Happy World
PROPERTY

ANNUAL REPORT
& FINANCIAL STATEMENTS
2024

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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 2024.

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 53,099K (2023: Rs 52,262K).

The Company’s loss for the year ended 30 June 2024 is Rs 4,954K (2023: profit Rs 26,291K).

	2024	2023
TURNOVER IN RS’000	53,099	52,262
(LOSS)/PROFIT IN RS’000	(4,954)	26,291

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 2024:

Mr. Jason
HAREL

Mr. Khushhal Chand
KHUSHIRAM

Mr. Jean Pierre
MONTOCCHIO

Mr. Mushtaq
OOSMAN

Mr. Antoine
SEEYAVE

Mr. Nicolas
SEEYAVE

Mr. Jonathan
SEEYAVE

Mr. Neermal
SHIMADRY

Mrs. Tharangany
SINGARAVELLOO

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	50
Mr. Khushhal Chand KHUSHIRAM	155
Mr. Marie Joseph Jean Pierre MONTOCCHIO	80
Mr. Mushtaq M.Oomar Noormohammed OOSMAN	155
Mr. Antoine Andre Sow Fook SEEYAVE	100
Mr. Jonathan Cheh SEEYAVE	80
Mrs. Tharangany SINGARAVELLOO	70
Mr. Neermal SHIMADRY	70
Total Independent and Non-Executive	760
Mr. Antoine Nicolas Cheh SEEYAVE	70
Total Executive	70
Total (Independent, Non-Executive and Executive)	**830**

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 03 March 2025 and signed on its behalf by:

Director
Mr. Antoine SEEYAVE

Director
Mr. Mushtaq OOSMAN

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.

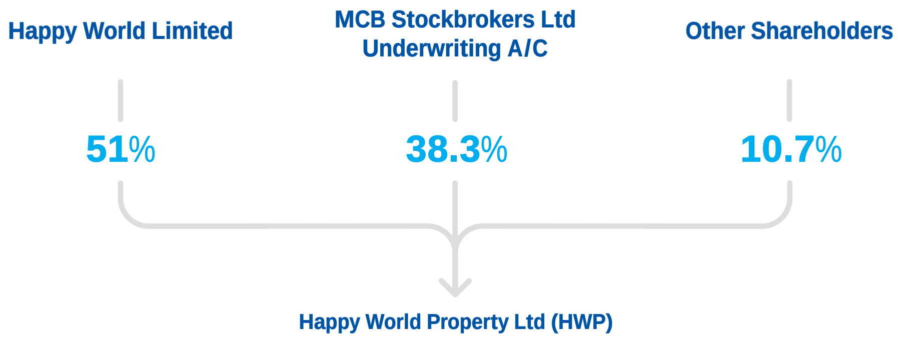
1.3 Corporate Governance Statement

During this financial year ended 30 June 2024, 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 2024:

Shareholders	Holding %
Happy World Ltd	**51.0**
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 2024, the following directors have indirect interests in the shareholding of the Company through Happy World Ltd:

- Mr Antoine Seeyave
- Mr Jonathan Seeyave
- Mr Nicolas Seeyave.

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 and Risk Committee meetings	Corporate Governance Committee meetings
Number of meetings held	5	5	-
Director/committee member:			
Jason Paul HAREL	2	-	-
Khushhal Chand KHUSHIRAM	5	5	-
Marie Joseph Jean Pierre MONTOCCHIO	5	-	-
Mushtaq M.Oomar Noormohammed OOSMAN	5	5	-
Antoine Andre Sow Fook SEEYAVE	5	-	-
Antoine Nicolas Cheh SEEYAVE	4	-	-
Jonathan Cheh SEEYAVE	5	-	-
Tharangany SINGARAVELLOO	4	-	-
Neermal SHIMADRY	4	-	-

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
Marie Joseph Jean Pierre MONTOCCHIO (Chairman)	Independent Director
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
Mushtaq M.Oomar Noormohammed OOSMAN (Chairman)	Independent Director
Mr Khushhal Chand KHUSHIRAM	Independent Director
Regular attendees by invitation 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 five (5) 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 and 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

Jason Harel is the Chairman and Co-Founding Partner at BLC Robert & Associates. The Company has become the leading independent business law firm in Mauritius and is ranked as a Tier One firm by legal directories such as Legal500, Chambers and Partners, and IFLR1000.

Jason leads the Corporate and Commercial department of the firm and is consistently identified as a 'leading practitioner' in his field by the main worldwide legal directories. He has a broad-based corporate advisory and transactional practice focused on real estate (including hospitality), corporate M&A, workouts and corporate re-structuring, as well as projects. He also advises in respect of taxation (especially transactional taxes), projects and commercial disputes in conjunction with the dispute resolution team of BLC. He acts as an advisor to several leading companies in Mauritius and elsewhere guiding them in their strategic transactions. Jason spends considerable amount of his time advising clients in respect of their strategic investments in Africa.

Jason is qualified as a Chartered Accountant and a Barrister in England and Wales as well as Mauritius. He sits on a number of boards of directors including being the chairman of a family-controlled hotel group.

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 new legal and institutional frameworks for the non-bank financial sector, financial reporting and anti-money laundering.

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 a private equity fund investing in Africa.

Directorship in other listed companies: IPRO Growth Fund Ltd

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

Mr. Jean Pierre MONTOCCHIO
Independent Director

Born in 1963, he 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. He is a director of a number of listed companies in Mauritius.

Directorships in listed Companies: Fincorp Investment Ltd (Chairman), New Mauritius Hotels Ltd, Rogers & Co. Ltd (Chairman), ENL Ltd, Happy World Property Ltd and Swan Forex 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, 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 26 years of experience spanning 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 expertise covers a wide array of disciplines within the insurance industry with particular focus on developing markets. She currently serves as the Head of Aon Global Benefits in Africa, where she leverages her experience to drive growth and solutions across the region.

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 currently serves as Senior Vice President and Executive Director of MCB Financial Advisers Ltd, the corporate finance advisory division of MCB Capital Markets Ltd. With extensive expertise in financial structuring, strategic planning, valuation, and transaction execution, he has a particular focus on fundraising and M&A transactions. Mr. Shimadry has successfully led some of the largest bond issuances in the Mauritian debt capital markets and plays a pivotal role in advising African corporates on innovative financing solutions.

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 2nd 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 830,000/-

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 Rs165,000/- + 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 and the ratification of their remuneration.
- 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	February 2025
Approval of quarterly accounts:	
Quarter ended 30th September	February 2025
Quarter ended 31st December	February 2025
Quarter ended 31st March	May 2025
Annual Meeting of Shareholders	December 2024

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: 03 March 2025

Director
Mr. Mushtaq OOSMAN

Date: 03 March 2025

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 2024

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: 03 March 2025

Director
Mr. Mushtaq OOSMAN

Date: 03 March 2025

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 2024, all such returns, as are required, in terms of the Companies Act 2001.

Executive Services Ltd
Company Secretary
Per Mr. Christian Angseesing
2nd Floor, Les Jamalacs Building, Vieux Conseil Street, Port Louis. Republic of Mauritius

Date: 03 March 2025

(A) 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 2024
- 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 2024, 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 495,080k (being its fair value determined on the basis of the valuation report carried out by Mr P.Ramrekha MSc, FRICS Chartered Valuation Surveyor) is the most significant asset of the Company representing 77% of the total assets of the Company. Gain or loss in fair value is 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) Goodwill on consolidation

Goodwill has been allocated to cash-generating units (CGU) and is 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.

An impairment charge for goodwill amounting to Rs 9,287k has been recognized in the profit or loss for the year ended 30 June 2024.

Total goodwill recognized as at 30 June 2024 in the Group financial statements amounted to Rs 90,411k (2023: Rs 99,698k).

(iii) Loan receivable from a subsidiary

A loan receivable from a subsidiary amounting to Rs 11.7m has been impaired in view of its financial performance and position (refer to note 12a).

(iv) Regus Business Centres (Mauritius) Ltd

One of the subsidiaries of the Company, Regus Business Centres (Mauritius) Ltd ceased operation on 10 August 2024 and terminated the lease of its premises 17 months earlier. The lease contract does not have the option for any pre-mature termination but according to the subsidiary, there was a breach of contract since the lessor failed to keep in repair the structure and exterior of the building. As a result, the subsidiary suffered a loss of revenue. The subsidiary is of the view that there will not be any compensation payable to the lessor for the early termination of the contract.

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 for further details of our responsibilities forming part of this report.

(B) 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

03 March 2025
Date

ANNUAL FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes(N) Pages(P)	GROUP		COMPANY	
		2024	2023	2024	2023
		IN RS'000		IN RS'000	
NON-CURRENT ASSETS					
Plant and equipment	N7	42,548	49,706	34,185	42,388
Intangible assets	N8	90,411	99,698	-	-
Right-of-use assets	N9	43,388	14,424	-	-
Investment properties	N10	495,080	476,500	495,080	476,500
Investment in subsidiaries	N11	-	-	70,710	79,997
Loans receivable	N12	-	-	34,729	27,479
Deferred tax assets	N18	2,166	1,907	2,166	1,907
		673,593	**642,235**	**636,870**	**628,271**
CURRENT ASSETS					
Trade and other receivables	N13	14,945	36,766	2,063	32,478
Cash at bank and in hand	P29	3,564	3,055	1,648	766
Tax prepaid	N18	715	3,975	-	1,888
		19,224	43,796	3,711	35,132
Total assets		692,817	686,031	640,581	663,403
EQUITY AND LIABILITIES					
Share capital		400,000	400,000	400,000	400,000
Retained earnings		46,332	53,881	61,119	66,073
Equity attributable to owners of the Company	P28	446,332	453,881	461,119	466,073
NON-CURRENT LIABILITIES					
Lease liabilities	N14	36,427	10,045	-	-
Loans payable	N15	132,659	141,852	132,659	141,852
Other payables	N17	5,598	7,222	5,598	7,222
		174,684	159,119	138,257	149,074
CURRENT LIABILITIES					
Lease liabilities	N14	10,563	6,078	-	-
Loans payable	N15	29,693	40,702	29,693	38,202
Trade and other payables	N16	31,545	26,251	11,324	10,054
Tax payable	N18	-	-	188	-
		71,801	73,031	41,205	48,256
Total liabilities		246,485	232,150	179,462	197,330
Total equity and liabilities		692,817	686,031	640,581	663,403

These financial statements were approved and authorised for issue by the Board of Directors on 03 March 2025

Director
Mr. Antoine SEEYAVE

Director
Mr. Mushtaq OOSMAN

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes(N) Pages(P)	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
		IN RS'000		IN RS'000	
Revenue	N20	105,602	99,455	53,099	52,262
Gain in fair value of investment properties	N10	5,891	13,866	5,891	13,866
Gain on foreign exchange	N21	613	720	639	722
Other income and gains	N22	868	164	9,899	4,425
Impairment of goodwill	N8	(9,287)	-	-	-
Impairment of investment in subsidiary	N11	-	-	(9,287)	-
Impairment of loan receivable from a subsidiary	N12	-	-	(11,700)	-
Operating expenses	N23	(91,097)	(79,576)	(39,685)	(35,051)
Other expenses and losses	N24	(1,811)	(5,061)	(1)	-
Finance costs (net)	N25	(15,240)	(11,857)	(11,000)	(8,095)
		(4,461)	17,711	(2,145)	28,129
Non-recurrent items	N26	(244)	(3,815)	-	(2,536)
(Loss)/profit before tax		(4,705)	13,896	(2,145)	25,593
Tax (expense)/credit	N18	(2,844)	698	(2,809)	698
(Loss)/profit for the year	P28	**(7,549)**	**14,594**	**(4,954)**	**26,291**
Other comprehensive income for the year		-	-	-	-
Comprehensive (loss)/income for the year		**(7,549)**	**14,594**	**(4,954)**	**26,291**
Basic and diluted earnings per share (Rs)		(0.19)	0.36		
(Loss)/profit for the year attributable to Owners of the Company*		**(7,549)**	**14,594**		
Comprehensive (loss)/income for the year attributable to Owners of the Company*		**(7,549)**	**14,594**		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Notes(N) Pages(P)	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY SHARE CAPITAL*	RETAINED EARNINGS	TOTAL
GROUP			IN RS'000	
2023				
Consolidation adjustments		400,000	39,287	439,287
Profit for the year	P27	-	14,594	14,594
Other comprehensive income for the year	P27	-	-	-
Comprehensive income for the year		-	14,594	14,594
At 30 June 2023		**400,000**	**53,881**	**453,881**
2024				
At 01 July 2023		400,000	53,881	453,881
Loss for the year	P27	-	(7,549)	(7,549)
Other comprehensive income for the year	P27	-	-	-
Comprehensive loss for the year		-	(7,549)	(7,549)
At 30 June 2024		**400,000**	**46,332**	**446,332**
COMPANY			IN RS'000	
2023				
At 01 July 2022		400,000	39,782	439,782
Profit for the year	P27	-	26,291	26,291
Other comprehensive income for the year	P27	-	-	-
Comprehensive income for the year		-	26,291	26,291
At 30 June 2023		**400,000**	**66,073**	**466,073**
2024				
At 01 July 2023		400,000	66,073	466,073
Loss for the year	P27	-	(4,954)	(4,954)
Other comprehensive income for the year	P27	-	-	-
Comprehensive loss for the year		-	(4,954)	(4,954)
At 30 June 2024		**400,000**	**61,119**	**461,119**

	NO. OF SHARES 2024	2023	IN RS' 000 2024	2023
*** Share capital**				
Authorised, issued and fully paid Ordinary shares of Rs10 each				
At 01 July and at 30 June	40,000,000	40,000,000	400,000	400,000

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes(N) Pages(P)	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
		IN RS'000		IN RS'000	
OPERATING ACTIVITIES					
(Loss)/profit before tax	P27	(4,705)	13,896	(2,145)	25,593
Adjustment for:					
Impairment of goodwill	N8	9,287	-	-	-
Gain in fair value of investment properties	N10	(5,891)	(13,866)	(5,891)	(13,866)
Impairment of investment in subsidiary	N11	-	-	9,287	-
Impairment of loan receivable from a subsidiary	N12	-	-	11,700	-
Tax deduction at source receivable written off	N23	114	-	-	-
Depreciation of plant and equipment	N23	11,203	9,599	8,717	6,128
Depreciation of right-of-use assets	N23	10,979	7,184	-	-
Loss on disposal of plant and equipment	N24	1,811	4,810	1	-
Loss on lease modification	N24	-	251	-	-
Interest income	N25	-	-	(535)	(2,173)
Interest expenses	N25	15,240	11,857	11,535	10,268
Allowance for credit losses	N26	1,154	1,279	-	-
Non-recurrent items	N26	(910)	1,510	-	1,510
Change in working capital:					
Trade and other receivables		20,667	(10,144)	30,415	(43,207)
Trade and other payables		4,580	1,907	(354)	5,764
		63,529	28,283	62,730	(9,983)
Interest received	N25	-	-	535	2,173
Interest paid	N25	(15,240)	(11,857)	(11,535)	(10,268)
Tax refunded/(paid)	N18	43	(3,286)	(992)	(1,116)
Net cash from/(used in) operating activities		48,332	13,140	50,738	(19,194)
INVESTING ACTIVITIES					
Acquisition of plant and equipment	N7	(5,974)	(39,058)	(585)	(38,872)
Acquisition of investment properties	N10	(12,689)	(6,134)	(12,689)	(6,134)
Proceeds from disposal of plant and equipment		118	-	70	-
Loans (granted to)/recouped from subsidiaries		-	-	(18,950)	3,259
Payment for acquistion of subsidiaries, net of cash acquired	N28	-	(24,141)	-	-
Net cash used in investing activities		(18,545)	(69,333)	(32,154)	(41,747)
FINANCING ACTIVITIES					
Lease capital payments		(9,076)	(7,205)	-	-
Loans received		15,000	81,991	15,000	79,490
Loans repaid		(35,202)	(20,237)	(32,702)	(20,237)
Net cash (used in)/from financing activities		(29,278)	54,549	(17,702)	59,253
Increase/(decrease) in cash and cash equivalents		509	(1,644)	882	(1,688)
Cash and cash equivalents at 01 July		3,055	4,699	766	2,454
Cash and cash equivalents at 30 June		**3,564**	**3,055**	**1,648**	**766**
Cash and cash equivalents are:					
Cash at bank and in hand	P26	**3,564**	**3,055**	**1,648**	**766**
LEASES					
Total cash outflows		12,608	8,732	-	-

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

IFRS 18 Presentation and Disclosure in Financial Statements is effective starting for period on or after 1 January 2027 retrospectively with the restatement of the comparative period. IFRS18 requires, amongst others, the classification of the profit and loss in 5 categories: operating; investing; financing; income taxes and discontinued operations with subtotals and totals. Consequently, the presentation of the financial statements of the Company will change on or before the effective date.

Otherwise, the Company is evaluating the applicability and relevance of certain other new/revised standards and interpretations to existing standards (which are not yet effective) on the Company's operations and its impact on the financial statements of the Company in terms of results, presentation or disclosure.

In alignment with the refined definition of Materiality in IASB Conceptual framework, IAS1 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 and 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 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 non-controlling 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 and 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 2024

7 PLANT AND EQUIPMENT

	GROUP		
	FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
2024		IN RS'000	
A. COST			
At 01 July 2023	95,087	43	95,130
Acquisitions	5,974	-	5,974
Disposals	(27,706)	-	(27,706)
At 30 June 2024	73,355	43	73,398
B. ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 01 July 2023	45,395	29	45,424
Depreciation charge	11,197	6	11,203
Disposal adjustments	(25,777)	-	(25,777)
At 30 June 2024	30,815	35	30,850
C. CARRYING AMOUNT			
At 30 June 2024	42,540	8	42,548
2023			
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)
At 30 June 2023	95,087	43	95,130
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)
At 30 June 2023	45,395	29	45,424
C. CARRYING AMOUNT			
At 30 June 2023	49,692	14	49,706

NOTES FOR THE YEAR ENDED 30 JUNE 2024

7 PLANT AND EQUIPMENT (CONT'D)

	GROUP FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
		IN RS'000	
2024			
A. COST			
At 01 July 2023	55,901	43	55,944
Acquisitions	585	-	585
Disposals	(1,175)	-	(1,175)
At 30 June 2024	55,311	43	55,354
B. ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 01 July 2023	13,527	29	13,556
Depreciation charge	8,711	6	8,717
Disposal adjustments	(1,104)	-	(1,104)
At 30 June 2024	21,134	35	21,169
C. CARRYING AMOUNT			
At 30 June 2024	34,177	8	34,185
2023			
A. COST			
At 01 July 2022	18,526	43	18,569
Acquisitions	38,872	-	38,872
Disposals	(1,497)	-	(1,497)
At 30 June 2023	55,901	43	55,944
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)
At 30 June 2023	13,527	29	13,556
C. CARRYING AMOUNT			
At 30 June 2023	42,374	14	42,388

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

NOTES FOR THE YEAR ENDED 30 JUNE 2024

8 INTANGIBLE ASSETS

	GROUP		
	GOODWILL ON CONSOLIDATION	COMPUTER SOFTWARE	TOTAL
		IN RS'000	
2024			
A. COST			
At 01 July 2023 and 30 June 2024	99,698	1,567	101,265
B. ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 01 July 2023	-	1,567	1,567
Impairment charge (N8E)	9,287	-	9,287
At 30 June 2024	9,287	1,567	10,854
C.CARRYING AMOUNT			
At 30 June 2024	90,411	-	90,411
2023			
A. COST			
At 01 July 2022	81,634	1,567	83,201
Acquisitions	18,064	-	18,064
At 30 June 2023	99,698	1,567	101,265
B. ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 01 July 2022 and 30 June 2023	-	1,567	1,567
C. CARRYING AMOUNT			
At 30 June 2023	99,698	-	99,698

D. 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.

E. The carrying amount of the Grand Bay cash generating unit has been reduced to its recoverable amount through the recognition of an impairment loss against the goodwill. This loss has been recognised in the statement of profit or loss.

	COMPANY	
	2024	2023
	IN RS'000	
COMPUTER SOFTWARE		
A. COST		
At 01 July and 30 June	1,567	1,567
B. ACCUMULATED DEPRECIATION AND IMPAIRMENT		
At 01 July and 30 June	1,567	1,567
C. CARRYING AMOUNT		
At 30 June	-	-

NOTES FOR THE YEAR ENDED 30 JUNE 2024

9 RIGHT-OF-USE ASSETS

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
BUILDINGS	IN RS'000		IN RS'000	
A. COST				
At 01 July	28,503	34,265	-	-
Acquisitions	39,943	-	-	-
Lease modification adjustments	-	803	-	-
Lease terminated during the year	-	(6,565)	-	-
At 30 June	68,446	28,503	-	-
B. ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 01 July	14,079	13,460	-	-
Depreciation charge	10,979	7,184	-	-
Lease terminated during the year	-	(6,565)	-	-
At 30 June	25,058	14,079	-	-
C. CARRYING AMOUNT	43,388	14,424	-	-

D. THE GROUP LEASES PREMISES FOR AN AVERAGE PERIOD OF 5 YEARS.

10 INVESTMENT PROPERTIES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
A FAIR VALUE (LEVEL 3)				
At 01 July	476,500	456,500	476,500	456,500
Additions	12,689	6,134	12,689	6,134
Gain in fair value	5,891	13,866	5,891	13,866
At 30 June	495,080	476,500	495,080	476,500

B. ASSESSMENT OF FAIR VALUE

The fair value of the investment properties have been determined by Mr P. Ramrekha MSc FRICS, Chartered Valuation Surveyor on the basis of open market value on 14 May 2024 (2023: 26 May 2023).

11 INVESTMENT IN SUBSIDIARIES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
A. AT 01 JULY	-	-	79,997	52,108
Acquisitions	-	-	-	27,889
At 30 June	-	-	79,997	79,997
PROVISION FOR IMPAIRMENT				
Impairment charge	-	-	9,287	-
At 30 June	-	-	9,287	-
CARRYING AMOUNT				
At 30 June	-	-	70,710	79,997

11 INVESTMENT IN SUBSIDIARIES (CONT'D)

	ACTIVITIES	COMPANY 2024 % HOLDING	COMPANY 2023 % HOLDING
B. THE SUBSIDIARIES, ALL INCORPORATED IN THE REPUBLIC OF MAURITIUS, ARE AS FOLLOWS:			
Regus Business Centres (Mauritius) Ltd	Business Centre facilities	100	100
RBC (Mauritius) Ltd	Business Centre facilities	100	100
Fast Hub Ltd (N11D)	Business Centre facilities	100	100
Regus Port Louis CBD Ltd	Business Centre facilities	100	100
Regus Grand Bay Ltd	Business Centre facilities	100	100

C. The directors have assessed the recoverable amount of the investments 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 an allowance for impairment of Rs 9,287k is adequate.

D. On 13 September 2023, two subsidiaries of the Company were amalgamated, Fast Hub Ltd with Regus Grand Bay Ltd. The surviving company is Regus Grand Bay Ltd.

12 LOANS RECEIVABLE

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
	IN RS'000		IN RS'000	
A. LOANS RECEIVABLE FROM SUBSIDIARIES	-	-	46,429	27,479
PROVISION FOR IMPAIRMENT				
Impairment during the year	-	-	11,700	-
At 30 June	-	-	11,700	-
CARRYING AMOUNT				
At 30 June	-	-	34,729	27,479

B. Loans amounting to Rs 27.7m bears interest at MCB PLR + 1% per annum. The remaining loans, amounting to Rs 18.7m, is interest-free. The loans are unsecured and are not expected to be received within the next twelve months.

13 TRADE AND OTHER RECEIVABLES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
	IN RS'000		IN RS'000	
A. Trade receivables	5,309	6,899	791	339
Accumulated allowance for credit losses	(3,342)	(3,254)	-	-
Net trade receivables	1,967	3,645	791	339
Prepayments and other receivables	12,293	13,288	48	1,085
Receivable from Regus Group Limited	-	20,446	-	20,446
	12,293	33,734	48	21,531
Accumulated allowance for credit losses	(546)	(639)	-	-
Net prepayments and other receivables	11,747	33,095	48	21,531
Amount receivable from parent company	1,207	13	1,207	13
Amount receivable from a fellow subsidiary	7	-	-	-
Amount receivable from subsidiaries	-	-	-	10,582
Amount receivable from a related party	17	13	17	13
	14,945	36,766	2,063	32,478
B. AGEING OF NET TRADE RECEIVABLES NOT IMPAIRED				
Not later than three months	1,903	3,515	791	339
Later than three months and not later than six months	64	130	-	-
	1,967	3,645	791	339
C. ACCUMULATED ALLOWANCE FOR CREDIT LOSSES				
At 01 July	3,893	5,529	-	-
Consolidation adjustments	-	946	-	-
Allowance for credit losses for the year	1,154	1,279	-	-
Receivables written off as uncollectible	(1,159)	(3,861)	-	-
At 30 June	3,888	3,893	-	-

D. Taking into consideration the credit quality of the trade receivables, the Group considers an allowance for credit losses of Rs 3,888k (2023: Rs 3,893k) is adequate and the Company considers that no provision for impairment is necessary on trade receivables of not later than three months (not due or past due).

NOTES FOR THE YEAR ENDED 30 JUNE 2024

14 LEASE LIABILITIES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
	IN RS'000		IN RS'000	
A. MINIMUM LEASE PAYMENTS				
Not later than one year	13,829	7,115	-	-
Later than one year and not later than five years	26,646	10,672	-	-
Later than five years	20,177	-	-	-
	60,652	17,787	-	-
Finance costs for future periods	(13,662)	(1,664)	-	-
Present value of lease liabilities	46,990	16,123	-	-
B. PRESENT VALUE OF FINANCE LEASE LIABILITIES				
Current - Not later than one year	10,563	6,078	-	-
Non current - Later than one year and not later than five years	18,730	10,045	-	-
Non current - Later than five years	17,697	-	-	-
	36,427	10,045	-	-
	46,990	16,123	-	-

15 LOANS PAYABLE

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
A. Bank loans - secured	148,772	156,230	148,772	156,230
Other loan - secured	8,080	9,324	8,080	9,324
Loans from parent company	5,500	14,000	5,500	11,500
Loans from related party	-	3,000	-	3,000
	162,352	182,554	162,352	180,054
B. CURRENT LOANS PAYABLE				
Not later than one year	29,693	40,702	29,693	38,202
C. NON-CURRENT LOANS PAYABLE				
Later than one year and not later than two years	25,308	22,311	25,308	22,311
Later than two years and not later than five years	71,614	68,790	71,614	68,790
Later than five years	35,737	50,751	35,737	50,751
	132,659	141,852	132,659	141,852

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

NOTES FOR THE YEAR ENDED 30 JUNE 2024

16 TRADE AND OTHER PAYABLES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
	IN RS'000		IN RS'000	
A. Trade payables	3,859	8,670	1,219	4,156
Accruals and other payables	8,948	5,586	5,190	686
Deposits from customers	14,326	8,190	4,147	1,608
Advances received from customers	3,313	3,310	657	614
Amount payable to subsidiaries	-	-	111	2,990
Amount payable to a related party	-	495	-	-
Amount payable to direct parent company	1,099	-	-	-
	31,545	26,251	11,324	10,054

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

17 OTHER PAYABLES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
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	2,839	1,625	2,839	1,625
Later than five years	2,759	2,231	2,759	2,231
	5,598	7,222	5,598	7,222

18 INCOME TAX

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
A. TAX EXPENSE/(CREDIT)				
Corporate tax on the adjusted profit for the year	2,453	795	2,422	795
CSR contribution on the adjusted profit for the year (N16D)	327	106	323	106
CCR levy on the adjusted profit for the year (N16E)	323	-	323	-
Deferred tax credit for the year	(259)	(1,599)	(259)	(1,599)
	2,844	(698)	2,809	(698)
B. TAX (PREPAID)/PAYABLE				
At 01 July	(3,975)	(1,206)	(1,888)	(1,673)
Consolidation adjustments		(384)	-	-
Corporate tax on the adjusted profit for the year	2,453	795	2,422	795
CSR contribution on the adjusted profit for the year (N16D)	327	106	323	106
CCR levy on the adjusted profit for the year (N16E)	323	-	323	-
Tax deduction at source receivable written off	114	-	-	-
Tax refunded/(paid) (net)	43	(3,286)	(992)	(1,116)
	(715)	(3,975)	188	(1,888)

18 INCOME TAX (CONT'D)

	GROUP		COMPANY	
	2024	2023	2024	2023
	IN RS'000		IN RS'000	
C. RECONCILIATION OF TAX EXPENSE AND TAX ON ACCOUNTING PROFIT				
(Loss)/profit before tax	(4,705)	13,896	(2,145)	25,593
Adjustment for:				
Consolidation adjustments	-	(3,185)	-	-
Difference between capital allowance and depreciation	2,612	(6,664)	2,919	254
Difference between depreciation of right-of-use assets and rental payments	2,338	612	-	-
Expenses not deductible for income tax purposes	13,963	12,651	21,265	2,746
Gain in fair value of investment properties	(5,891)	(13,866)	(5,891)	(13,866)
Other items not subject to income tax	(545)	(923)	-	(923)
Tax losses from previous years	(11,283)	(9,044)	-	(8,506)
Tax losses lapsed	4,656	538	-	-
Tax losses for future use	15,207	11,283	-	-
Adjusted chargeable profit for the year	16,352	5,298	16,148	5,298
Enacted tax rate:				
Corporate tax	15%	15%	15%	15%
Corporate social responsibility (CSR) contribution	2%	2%	2%	2%
Corporate climate responsibility (CCR) levy	2%	-	2%	-
Corporate tax on the adjusted profit for the year	2,453	795	2,422	795
CSR contribution on the adjusted profit for the year (N16D)	327	106	323	106
CCR levy on the adjusted profit for the year (N16E)	323	-	323	-
	3,103	901	3,068	901

D. CSR Contribution is the Corporate Social Responsibility Contribution payable by the Company to a CSR programme approved by the National Social Inclusion Foundation and to the Mauritius Revenue Authority.

E. CCR levy is the Corporate Climate Responsibility Levy payable to the Mauritius Revenue Authority by the Company.

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
F. DEFERRED TAX ASSETS				
At 01 July	1,907	308	1,907	308
Deferred tax credit for the year	259	1,599	259	1,599
At 30 June	2,166	1,907	2,166	1,907
Made up of Difference between capital allowance and depreciation	2,166	1,907	2,166	1,907

19 RETIREMENT BENEFIT OBLIGATIONS

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
Contributions to defined contribution plan Recognised in profit or loss	811	532	287	278

NOTES FOR THE YEAR ENDED 30 JUNE 2024

20 REVENUE

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023

A. NATURE OF REVENUE

The Group generates revenue from the:

- rental of office and commercial spaces
- rental of parkings
- provision of services

B. Timing of satisfaction of performance obligation and significant payment terms

B1. Revenue for the provision of services at a point in time is recognised on completion of the services billed in cash.

B2. 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.

C. REVENUE IS ANALYSED AS FOLLOWS:	IN RS'000		IN RS'000	
Rental income	85,731	80,480	39,654	40,036
Provision of services	19,871	18,975	13,445	12,226
	105,602	99,455	53,099	52,262

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

Recharge of salaries	-	-	4,114	3,905
Management fees	-	-	5,326	520
Other income	868	164	459	-
	868	164	9,899	4,425

23 OPERATING EXPENSES

A. Short term employee benefits	17,420	15,078	8,786	8,518
Serviced office expenses	34,830	36,441	12,614	13,696
Other administrative and selling expenses	16,551	11,023	9,568	6,709
Depreciation of plant and equipment	11,203	9,599	8,717	6,128
Depreciation of right-of-use assets	10,979	7,184	-	-
Tax deduction at source receivable written off	114	251	-	-
	91,097	79,576	39,685	35,051
B. DIRECT OPERATING EXPENSES THAT GENERATED RENTAL INCOME	74,432	68,302	30,117	28,342
C. SHORT TERM LEASES				
Rental costs included in serviced office expenses	184	5,267	-	-

24 OTHER EXPENSES AND LOSSES

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
	IN RS'000		IN RS'000	
Loss on disposal of plant and equipment	1,811	4,810	1	-
Loss on lease modification	-	251	-	-
	1,811	5,061	1	-

25 FINANCE COSTS (NET)

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
A. INTEREST EXPENSES				
Bank loans	11,184	9,707	11,184	9,707
Loan payable to parent company	490	612	317	550
Loan payable to related party	34	10	34	10
Bank overdrafts	-	1	-	1
Lease liabilities	3,532	1,527	-	-
	15,240	11,857	11,535	10,268
<u>Less</u>				
B. INTEREST INCOME				
Loans receivable from subsidiaries	-	-	535	2,173
	15,240	11,857	11,000	8,095

26 NON-RECURRENT ITEMS

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
A. Acquisition of subsidiaries - related costs (N6B)	-	1,026	-	1,026
Amount receivable written off	-	1,510	-	1,510
Allowance for credit losses	1,154	1,279	-	-
Payables written back	(910)	-	-	-
	244	3,815	-	2,536

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

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).

NOTES FOR THE YEAR ENDED 30 JUNE 2024

28 BUSINESS COMBINATION (CONT'D)

	GROUP 2024	GROUP 2023
Details of the purchase consideration, the net assets acquired and goodwill are as follows:	IN RS'000	
A. PURCHASE CONSIDERATION		
Cash paid	-	24,889
B. NET ASSETS ACQUIRED		
Cash and cash equivalent	-	748
Other than cash and cash equivalent	-	6,077
Net identifiable assets/(liabilities) acquired	-	6,825
Goodwill on acquisition	-	18,064
	-	24,889
C. OUTFLOW OF CASH TO ACQUIRE SUBSIDIARIES, NET OF CASH ACQUIRED		
Purchase consideration in cash	-	24,889
Less: Cash and cash equivalent	-	(748)
	-	24,141

D. ACQUISITION-RELATED COSTS
Acquisition-related costs of Rs 1,026k have been accounted for under non-recurrent expenses in the statement of profit or loss for the year ended 30 June 2023.

29 RELATED PARTIES

A. RELATED PARTY

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. PARENT AND ULTIMATE PARENT COMPANIES
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.

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
C. TRANSACTIONS WITH RELATED PARTIES	IN RS'000		IN RS'000	
Sales of services to				
Subsidiaries	-	-	12,566	5,076
Direct parent company	6,353	6,216	6,353	6,216
Purchase of services from				
Direct parent company	2,659	2,613	1,560	2,613
Impairment of loan receivable from				
Subsidiary	-	-	11,700	-
Interest income				
Subsidiaries	-	-	535	2,173
Interest expenses				
Direct parent company	490	612	317	550
Related party	34	10	34	10

29 RELATED PARTIES (CONT'D)

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.

	GROUP		COMPANY	
	2024	2023	2024	2023
E. COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE COMPANY	IN RS'000		IN RS'000	
Short term employee benefits paid by the Company	7,642	7,093	4,078	3,904
Short term employee benefits paid by the direct parent company and recharged through management fees	1,440	1,440	1,440	1,440

30 FINANCIAL INSTRUMENTS

Categories of financial instruments:				
A. FINANCIAL ASSETS AT AMORTISED COST				
Loans receivable	-	-	34,729	27,479
Trade and other receivables (excluding prepayments)	14,777	33,402	2,015	32,452
Cash at bank and in hand	3,564	3,055	1,648	766
	18,341	36,457	38,392	60,697
B. FINANCIAL LIABILITIES AT AMORTISED COST				
Trade and other payables	31,545	33,473	11,324	17,276
Loans payable	162,352	182,554	162,352	180,054
Lease liabilities	46,990	16,123	-	-
	240,887	232,150	173,676	197,330

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)

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

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.

NOTES FOR THE YEAR ENDED 30 JUNE 2024

31 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk (foreign exchange risk; interest rate risk)

C1. 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 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
FINANCIAL ASSETS				
US$ ('000)	319	272	1	1
GBP ('000)	-	356	-	356
FINANCIAL LIABILITIES				
Us$ ('000)	316	295	-	122
SENSITIVITY ANALYSIS ON FOREIGN CURRENCY RISK	IN RS'000		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	51	195	-	150

C2. 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.

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
SENSITIVITY ANALYSIS ON INTEREST RATE RISK	IN RS'000		IN RS'000	
Assuming a 25 basis points change + (-) in the interest rate on all variable interest bearing borrowings, the result would have been impacted by	444	398	421	326

31.2 CAPITAL RISK MANAGEMENT

A. THE COMPANY'S OBJECTIVES

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 the total equity of the Company.

	GROUP 2024	GROUP 2023	COMPANY 2024	COMPANY 2023
B. GEARING RATIO				
Interest bearing borrowings:				
Lease liabilities	46,990	16,123	-	-
Loans payable	162,352	182,554	162,352	180,054
Cash at bank and in hand	(3,564)	(3,055)	(1,648)	(766)
Net borrowings	205,778	195,622	160,704	179,288
Equity attributable to owners of the Company	446,332	453,881	461,119	466,073
Capital employed	652,110	649,503	621,823	645,361
Gearing ratio	46%	43%	35%	38%

32 EVENT AFTER THE REPORTING PERIOD

A. On 18 October 2024, the Board of Directors declared a dividend of Rs 2,250k.

B. One of the subsidiaries of the Company, Regus Business Centres (Mauritius) Ltd ceased activities on 10 August 2024. On the 10th July 2024, the subsidiary sent a letter to the lessor to terminate the sub-lease of the 4th floor of Ebene Heights building, owned by National Pensions Fund. The lease was for a period of five years, from 01 January 2021 to 31 December 2025, with no option for any early termination by either party. According to the subsidiary, there has been a breach of contract since the lessor failed to keep in repair the structure and exterior of the building. As a result of this, the subsidiary suffered a loss of revenue. The directors of the subsidiary are of the view, that there will not be any compensation payable to the lessor for the early termination of the contract.

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

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