board, the directors, and the committee performance during the next financial year.

### 4.7 Information Technology

The Company has a defined policy with regards to information, information technology and information security.

The Board oversees information governance through its Audit and Risk Committee, which itself supervises the Internal Audit function, which has no restrictions to its right of access to information. The Board ensures that all guidelines as per Data Protection Act, which governs right of access to information, are strictly adhered to.

All significant expenditures on information technology are approved by the Board, following recommendations and explanations provided by Management in that respect.

## PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

### 5.1 Risk Management Function

The Directors recognise that the Board has the overall responsibility for the Company's risk management and internal control. The management of the Company assists the Board in implementing, operating and monitoring the internal control systems which manage the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatements or loss.

The systems of internal controls put in place by management include the:

- maintenance of proper accounting records;
- implementation of the policies and strategies approved by the Board;
- regular assessment of specific risks management such as – market risks, credit risks, liquidity risks, operation risks, commercial risks, technological risks, compliance risks and human resource risks;
- overseeing and reviewing on an ongoing basis of the risks associated with social, safety, health and environmental issues.

Management has a well-designed structure for the identification and management of risks through stringent controls. Reviews of risks is effected by management on a quarterly basis and this provides the directors a certain level of assurance that management processes are in place and effective.

The Board is ultimately responsible for establishing, maintaining and overseeing appropriate and effective risk management and internal control systems for the Company. It has given the Audit and Risk Committee the responsibility of overseeing these systems on an ongoing basis and assessing their adequacy and effectiveness.

### 5.2 Internal Control

The Board is responsible for the system of internal control and has set appropriate policies to provide reasonable assurance that the control objectives are attained. Management is responsible for the design, implementation and monitoring of the internal control system. In view of the size and non-complexity of the transactions, the Board believes that an Internal control exercise once a year will be sufficient to mitigate any risk factor. The Board will undertake an independent appointment to carry out such exercise in the next financial year.

### 5.3 Risk factors

The Audit and Risk Committee review the risks factors which has been presented by Management and mitigating actions are taken to reduce such risks.

## PRINCIPLE 6: REPORTING WITH INTEGRITY

### 6.1 Social, Safety, Health and Environmental policies

The Company has developed and implemented social, safety, health and environmental policies and practices that comply with existing legislative and regulatory frameworks.

## 6.2 Code of Ethics

The Company aims to adopt a code of ethics during the next financial year.

## 6.3 Corporate Social Responsibility (CSR)

The Company's CSR activities will aim to focus on the following specific areas in the course of the next financial year:

- Support NGOs in their activities for the needy of the community.
- Support sustainable programs towards food self-sufficiency.

## 6.4 Training

The Company ensures that employees are trained and become sufficiently experienced to the extent necessary to competently and effectively undertake their assigned activities and responsibilities.

The Company aims to create a learning environment where employees will be prepared to accept change, develop new skills and take responsibility for their own continuous development.

## 6.5 Environment

The Company is committed to reducing its impact on the environment. It strives to improve its environmental performance over time and to initiate additional projects and activities that will further its impact on the environment.

# PRINCIPLE 7: AUDIT

## 7.1 Accounting and Audit

The Audit and Risk Committee evaluates the independence and effectiveness of the external auditors on an on-going basis before making a recommendation to the Board on their appointment and retention. The external auditors for this current financial year are Cays LLP. The total duration of the audit assignment is for a period of one year with the possibility of reappointment of the selected firm annually, subject to the approval of the Annual Meeting of Shareholders of HWP.

The fees payable to auditors for this current financial year is Rs 137,500/- + VAT.

# PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

## 8.1 Service Agreement

The Company has a service agreement with its Parent Company for its day-to-day operations.

## 8.2 Share Option Plan

The Company has no share option plan.

## 8.3 Dividend Policy

The payment of dividend is subject to the profitability of Happy World Property Ltd and satisfying the solvency test.

## 8.4 Share Price Information

In a similar manner to other listed companies on the stock market, the share price of the Company will be subject to the volatility associated with stock market movements.

## 8.5 Donations

The Company did not make any political donations during the year under review.

## 8.6 Stakeholders' Relations and Communication

The Board aims at properly understanding the information needs of all shareholders and places great importance on an open and meaningful dialogue with all those involved with the Company. It ensures that shareholders are kept informed on matters affecting the Company. Open lines of communication are maintained to ensure transparency and optimal disclosure. The Board is committed to fair financial disclosure for its shareholders and all the stakeholders at large.

All board members are requested to attend the Annual Meeting of Shareholders.

All shareholders of the Company are entitled to attend and vote at general meetings in person or by proxy. Shareholders also receive the annual reports of the Company and the notice of annual general meetings.

## 8.7 Conduct of shareholder meeting

During the annual meeting, which is held in Mauritius, shareholders are given the opportunity to communicate their views and to engage with the Board and Management with regard to the Company's business activities and financial performance.

Directors are encouraged to attend the shareholder's meetings. The members of the Audit and Risk Committee and external auditors are asked to be present at such meetings.

**At the shareholder's meeting, each item is proposed in a separate resolution:**

- The approval of the audited financial statements.
- The annual report.
- The ratification of dividend (if applicable).
- The election or re-election of directors of the board.
- The appointment or re-appointment of auditors under Section 200 of the Companies Act 2001.
- The ratification of the remuneration paid to the auditors.

Any other matter which may require the Shareholder's approval.

## 8.8 Timetable of major events

Key events are set out below:

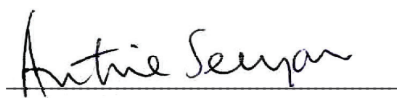
Events	Month
Approval of the audited financial statements	October 2023
<b>Approval of quarterly accounts:</b>	
Quarter ended 30th September	November 2022
Quarter ended 31st December	February 2023
Quarter ended 31st March	May 2023
Annual Meeting of Shareholders	December 2023

## 8.9 Related party transactions

Related party transactions are set out in Note 29.

## Acknowledgement

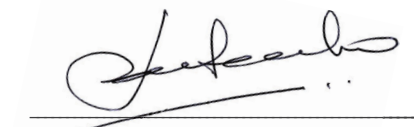
The Board would like to thank all employees for their continued dedication and loyalty.



Director

**Mr. Antoine SEEYAVE**

Date: 25 October 2023



Director

**Mr. Jean Pierre MONTOCCHIO**

Date: 25 October 2023



# STATEMENT OF COMPLIANCE

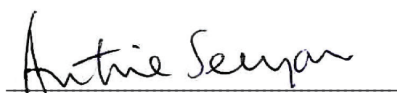
(Section 75 (3) of the Financial Reporting Act)

**Name of Public Interest Entity ('P.I.E'):** HAPPY WORLD PROPERTY LTD

Reporting period: Year ended 30 June 2023

*We, the Directors of Happy World Property Ltd, confirm, to the best of our knowledge that the Company has complied with the Corporate Governance Code for Mauritius (2016). The Company has fully applied all the principles set out in the Code and has explained how these principles have been applied.*

Signed by:



Chairman  
**Mr. Antoine SEEYAVE**

Date: 25 October 2023



Director  
**Mr. Jean Pierre MONTOCCHIO**

Date: 25 October 2023

## SECRETARY'S CERTIFICATE

In our capacity as Company Secretary of **Happy World Property Ltd**, we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the year ended 30 June 2023, all such returns, as are required, in terms of the Companies Act 2001.



**Executive Services Ltd**

**Company Secretary**

Per Mr. Christian Angseesing

2<sup>nd</sup> Floor, Les Jamalacs Building  
Vieux Conseil Street, Port Louis  
Republic of Mauritius

Date: 25 October 2023

# REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

## Opinion

We have audited the financial statements of **Happy World Property Ltd**, which are made up of the consolidated financial statements (the Group) and of its separate financial statements (the Company).

These financial statements comprise:

- the Statements of Financial Position as at 30 June 2023
  - the Statements of Profit or Loss and Other Comprehensive Income
  - the Statements of Changes in Equity and
  - the Statements of Cash Flows
- for the year then ended and a summary of significant accounting policies and other notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 2001.

## Basis of our opinion

- We conducted our audit in accordance with International Standards on Auditing (ISAs). Refer to paragraph entitled '**Responsibilities of the auditors for the audit of the financial statements**' below.
- We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements (in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)).
- We have fulfilled our other ethical responsibilities in accordance with these requirements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### (i) Investment properties

The investment properties of the Company, recognised at Rs 476,500k, (being its fair value determined on the basis of the valuation report carried out by Mr P Ramrekha MSC, FRICS CSK Chartered Valuation Surveyor) is the most significant asset of the company representing 73% of the total assets of the Company. Gain or loss in fair value has been recognized in profit or loss.

We have, amongst others, reviewed and assessed the Chartered Valuation Surveyor's report and the gross revenue generated from that property during the year and concur with the conclusions made in that report.

### (ii) Investments in subsidiaries and impairment of goodwill on consolidation

- On 31 August 2022, the Company acquired 100% of the shareholding of Fast Hub Ltd, a company incorporated in the Republic of Mauritius for a total consideration of Rs 24,889k. The subsidiary had a net asset of Rs 6,825k on acquisition date, resulting into an additional goodwill on consolidation of Rs 18,064k recognized in the Group's financial Statements.
- The total goodwill recognized as at 30 June 2023 by the Company amounted to Rs 99,698k.
- Goodwill has been allocated to cash-generating units (CGU) and must be tested for impairment annually in accordance with IAS 36 (Impairment of Assets) by comparing the recoverable amount of the CGU. The recoverable amount is the higher of:
  - Value in use and
  - Fair value less costs to sell
- The value in use is the present value of the future cash flows (discounted cash flow DCF), projections based on financial budgets over the next five years approved by the Board. The recoverable amount is sensitive to the discount rate used as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.
- Our audit procedures comprise the following:
  - We concur with the definition of CGU of management for goodwill allocation.

- We obtained the Group's discounted cash flow model (DCF) that supports the value-in-use calculation and assessed the assumptions used, including projections on future income, discount rate, sensitivity analysis to determine the impact of those assumptions, comparison with previous years' performance.
- We verified the mathematical accuracy of the DCF.
- We discussed and challenged the key management judgement.

### Other information

The Directors are responsible for other information included in the annual report other than the consolidated and separate financial statements and our Auditors' Report thereon. We have obtained prior to the date of this auditors' report, the statement of compliance, the corporate governance report, the other statutory disclosures, and the statement of directors' responsibilities in respect of the presentation of the consolidated and separate financial statements and the company's secretary certificate. Our opinion on the financial statements does not cover the other information referred above, and we do not express any conclusion thereon.

### Responsibilities of the directors of the Company

The directors of the Company are responsible:

- for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Companies Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, having no realistic alternative but to do so.

### Responsibilities of the auditors for the audit of the financial statements

Our objectives are:

- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error; and
- to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

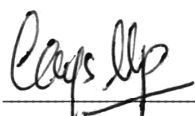
Refer to our website at: [www.cays.mu](http://www.cays.mu) for further details of our responsibilities forming part of this report.

### Report on other legal and regulatory requirements

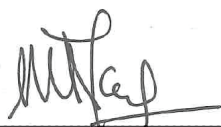
**Companies Act 2001:** We have no relationship with, or interest in, the Company, other than in our capacity as auditors and tax advisors and dealings in the ordinary course of business. We have obtained all the information and explanations we have required. In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

**Financial Reporting Act 2004:** The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.



Cays LLP  
Public Accountants



LHY Tang Ying Yuen FCCA  
Licensed by FRC

25 October 2023  
Date



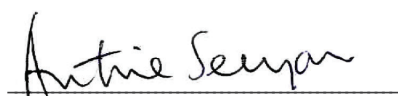
# ANNUAL FINANCIAL STATEMENTS

# STATEMENTS OF FINANCIAL POSITION

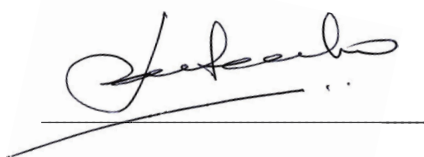
AT 30 JUNE 2023

IN RS'000	Notes(N)/Pages(P)	GROUP		COMPANY	
		2023	2022	2023	2022
NON-CURRENT ASSETS					
Plant and equipment	N7	49,706	17,375	42,388	9,644
Intangible assets	N8	99,698	81,634	-	-
Right-of-use assets	N9	14,424	20,805	-	-
Investment properties	N10	476,500	456,500	476,500	456,500
Investment in subsidiaries	N11	-	-	79,997	52,108
Deferred tax assets	N16	1,907	308	1,907	308
		642,235	576,622	600,792	518,560
CURRENT ASSETS					
Loans receivable	N12	-	-	27,479	30,738
Trade and other receivables	N13	36,766	28,120	32,478	18,670
Cash at bank and in hand	P28	3,055	4,699	766	2,454
Tax prepaid	N16	4,118	1,243	1,994	1,673
		43,939	34,062	62,717	53,535
Net assets		686,174	610,684	663,509	572,095
EQUITY AND LIABILITIES					
Share capital		400,000	400,000	400,000	400,000
Retained earnings		53,881	39,287	66,073	39,782
Equity attributable to owners of the Company	P27	453,881	439,287	466,073	439,782
NON-CURRENT LIABILITIES					
Lease liabilities	N17	10,045	15,319	-	-
Loans payable	N18	141,852	107,646	141,852	107,646
Other payables	N15	7,222	7,052	7,222	7,052
		159,119	130,017	149,074	114,698
CURRENT LIABILITIES					
Lease liabilities	N17	6,078	6,955	-	-
Loans payable	N18	40,702	13,155	38,202	13,155
Trade and other payables	N14	26,394	21,270	10,160	4,460
		73,174	41,380	48,362	17,615
Total liabilities		232,293	171,397	197,436	132,313
Total equity and liabilities		686,174	610,684	663,509	572,095

These financial statements were approved and authorised for issue by the Board of Directors on 25 October 2023.



Director  
Mr. Antoine SEEYAVE



Director  
Mr. Jean Pierre MONTOCCHIO



## STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

IN RS'000	Notes(N)/Pages(P)	GROUP		COMPANY	
		2023	2022	2023	2022
Revenue	N20	99,455	60,901	52,262	45,767
Gain in fair value of investment properties	N10	13,866	21,000	13,866	21,000
Gain/(loss) on foreign exchange	N21	720	(963)	722	(3)
Other income and gains		164	313	4,425	3
Operating expenses	N23	(80,961)	(36,312)	(35,157)	(25,778)
Other expenses and losses	N24	(5,061)	-	-	-
Finance costs (net)	N25	(11,857)	(3,778)	(8,095)	(2,935)
		16,326	41,161	28,023	38,054
Non-recurrent items	N26	(2,536)	(6,464)	(2,536)	(4,227)
Profit before tax		13,790	34,697	25,487	33,827
Tax credit/(expense)	N16	804	(4,039)	804	(2,674)
Profit for the year	P27	<b>14,594</b>	30,658	<b>26,291</b>	<b>31,153</b>
Other comprehensive income for the year		-	-	-	-
Comprehensive income for the year		<b>14,594</b>	30,658	<b>26,291</b>	<b>31,153</b>
Basic and diluted earnings per share (Rs)		0.36	0.77		
Profit for the year attributable to Owners of the Company*		<b>14,594</b>	30,658		
Comprehensive income for the year attributable to Owners of the Company*		<b>14,594</b>	30,658		

\* Owners of the Company have 100% interest in the subsidiaries.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

IN RS'000	Notes(N)/Pages(P)	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
		SHARE CAPITAL*	RETAINED EARNINGS	TOTAL
GROUP				
2022				
Consolidation adjustments		400,000	8,629	408,629
Profit for the year	P26	-	30,658	30,658
Other comprehensive income for the year	P26	-	-	-
Comprehensive income for the year	P26	-	30,658	30,658
At 30 June 2022		400,000	39,287	439,287
2023				
At 01 July 2022		400,000	39,287	439,287
Profit for the year	P26	-	14,594	14,594
Other comprehensive income for the year	P26	-	-	-
Comprehensive income for the year	P26	-	14,594	14,594
At 30 June 2023		400,000	53,881	453,881
COMPANY				
2022				
At 01 July 2021		400,000	8,629	408,629
Profit for the year	P26	-	31,153	31,153
Other comprehensive income for the year	P26	-	-	-
Comprehensive income for the year	P26	-	31,153	31,153
At 30 June 2022		400,000	39,782	439,782
2023				
At 01 July 2022		400,000	39,782	439,782
Profit for the year	P26	-	26,291	26,291
Other comprehensive income for the year	P26	-	-	-
Comprehensive income for the year	P26	-	26,291	26,291
At 30 June 2023		400,000	66,073	466,073

	NO. OF SHARES		IN RS'000	
	2023	2022	2023	2022
<b>* Share capital</b>				
Authorised, Issued and fully paid				
Ordinary shares of Rs10 each				
<b>At 01 July and at 30 June</b>	<b>40,000,000</b>	40,000,000	<b>400,000</b>	400,000

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

IN RS'000	Notes(N)/Pages(P)	GROUP		COMPANY	
		2023	2022	2023	2022
OPERATING ACTIVITIES					
Profit before tax	P26	13,790	34,697	25,487	33,827
Adjustment for:					
Non-recurrent items	N26	1,510	(1,088)	1,510	-
Allowance for credit losses		1,279	3,325	-	-
Loss on disposal of plant and equipment	N24	4,810	-	-	-
Loss on lease modification	N24	251	-	-	-
Gain on disposal of plant and equipment	N22	-	(3)	-	(3)
Gain in fair value of investment properties	N10	(13,866)	(21,000)	(13,866)	(21,000)
Depreciation of plant and equipment	N23	9,599	2,567	6,128	1,685
Depreciation of right-of-use assets	N23	7,184	3,487	-	-
Interest income	N25	-	-	(2,173)	-
Interest expenses	N25	11,857	3,778	10,268	2,935
Change in working capital:					
Trade and other receivables		(10,144)	(23,858)	(15,318)	(17,148)
Trade and other payables		2,013	(524)	5,870	1,585
		28,283	1,381	17,906	1,881
Interest received	N25	-	-	2,173	-
Interest paid	N25	(11,857)	(3,778)	(10,268)	(2,935)
Tax paid	N16	(3,286)	(3,101)	(1,116)	(118)
Net cash from/(used in) operating activities		13,140	(5,498)	8,695	(1,172)
INVESTING ACTIVITIES					
Acquisition of plant and equipment	N7	(39,058)	(9,094)	(38,872)	(8,558)
Acquisition of investment properties	N10	(6,134)	-	(6,134)	-
Acquisition of subsidiaries	N11	-	-	(27,889)	(52,108)
Proceeds from disposal of plant and equipment		-	3	-	3
Loans granted to subsidiaries		-	-	3,259	(30,738)
Payment for acquisition of subsidiaries,					
Net of cash acquired	N28	(24,141)	(48,278)	-	-
Net cash used in investing activities		(69,333)	(57,369)	(69,636)	(91,401)
FINANCING ACTIVITIES					
Lease capital payments		(7,205)	(3,382)	-	-
Loans received		81,991	112,609	79,490	105,950
Loans repaid		(20,237)	(38,561)	(20,237)	(7,823)
Dividends paid		-	(18,000)	-	(18,000)
Net cash from financing activities		54,549	52,666	59,253	80,127
Decrease in cash and cash equivalents		(1,644)	(10,201)	(1,688)	(12,446)
Consolidation adjustments		-	14,900	-	-
Cash and cash equivalents at 01 July		4,699	-	2,454	14,900
Cash and cash equivalents at 30 June		3,055	4,699	766	2,454
Cash and cash equivalents are:					
Cash at bank and in hand	P25	3,055	4,699	766	2,454
Leases					
Total cash outflows		8,732	4,225	-	-

# I NOTES

## NOTES

### 1 GENERAL INFORMATION

Happy World Property Ltd is a public company incorporated and domiciled in Mauritius. Its registered address is Level 8, Happy World House, 37, Sir William Newton Street, Port Louis, Republic of Mauritius.

**The main business activities of the Group are:**

- The rental of Commercial Property providing office and retail spaces.
- Operation of car parking facilities.
- Business Centres offering serviced office facilities.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the Group).

### 2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 2001 and under the historical cost convention as modified by **the revaluation of investment properties at fair value**.

### 3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Mauritian rupees (the Group's functional currency), rounded to nearest thousand (Rs' 000) unless otherwise stated. Comparative figures have been amended, where necessary, to conform to change in presentation in the current year.

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management makes estimates and assumptions based on historical experience and expectations of future events that are considered to be reasonable under the appropriate circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**Critical estimates and assumptions made during the year that might have a significant risk of causing material adjustment to the carrying amounts of the Group's assets and liabilities are as follows:**

#### **Fair value of investment properties**

The Group measures its investment properties at fair value; gain/loss in fair value being recognized in profit or loss. The Group engaged an independent valuation specialist to determine the fair value based on prevailing market condition.

#### **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit, to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

#### **Depreciation of plant and equipment**

Estimated useful lives of plant and equipment are determined based on management's historical experience and comparable market available data.

#### **Right-of-use assets and lease liabilities**

The Group determines the lease term as non-cancellable term of lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, it is reasonably certain not to be exercised. The Group cannot readily determine the interest rate implicit in the lease, therefore it uses the lessee's incremental borrowing rate of interest, that is, the rate of interest, the lessee

would have to pay on a similar lease or, if that is not determinable, the rate at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.

## 5 APPLICATION OF NEW IFRS AND INTERPRETATIONS

The Group is evaluating the applicability and relevance of certain new/revised standards and interpretations to existing standards (which are not yet effective) on the Group's operations and its impact on the financial statements of the Group in terms of results, presentation or disclosure. In alignment with the refined definition of Materiality in IASB Conceptual framework, IAS 1 and 8, certain information that is generally required by a standard, being assessed as immaterial, has been or may have been omitted in these financial statements.

## 6 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 periods presented, unless otherwise stated. The accounting policies set out below are, as far as possible, presented in the same chronological order, as the items/headings in the statement of financial position and statement of profit or loss. Accounting policies in respect of financial instruments are described under the relevant financial assets and liabilities.

### 6.1 PLANT AND EQUIPMENT

All plant and equipment are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and any impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual value using the straight-line method over their estimated useful lives and is recognised in profit or loss, unless it is required to be capitalised to another asset.

**The estimated useful lives for the current and comparative periods are as follows:**

- Furniture and equipment                      4 – 6 years
- Motor vehicles                                      7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Plant and equipment are derecognised when these are disposed of or permanently withdrawn from use. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of that item and is recognised in profit or loss at the date of disposal or retirement.

### 6.2 INTANGIBLE ASSETS

#### Computer software

Intangible assets which consist of purchased computer software are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and any impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred. Amortisation of intangible assets is calculated, using the straight line method, so as to allocate their cost less their residual values over their estimated useful lives of 8 years and is recognised in profit or loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### Goodwill

Goodwill on consolidation is initially recognised as the excess of the cost of acquisition over the fair value of the Company's share of the net assets of the acquired subsidiary at the date of acquisition and is subsequently measured at that amount less any impairment losses. Goodwill is not amortised but is tested for impairment annually. It is allocated to cash-generating units for the purpose of impairment testing. Goodwill is impaired when the carrying amount of the assets

exceeds its recoverable amount. The recoverable amount is, in turn, defined as the higher of the fair value less cost to sell and the value in use; where the value in use is the present value of the future cash flows.

### 6.3 RIGHT-OF-USE ASSETS

The Group (as a lessee) recognises a right-of-use asset and a lease liability at the lease commencement date in respect of its leases, other than short term and low value leases. Right-of-use assets are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and any impairment losses.

#### Cost comprises

- the amount of the initial measurement of the lease liability adjusted for any lease payments at or before the commencement date, plus
- any initial direct costs incurred by the lessee, plus
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located, less
- any lease incentives received.

Depreciation is calculated to write off the cost of right-of-use assets using the straight-line method over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term and is recognised in profit or loss.

The estimated useful lives and lease terms for the current and comparative periods are as follows:

- Buildings 5 years

### 6.4 INVESTMENT PROPERTIES

Investment properties which comprise of properties held for rental are initially recognised at cost and are subsequently measured at fair value determined by a professional valuer on the basis of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gain or loss in fair value is recognised in profit or loss in the period in which it arises. The gain or loss arising on the disposal or retirement of an investment property is determined as the difference between the sales proceeds and the carrying amount of that property and is recognised in profit or loss at the date of disposal.

Investments properties are categorised according to a fair value hierarchy as follows:

**Level 1** investment are those with unadjusted quoted prices in active markets for identical investment.

**Level 2** investment include quoted prices for similar investment in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (ie, interest rates or yields) and inputs that are derived from or corroborated by.

**Level 3** investment include unobservable inputs. The fair value of the investment properties has been determined by a Chartered Valuation Surveyor on the basis of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### 6.5 INVESTMENTS IN SUBSIDIARIES

#### In the Group's financial statements

The Group's financial statements include the Company and all its subsidiaries.



### Control of a subsidiary

- The results of any subsidiary acquired or disposed of during the year are included in the Group's profit or loss from the date on which control is transferred to the Group or up to the date that control ceases.
- The purchase consideration of an acquisition of subsidiary is allocated to the assets and liabilities based on fair value at the respective date of acquisition. Any excess of the purchase consideration over the fair value of the net assets acquired is recognised as goodwill on consolidation under intangible assets. (note 6.2)
- If the fair value of the net assets acquired is more than the purchase consideration the difference is recognised directly in profit or loss as a bargain purchase.

### Loss of control of a subsidiary

- Investments in subsidiaries are derecognised when the Group disposes or ceases to have control on a subsidiary.
- The gain or loss on disposal of a subsidiary is determined as the difference between the sales proceeds and the carrying value of the net assets including any goodwill of that subsidiary and is recognised in profit or loss.

### Consolidation procedures

- Like items of assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are combined.
- The carrying amount of the parent investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated resulting in goodwill on consolidation.
- Intra-group balances & transactions (including unrealised gains or losses thereon) are eliminated.
- Uniform accounting policies are applied for like transactions.
- Any non-controlling interest in a subsidiary is recognised at its proportionate share of the net assets of that subsidiary.

### In the Company's Financial Statements

Investments in subsidiaries are initially recognised at cost and subsequently measured at cost less any impairment losses. Investments in subsidiaries are derecognised when these are disposed of and or the Group ceases to control. Any gain or loss on disposal of a subsidiary is determined as the difference between the sales proceeds and the carrying amount of the investment in the subsidiary and is recognised in profit or loss at the date of disposal.

### 6.6 LOANS RECEIVABLE

Loans receivable are initially recognised at fair value when the Group's becomes a party to the contract and are subsequently measured at amortized cost using the effective interest method less any impairment losses. These loans and deposits are derecognised when the receivables have been collected or the rights to receive the cash flows have expired. These are classified as current assets except for maturities greater than 12 months after the reporting date. These are then classified as non-current assets.

### 6.7 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value when the Group becomes a party to the contract with the customer for rental of offices and sales of services and are subsequently measured at amortised cost net of any allowance for credit losses, estimated by management based on prior experience and the economic environment. Allowance for credit losses for the period is recognised in profit or loss. Trade and other receivables are classified as current assets as they are short term in nature. Trade and other receivables are derecognised when the receivables have been collected and/or the contractual rights to receive the cash flows have expired.

## 6.8 IMPAIRMENT OF ASSETS

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

## 6.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and at bank less bank overdrafts.

## 6.10 LEASES

Lease liability is initially measured at the present value of the lease payments that are unpaid, discounted by using the interest rate implicit in the lease or the borrowing Group's incremental borrowing rate as the discount rate. The distinction between finance and operating leases is no longer relevant from a lessee perspective. Lease liability is subsequently measured by increasing the liability with the implicit interest in the leases and by deducting the lease payment. Payments made under short term and low value leases are recognised in profit or loss on a straight line basis over the term of the lease.

## 6.11 LOANS PAYABLE

Interest bearing bank loans are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost 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 12 months after the end of the year. These are then classified as non-current liabilities.

## 6.12 TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value which is normally the invoiced price by the suppliers when the Group becomes a party to the contract with the suppliers for purchase of goods or services and are subsequently measured at amortised cost. Trade and other payables are classified as current liabilities as they are short term in nature. Trade and other payables are derecognised when and only when the obligations are discharged, cancelled or they expire.

## 6.13 INCOME TAX

### **Tax expense**

Tax expense comprises current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. The tax expense is calculated using tax rates enacted or substantively enacted at the reporting date.

### **Tax payable/prepaid**

Tax payable or prepaid for the current and prior periods is measured at the amount expected to be paid or recoverable to/from the tax authorities. Tax payable are derecognised when and only when the obligations are discharged

### **Deferred tax liabilities or assets**

Deferred tax liabilities or assets for tax payable or recoverable in future periods are recognised on all temporary differences arising between the tax bases of the liabilities and assets and their carrying values for financial reporting purposes. Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

## 6.14 SHARE CAPITAL

Ordinary shares are classified as equity.

## 6.15 FOREIGN CURRENCY TRANSLATION

### In the Group's financial statements

The financial position, results and cash flows of an entity whose functional currency is different from the presentation currency (Mauritian rupees) are translated into Mauritian rupees as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date.
- Income and expenses for each item of profit or loss and other comprehensive income are translated at an average exchange rate for the period.
- All resulting exchange differences are recognised in other comprehensive income and cumulated in the translation reserve, except to the extent that the translation difference is allocated to the noncontrolling interests.
- Cash flows are translated at an average exchange rate.

### In the Company's Financial Statements

Transactions in foreign currencies are translated to Mauritian rupees at the exchange rates prevailing at the date of the transactions. Difference in exchange resulting from the settlement of such transactions is recognised as gain or loss on foreign exchange in profit or loss. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated to Mauritian rupees at the exchange rates ruling at the end of the reporting date. Difference in exchange thereon is recognized as gain or loss on foreign exchange in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

## 6.16 REVENUE

### 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 Company is entitled to receive net of value added tax in the accounting period in which the services are provided.

### Provision of services over time

Revenue for the provision of services over time is recognised in profit or loss based on the consideration to which the Company is entitled to receive net of value added tax for the performance obligation of each period (month/quarter/year).

### Rental income

Income from the lease of property is recognised in profit or loss on a straight-line basis over the term of the operating lease.

## 6.17 DIVIDEND INCOME

Dividend from investments in subsidiaries are recognised in profit or loss only when the Company's right to receive payment of the dividends is established.

## 6.18 EXPENSES

Purchases of services and ancillary goods for internal use, other than those related to the production overhead included in inventories, are recognised as expenses (as adjusted for prepayments & accruals) in profit or loss in the period these are incurred.

## 6.19 FINANCE COSTS

Finance costs on borrowings directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognised as part of the cost of the assets until such time that the assets are substantially ready for their intended use or sale. Otherwise, finance costs are recognised in profit or loss in the period in which these are incurred. Interest income

is recognised using the effective interest method and is deducted from interest expenses shown as finance costs (net).

#### 6.20 NON-RECURRENT ITEMS

Material items of income or expense due to the significance of their nature and amount are disclosed separately in profit or loss where it is necessary to provide further understanding of the financial performance of the Company.

#### 6.21 DIVIDENDS PAYABLE

Dividends declared to the Company's shareholders during the period (paid and payable at end of period) are recognised as distribution to shareholders in the statement of changes in equity. Dividends declared and payable at end of period are recognised as current liability.

## NOTES

FOR THE YEAR ENDED 30 JUNE 2023

### 7 PLANT AND EQUIPMENT

IN RS'000	GROUP		
	FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
<b>2023</b>			
a. Cost			
At 01 July 2022	57,722	43	57,765
Consolidation adjustments	16,973	-	16,973
Acquisitions	39,058	-	39,058
Disposals	(18,666)	-	(18,666)
<b>At 30 June 2023</b>	<b>95,087</b>	<b>43</b>	<b>95,130</b>
b. Accumulated depreciation and impairment			
At 01 July 2022	40,367	23	40,390
Consolidation adjustments	9,291	-	9,291
Depreciation charge	9,593	6	9,599
Disposal adjustments	(13,856)	-	(13,856)
<b>At 30 June 2023</b>	<b>45,395</b>	<b>29</b>	<b>45,424</b>
c. Carrying amount			
<b>At 30 June 2023</b>	<b>49,692</b>	<b>14</b>	<b>49,706</b>
<b>2022</b>			
a. Cost			
Consolidation adjustments	48,644	43	48,687
Acquisitions	9,094	-	9,094
Disposals	(16)	-	(16)
At 30 June 2022	57,722	43	57,765
b. Accumulated depreciation and impairment			
Consolidation adjustments	37,822	17	37,839
Depreciation charge	2,561	6	2,567
Disposal adjustments	(16)	-	(16)
At 30 June 2022	40,367	23	40,390
c. Carrying amount			
At 30 June 2022	17,355	20	17,375

## 7 PLANT AND EQUIPMENT (CONTINUED)

IN RS'000	GROUP		
	FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
<b>2023</b>			
a. Cost			
At 01 July 2022	18,526	43	18,569
Acquisitions	38,872	-	38,872
Disposals	(1,497)	-	(1,497)
<b>At 30 June 2023</b>	<b>55,901</b>	<b>43</b>	<b>55,944</b>
b. Accumulated depreciation and impairment			
At 01 July 2022	8,902	23	8,925
Depreciation charge	6,122	6	6,128
Disposal adjustments	(1,497)	-	(1,497)
<b>At 30 June 2023</b>	<b>13,527</b>	<b>29</b>	<b>13,556</b>
Carrying amount			
<b>At 30 June 2023</b>	<b>42,374</b>	<b>14</b>	<b>42,388</b>
<b>2022</b>			
a. Cost			
At 01 July 2021	9,984	43	10,027
Acquisitions	8,558	-	8,558
Disposals	(16)	-	(16)
At 30 June 2022	18,526	43	18,569
b. Accumulated depreciation and impairment			
At 01 July 2021	7,239	17	7,256
Depreciation charge	1,679	6	1,685
Disposal adjustments	(16)	-	(16)
At 30 June 2022	8,902	23	8,925
c. Carrying amount			
At 30 June 2022	9,624	20	9,644

Refer to note 18 for assets pledged as securities for banking facilities granted to the Group and Company.

## 8 INTANGIBLE ASSETS

IN RS'000	GROUP		
	GOODWILL ON CONSOLIDATION	COMPUTER SOFTWARE	TOTAL
<b>2023</b>			
a. Cost			
At 01 July 2022	81,634	1,567	83,201
Acquisitions	18,064	-	18,064
<b>At 30 June 2023</b>	<b>99,698</b>	<b>1,567</b>	<b>101,265</b>
b. Accumulated depreciation and impairment			
At 01 July 2022 and <b>30 June 2023</b>	-	<b>1,567</b>	<b>1,567</b>
c. Carrying amount			
<b>At 30 June 2023</b>	<b>99,698</b>	-	<b>99,698</b>
<b>2022</b>			
a. Cost			
Consolidation adjustments	-	1,567	1,567
Acquisitions	81,634	-	81,634
At 30 June 2022	81,634	1,567	83,201
b. Accumulated depreciation and impairment			
Consolidation adjustments	-	1,567	1,567
At 30 June 2022	-	1,567	1,567
c. Carrying amount			
At 30 June 2022	81,634	-	81,634

Goodwill relates to the acquisition of three Business Centres, offering serviced office facilities and operating in Port Louis, Grand Bay and Ebene under the "Regus" Trademark. These acquisitions have significantly increased the Group's market share in this industry and complement the Group's existing business activities.

"Regus" trademark is owned by IWG, the world-wide leader in Business Centres offering serviced office facilities to customers.

IN RS'000	COMPANY	
	2023	2022
<b>COMPUTER SOFTWARE</b>		
a. Cost		
At 01 July and 30 June	<b>1,567</b>	1,567
b. Accumulated depreciation and impairment		
At 01 July and 30 June	<b>1,567</b>	1,567
c. Carrying amount		
At 30 June	-	-



## 9 RIGHT-OF-USE ASSETS

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>BUILDINGS</b>				
a. Cost				
At 01 July	34,265	-	-	-
Consolidation adjustments	-	34,265	-	-
Lease modification adjustments	803	-	-	-
Lease terminated during the year	(6,565)	-	-	-
At 30 June	<b>28,503</b>	34,265	-	-
b. Accumulated depreciation and impairment				
At 01 July	13,460	-	-	-
Consolidation adjustments	-	9,973	-	-
Charge for the year	7,184	3,487	-	-
Lease terminated during the year	(6,565)	-	-	-
At 30 June	<b>14,079</b>	13,460	-	-
c. Carrying amount	<b>14,424</b>	20,805	-	-

d. The Group leases premises for an average period of 5 years.

## 10 INVESTMENT PROPERTIES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
a. Fair value (level 3)				
At 01 July	456,500	-	456,500	435,500
Consolidation adjustments	-	435,500	-	-
Additions	6,134	-	6,134	-
Gain in fair value	13,866	21,000	13,866	21,000
At 30 June	<b>476,500</b>	456,500	<b>476,500</b>	456,500

b. Assessment of fair value

The fair value of the investment properties have been determined by Mr P. Ramrekha MSC FRICS MMIS, Chartered Valuation Surveyor on the basis of open market value on 26 May 2023 (2022: 9 May 2022).

## 11 INVESTMENT IN SUBSIDIARIES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
a. At 01 July	-	-	52,108	-
Acquisitions during the year	-	-	27,889	52,108
At 30 June	-	-	<b>79,997</b>	52,108

## 11 INVESTMENT IN SUBSIDIARIES (CONTINUED)

IN RS'000		COMPANY	
		2023	2022
b. The subsidiaries, all incorporated in the Republic of Mauritius, are as follows:			
	ACTIVITIES	% HOLDING	% HOLDING
Regus Business Centres (Mauritius) Ltd	Serviced office facilities	100	100
RBC (Mauritius) Ltd	Serviced office facilities	100	100
Fast Hub Ltd	Serviced office facilities	100	-
Regus Port Louis CBD Ltd	Serviced office facilities	100	-
Regus Grand Bay Ltd	Serviced office facilities	100	-

c. The directors have assessed the recoverable amount of the investment in subsidiaries (by using the cost and/or earnings and/or net assets basis of valuation and have made assumptions that are based on the market conditions) and consider that no impairment are necessary.

## 12 LOANS RECEIVABLE

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
a. Loans receivable from subsidiaries	-	-	<b>27,479</b>	30,738

b. The loans bears interest of MCB PLR + 1% per annum, are unsecured and are repayable on demand.

## 13 TRADE AND OTHER RECEIVABLES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
a. Trade receivables	6,899	10,374	339	1,311
Accumulated allowance for credit losses	(3,254)	(5,389)	-	-
Net trade receivables	3,645	4,985	339	1,311
Prepayments and other receivables	13,288	6,234	1,085	318
Receivable from Regus Group Limited	20,446	16,995	20,446	16,995
	33,734	23,229	21,531	17,313
Accumulated allowance for credit losses	(639)	(140)	-	-
Net prepayments and other receivables	33,095	23,089	21,531	17,313
Amount receivable from parent company	13	33	13	33
Amount receivable from subsidiaries	-	-	10,582	-
Amount receivable from a related party	13	13	13	13
	<b>36,766</b>	28,120	<b>32,478</b>	18,670
b. Ageing of net trade receivables not impaired				
Not later than three months	3,515	4,855	339	1,181
Later than three months and not later than six months	130	130	-	130
	<b>3,645</b>	4,985	<b>339</b>	1,311
c. Accumulated allowance for credit losses				
At 01 July	5,529	-	-	-
Consolidation adjustments	946	3,227	-	-
Allowance for credit losses for the year	1,279	3,325	-	-
Receivables written off as uncollectible	(3,861)	(1,023)	-	-
At 30 June	<b>3,893</b>	5,529	-	-

d. Taking into consideration the credit quality of the trade receivables, the Group considers an allowance for credit losses of Rs 3,893k (2022: Rs 5,529k) is adequate and the Company considers that no provision for impairment is necessary on trade receivables of not later than six months (not due or past due).

#### 14 TRADE AND OTHER PAYABLES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
a. Trade payables	8,670	3,784	4,156	918
Accruals and other payables	5,586	4,449	1,300	1,533
Deposits from customers	8,190	7,404	1,608	2,009
Advances received from customers	3,310	5,193	-	-
Amount payable to subsidiaries	-	-	2,990	-
Amount payable to a related party	495	-	-	-
Amount payable – CSR fund	143	440	106	-
	<b>26,394</b>	<b>21,270</b>	<b>10,160</b>	<b>4,460</b>

b. Trade payables are non-interest bearing and are generally on 30 to 90 days' term.

#### 15 OTHER PAYABLES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
Deposits from customers refundable				
Later than one year and not later than two years	3,366	-	3,366	-
Later than two years and not later than five years	1,625	4,889	1,625	4,889
Later than five years	2,231	2,163	2,231	2,163
	<b>7,222</b>	<b>7,052</b>	<b>7,222</b>	<b>7,052</b>

#### 16 INCOME TAX

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
a. Tax expense/(credit)				
Income tax on the adjusted profit for the year	795	1,365	795	-
Deferred tax expense/(credit) for the year	(1,599)	2,674	(1,599)	2,674
	<b>(804)</b>	<b>4,039</b>	<b>(804)</b>	<b>2,674</b>
b. Tax payable/(prepaid)				
At 01 July	(1,243)	(1,555)	(1,673)	(1,555)
Consolidation adjustments	(384)	2,048	-	-
Income tax on the adjusted profit for the year	795	1,365	795	-
Tax (paid)/refunded (net)	(3,286)	(3,101)	(1,116)	(118)
	<b>(4,118)</b>	<b>(1,243)</b>	<b>(1,994)</b>	<b>(1,673)</b>

## 16 INCOME TAX (CONTINUED)

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>c. Reconciliation of tax expense and tax on accounting profit</b>				
Profit before tax	13,790	34,697	25,487	33,827
<b>Adjustment for:</b>				
Consolidation adjustments	(3,185)	(14,972)	-	-
Difference between capital allowance and depreciation	(6,664)	(947)	254	(484)
Difference between depreciation of right-of-use assets and rental payments	612	246	-	-
Expenses not deductible for income tax purposes	12,757	20,583	2,852	5,108
Gain in fair value of investment properties	(13,866)	(21,000)	(13,866)	(21,000)
Income not subject to income tax	-	(885)	-	(3)
Other items not subject to income tax	(923)	-	(923)	-
Tax losses from previous years	(9,044)	(25,954)	(8,506)	(25,954)
Overlap profit	-	8,287	-	-
Tax losses lapsed	538	-	-	-
Tax losses for future use	11,283	9,044	-	8,506
Adjusted chargeable profit for the year	<b>5,298</b>	<b>9,099</b>	<b>5,298</b>	<b>-</b>
Enacted tax rate	15%	15%	15%	15%
Income tax on the adjusted profit for the year	<b>795</b>	<b>1,365</b>	<b>795</b>	<b>-</b>
Average effective tax rate	6%	4%	3%	-
<b>d. Deferred tax assets</b>				
At 01 July	308	-	308	2,982
Consolidation adjustments	-	2,982	-	-
Deferred tax credit/(expense) for the year	1,599	(2,674)	1,599	(2,674)
At 30 June	<b>1,907</b>	<b>308</b>	<b>1,907</b>	<b>308</b>
Made up of				
Difference between capital allowance and depreciation	1,666	(968)	1,666	(968)
Tax losses	241	1,276	241	1,276
	<b>1,907</b>	<b>308</b>	<b>1,907</b>	<b>308</b>

## 17 LEASE LIABILITIES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>a. Minimum lease payments</b>				
Not later than one year	7,115	8,504	-	-
Later than one year and not later than five years	10,672	16,948	-	-
	17,787	25,452	-	-
Finance costs for future periods	(1,664)	(3,178)	-	-
Present value of lease liabilities	<b>16,123</b>	<b>22,274</b>	<b>-</b>	<b>-</b>
<b>b. Present value of finance lease liabilities</b>				
Current – Not later than one year	6,078	6,955	-	-
Non current – Later than one year and not later than five years	10,045	15,319	-	-
	<b>16,123</b>	<b>22,274</b>	<b>-</b>	<b>-</b>

## 18 LOANS PAYABLE

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>a. Bank loans – secured</b>	156,230	110,284	156,230	110,284
Other loan – secured	9,324	10,517	9,324	10,517
Other loan – parent company	14,000	-	11,500	-
Other loan – related party	3,000	-	3,000	-
	<b>182,554</b>	<b>120,801</b>	<b>180,054</b>	<b>120,801</b>
<b>b. Current loans payable</b>				
Not later than one year	<b>40,702</b>	13,155	<b>38,202</b>	13,155
<b>c. Non-current loans payable</b>				
Later than one year and not later than two years	22,311	15,631	22,311	15,631
Later than two years and not later than five years	68,790	41,230	68,790	41,230
Later than five years	50,751	50,785	50,751	50,785
	<b>141,852</b>	<b>107,646</b>	<b>141,852</b>	<b>107,646</b>

d. The bank loans are secured by fixed and floating charges on the assets of the Company.

## 19 RETIREMENT BENEFIT OBLIGATIONS

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>Contributions to defined contribution plan</b>				
Recognised in profit or loss	<b>532</b>	232	<b>278</b>	232

## 20 REVENUE

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>a. Nature of revenue</b>				
<i>The Group generates revenue from the:</i>				
- rental of office and commercial spaces				
- rental of parkings				
- provision of services				
<b>b. Timing of satisfaction of performance obligation and significant payment terms</b>				
<i>b.1 Revenue for the provision of services at a point in time is recognised on completion of the services billed in cash.</i>				
<i>b.2 Revenue for the provision of services over time is recognised at the end of each period and is generally billed in cash or in credit.</i>				
<b>c. Revenue is analysed as follows:</b>				
Rental income	80,480	46,718	40,036	34,859
Provision of services	18,975	14,183	12,226	10,908
	<b>99,455</b>	<b>60,901</b>	<b>52,262</b>	<b>45,767</b>

## 21 FOREIGN EXCHANGE

### Gain/(loss) on foreign exchange

Gain/(loss) on foreign exchange arises on the settlement of transactions in foreign currencies and on the translation of monetary assets and liabilities denominated in foreign currencies.

## 22 OTHER INCOME AND GAINS

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
Gain on disposal of plant and equipment	-	3	-	3
Recharge of short term employee benefits	-	-	3,905	-
Management fees	-	-	520	-
Other income	164	310	-	-
	<b>164</b>	<b>313</b>	<b>4,425</b>	<b>3</b>

## 23 OPERATING EXPENSES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
a. Short term employee benefits	15,078	7,407	8,518	5,586
Serviced office expenses	36,441	15,249	13,696	12,163
Other administrative and selling expenses	11,023	7,162	6,709	6,344
Depreciation of plant and equipment	9,599	2,567	6,128	1,685
Depreciation of right-of-use assets	7,184	3,487	-	-
Amount receivable written off	251	-	-	-
Allowance for credit losses	1,279	-	-	-
Corporate social responsibility fund	106	440	106	-
	<b>80,961</b>	<b>36,312</b>	<b>35,157</b>	<b>25,778</b>
b. Direct operating expenses that generated rental income	<b>68,302</b>	<b>28,710</b>	<b>28,342</b>	<b>19,434</b>
c. Short term leases				
Rental costs included in serviced office expenses	<b>5,267</b>	-	-	-

## 24 OTHER EXPENSES AND LOSSES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
Loss on disposal of plant and equipment	4,810	-	-	-
Loss on lease modification	251	-	-	-
	<b>5,061</b>	-	-	-

## 25 FINANCE COSTS (NET)

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>a. Interest expenses</b>				
Bank loans	9,707	2,170	9,707	2,170
Loan payable to parent company	612	-	550	-
Loan payable to related party	10	-	10	-
Interest on overdrafts	1	2	1	2
Lease liabilities	1,527	843	-	-
Other loan	-	763	-	763
	11,857	3,778	10,268	2,935
<b>Less</b>				
<b>b. Interest income</b>				
Loans receivable from subsidiaries	-	-	2,173	-
	11,857	3,778	8,095	2,935

## 26 NON-RECURRENT ITEMS

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>a. Acquisition of subsidiaries – related costs (note 26b)</b>	1,026	4,227	1,026	4,227
Amount receivable written off	1,510	-	1,510	-
Allowance for credit losses	-	3,325	-	-
Payables written back	-	(1,088)	-	-
	<b>2,536</b>	<b>6,464</b>	<b>2,536</b>	<b>4,227</b>

b. The above acquisition-related costs are the costs that the Company incurred to acquire the subsidiaries. They include the advisory, legal, accounting and other professional fees.

## 27 BUSINESS SEGMENTS

The group has only one business segment, that is, the rental of office and retail spaces, offering service facilities and operating car parking facilities.

## 28 BUSINESS COMBINATION

a. On 31 August 2022, the Company acquired 100% of the issued share capital of Fast Hub Ltd. (2022: the Company acquired 100% of the issued share capital of Regus Business Centres (Mauritius) Ltd and RBC (Mauritius) Ltd).

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

IN RS'000	GROUP	
	2023	2022
<b>Purchase consideration</b>		
Cash paid	<b>24,889</b>	52,108
<b>b. Net assets acquired</b>		
Cash and cash equivalent	748	3,830
Other than cash and cash equivalent	6,077	(33,356)
Net identifiable assets/(liabilities) acquired	6,825	(29,526)
Goodwill on acquisition	18,064	81,634
	<b>24,889</b>	52,108



## 28 BUSINESS COMBINATION (CONTINUED)

IN RS'000	GROUP	
	2023	2022
<b>c. Outflow of cash to acquire subsidiaries, net of cash acquired</b>		
Purchase consideration in cash	24,889	52,108
<u>Less:</u> Cash and cash equivalent	(748)	(3,830)
	<b>24,141</b>	<b>48,278</b>

### d. Acquisition-related costs

Acquisition-related costs of Rs 1,026k (2022: Rs 4,227k) have been accounted for under non-recurrent expenses in the statement of profit or loss.

## 29 RELATED PARTIES

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>a. A related party is an individual or company where that party has the ability, directly or indirectly to control or influence over the other party in making financial or operating decisions. Parties are also considered related when they are under common control or common significant influence.</b>				
<b>b. Parent and ultimate parent companies</b>				
The directors of the Company regard Happy World Ltd and Happy World Enterprises Ltd both incorporated in the Republic of Mauritius as the direct and ultimate parent company respectively.				
<b>c. Transactions with related parties</b>				
<b>Sales of services to</b>				
Subsidiaries	-	-	<b>5,076</b>	-
Fellow subsidiaries	<b>1,248</b>	1,225	<b>1,248</b>	1,225
Parent company	<b>4,968</b>	4,904	<b>4,968</b>	4,904
<b>Purchase of services from</b>				
Parent company	<b>2,613</b>	2,604	<b>2,613</b>	2,604
<b>Interest income</b>				
Subsidiaries	-	-	<b>2,173</b>	-
<b>Interest expenses</b>				
Parent company	<b>612</b>	-	<b>550</b>	-
Related party	<b>10</b>	-	<b>10</b>	-

### d. Outstanding balances with related parties

Outstanding balances with related parties are disclosed in the respective note 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.

## 29 RELATED PARTIES (CONTINUED)

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>e. Compensation of key management personnel of the Company</b>				
Short term employee benefits paid by the Company	<b>7,093</b>	2,373	<b>3,904</b>	1,430
Short term employee benefits paid by the parent company and recharged through management fees	<b>1,440</b>	1,440	<b>1,440</b>	1,440

## 30 FINANCIAL INSTRUMENTS

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>Categories of financial instruments:</b>				
<b>a. Financial assets at amortised cost</b>				
Loans receivable	-	-	27,479	30,738
Trade and other receivables (excluding prepayments)	33,402	26,776	32,452	18,644
Cash at bank and in hand	3,055	4,699	766	2,454
	<b>36,457</b>	31,475	<b>60,697</b>	51,836
<b>b. Financial liabilities at amortised cost</b>				
Trade and other payables	33,616	28,322	17,382	11,512
Loans payable	182,554	120,801	180,054	120,801
Lease liabilities	16,123	22,274	-	-
	<b>232,293</b>	171,397	<b>197,436</b>	132,213

## 31 FINANCIAL RISK MANAGEMENT

### 31.1 Financial risk factors

The Company's activities expose it to financial risks:

- a Credit risk
- b Liquidity risk
- c Market risk (foreign exchange risk; interest rate risk)

#### **a. Credit risk**

The Company has policies in place to ensure that credit sales are made to customers after a credit assessment has been carried out. There is no significant concentration of credit risk. The Company credit risk is primarily attributable to its receivables. The amounts presented in the Statement of Financial Position are net for allowance for credit losses, estimated by management based on prior experience and the economic environment. Refer to note 13 (trade and other receivables) for aged analysis of trade receivables

#### **b. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The Company aims at maintaining flexibility in funding by keeping reliable credit lines available. Contractual maturities of outflows in respect of financial liabilities are disclosed in the respective note of the appropriate liability.

#### **c. Market risk (foreign exchange risk; interest rate risk)**

##### **c.1 Foreign exchange risk**

The Company is exposed to foreign exchange risk on certain transactions denominated in foreign currencies. The Company uses forward contracts, whenever possible, to manage its exposure to foreign currency risk.

### Currency risk analysis

The financial instruments exposed to foreign currency changes are summarised as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
<b>Financial assets</b>	(in respective currency)			
US\$ ('000)	272	28	1	28
GBP ('000)	356	180	356	97
<b>Financial liabilities</b>				
US\$ ('000)	295	122	122	122
<b>Sensitivity analysis on foreign currency risk</b>	(in Rs '000)			
Assuming a 1% change + (-) in the foreign currency rate on the above financial assets and liabilities, the result would have been impacted by	195	55	150	11

### c.2 Interest rate risk

The Company's income and operating cash flow are exposed to interest rate risk as it sometimes borrows at variable rates. The Company uses a proper mix of fixed and variable rate borrowings, whenever possible, to manage the interest rate risk.

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>Sensitivity analysis on interest rate risk</b>				
Assuming a 25 basis points change + (-) in the interest rate on all variable interest bearing borrowings, the result would have been impacted by	398	142	326	142

### 31.2 Capital risk management

a. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or raise shareholders loan or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio calculated as net borrowing divided by total equity of the Company.

IN RS'000	GROUP		COMPANY	
	2023	2022	2023	2022
<b>b. Gearing ratio</b>				
<b>Interest bearing borrowings</b>				
Lease liabilities	16,123	22,274	-	-
Loans payable	182,554	120,801	180,054	120,801
Cash at bank and in hand	(3,055)	(4,699)	(766)	(2,454)
Net borrowings	195,622	138,376	179,288	118,347
Equity attributable to owners of the Company	453,881	439,287	466,073	439,782
Capital employed	649,503	577,663	645,361	558,129
Gearing ratio	43%	32%	38%	27%

### 32. EVENT AFTER THE REPORTING PERIOD

There were no events after the reporting period that require disclosures.





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