

**COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE
LIMITEE
("COVIFRA")**

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2023

The directors are pleased to present the Annual Report of Compagnie des Villages de Vacances de L'Isle de France Limitee ("Covifra") for the financial year ended 30 June 2023 as set out on pages 2 to 46.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

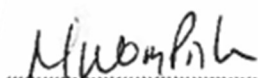
The directors collectively as a Board acknowledge their responsibilities for the following and state that:

- (i) the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the result of operations and cash flows for the period;
- (ii) adequate accounting records and effective internal control systems and risk management have been maintained;
- (iii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iv) the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), the Companies Act and the Financial Reporting Act 2004;
- (v) the financial statements have been prepared on a going concern basis;
- (vi) they are responsible for safeguarding the assets of the Company;
- (vii) they are responsible for leading and controlling the organization and meeting all legal and regulatory requirements;
- (viii) they have taken reasonable steps for the prevention and detection of fraud and other irregularities.

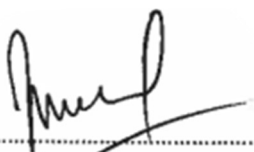
The external auditors are responsible for reporting on whether the financial statements are fairly presented.

Having taken all the matters considered by the Board during the year into account, we are satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable.

For and on behalf of the Board of Directors:



Margaret Wong Ping Lun
Director



Jean Michel Ng Tseung
Director

This report was approved by the Board of Directors on 11 September 2023.

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We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001 of Mauritius (the "Act" or "Companies Act").


For and on behalf of
MCB Group Corporate Services Ltd
Company Secretary



Date: 11 September 2023

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

1. GOVERNANCE STRUCTURE

1.1 Overview

Compagnie des Villages de Vacances de L'Isle de France Limitée (the "Company" or "Covifra") is a public company listed on the Development and Enterprise Market of the Stock Exchange of Mauritius Ltd. Covifra is therefore a Public Interest Entity as defined under the first schedule of the Mauritius Financial Reporting Act 2004. It is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

The Company rents out its investment property, and plant and equipment to Holiday Villages Management Services (Mauritius) Limited, which operates the Club Med Hotel at La Pointe aux Canoniers, Mauritius. The Company completed the refurbishment and extension programme of its investment property and resumed operations in November 2018.

1.2 Statement of Compliance

The board of directors has given and will continue to give due consideration to the principles of good corporate governance which are applicable to the Company under the National Code of Corporate Governance for Mauritius (2016) (the "Code").

Throughout the financial year ended 30 June 2023, to the best of the Board's knowledge the organisation has complied with the Code in all material aspects except for certain sections of the Code as mentioned and explained in the table below.

Principles	Sections relating to	Reasons for non-compliance
2	Board Structure with an appropriate combination of executive, non-executive and independent directors	The Board consists of 2 independent and 3 non-executive directors. Given that the Company has no employees, there are no executive directors on the Board. Day-to-day management of Covifra are carried out by the employees of the subsidiaries of MCB Group Limited under relevant agreements.

The board of directors regularly reassesses the requirements of the Code to ensure that the Company remains compliant thereto in all material aspects.

1.3 Constitutive documents or Charter documents

1.3.1 Board Charter

The Board Charter has been duly approved by the Board and is reviewed by the latter on a regular basis. The last review has been effected in September 2023. The Charter provides for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Company are duly escalated to the Board of the Company and to the Audit Committee.

1.3.2 Organisation Chart

The Company has no staff and all its activities and operations have been outsourced under Management and Service Level Agreements to subsidiaries of the MCB Group Limited ("MCBG").

1.3.3 Position Statements

Position Statements have been approved by the Board and provides for a clear definition of the roles and responsibilities of the Chairperson and of the Company Secretary.

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CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

1. GOVERNANCE STRUCTURE (CONT'D)

1.3.4 Statement of Main Accountabilities

The Board is responsible and accountable for the long-term success of the Company and as such has approved and has set its main collective responsibilities as follows:

Main Accountabilities	
Chairperson	<ul style="list-style-type: none"> - Provides overall leadership to the Board - Ensures that the Board is effective in its tasks of setting and implementing the Company's direction and strategy - Ensures that the development needs of the directors are identified and appropriate training is provided to continuously update their skills and knowledge. - Maintains sound relations with the shareholders
Board	<ul style="list-style-type: none"> - Ensures compliance by the Company with applicable legislation, regulation and policies - Sets the direction and strategy of the Company - Safeguards the assets of the Company. - Ensures long-term interests of the shareholders are being served.

1.3.5 Material Clauses of the Constitution

There are no clauses of the constitution deemed material that warrant special disclosure.

2. THE BOARD STRUCTURE

2.1 Board and Chairperson roles and responsibilities

The Board structure is unitary with a mix of independent and non-executive directors. All the members of the Board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company, independent of management and to protect the interests of shareholders, clients and other stakeholders.

The Chairperson's primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy; and to ensure that appropriate policies and procedures are in place for the effective management of the Company.

The external obligations of the Chairperson have not materially changed during the Financial Year 2022/2023 and those obligations have in no way hindered the discharge of her duties and responsibilities.

2.2 Composition of the Board

The Board examines the size, composition and the essential competencies of its members regularly to ensure that there is an appropriate balance of skill, experience and knowledge on the Board to carry out its duties and responsibilities effectively. The Board comprises of five members as detailed below:

Name	Title	Category	Gender	Country of Residence
Margaret Wong Ping Lun	Chairperson	Non-Executive	Female	Mauritius
Gilbert Gnany	Director	Non-Executive	Male	Mauritius
Robert Ip Min Wan (up to 25.11.22)	Director	Independent	Male	Mauritius
Pierre Guy Noël (up to 19.05.23)	Director	Non-Executive	Male	Mauritius
Jean Marc Ulcoq (up to 25.11.22)	Director	Independent	Male	Mauritius
Angelo Letimier (as from 25.11.22)	Director	Independent	Male	Mauritius
Medina Torabally (as from 25.11.22)	Director	Independent	Female	Mauritius
Jean Michel Ng Tseung (as from 19.05.23)	Director	Non-Executive	Male	Mauritius

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2. THE BOARD STRUCTURE (CONT'D)

Messrs Jean Michel Ng Tseung, Gilbert Gnany and Mrs Margaret Wong Ping Lun are also directors of MCB Real Assets Ltd, the holding company. Messrs Jean Michel Ng Tseung and Gilbert Gnany are directors of MCB Group Limited, the ultimate holding company.

The size of the Board and its level of diversity is commensurate with the size of the Company which is an investment holding company with no employee.

Given that the Company has no employees, there are no executive directors on the Board, which consists of three non-executive and two independent Directors. Day-to-day management of Covifra are carried out by the employees of the subsidiaries of MCB Group Limited under relevant agreements.

2.3 Company Secretary

MCB Group Corporate Services Ltd is the appointed Secretary to the Board. All board members have access to officers of the Secretary for information relating to Board matters. The profile of the Company Secretary can be viewed on the Company's website.

2.4 Profile of Directors

A brief profile of each director along with their directorships is set out below:

(i) Margaret Wong Ping Lun, Non-Executive Director and Chairperson

Mrs Margaret Wong Ping Lun holds a BA (Hons) in Business Studies (UK) and is a Fellow of the Institute of Chartered Accountants in England and Wales. Prior to her retirement in 2019 as lecturer in Accounting and Finance at the University of Mauritius, she was a Senior Manager at De Chazal Du Mée's Consultancy Department. She was a former member of the Listing Executive Committee of the Stock Exchange of Mauritius Ltd. She was appointed to the Board of MCB Ltd in 2004 and was a Director thereof until March 2014, after which she joined the Board of MCB Group Ltd, following the restructuring of the MCB Group, until November 2019. She is a Board member of several companies within the MCB Group.

Directorship in other listed companies:

Fincorp Investment Limited

(ii) Gilbert Gnany, Non-Executive Director

Mr Gilbert Gnany holds a 'Licence ès Sciences Economiques (Economie Mathématique)', 'Maîtrise en Econométrie' and 'DESS en Méthodes Scientifiques de Gestion et Calcul Economique Approfondi' (France).

Gilbert previously worked as Senior Advisor on the World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist and Group Head of Strategy, Research & Development after having been the Economic Advisor to the Minister of Finance in Mauritius. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius Ltd, the Statistics Advisory Council and the Statistics Board of Mauritius as well as having been a member of the Board of Governors of the Mauritius Offshore Business Activities Authority, a director of the Board of Investment and of the Mauritius Sugar Authority. He was also a member of the IMF Advisory Group for sub-Saharan Africa and a member of the Senate of the University of Mauritius. He is currently a Board member of several companies within the Group. On the institutional side, he is an external IMF expert in statistics, in particular, on data dissemination standards and strategy. Moreover, he is a member of the Financial Services Consultative Council. He also acts as Chairperson of the Economic Commission of Business Mauritius which serves, inter alia, as a platform for public-private sector dialogue.

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CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

2. THE BOARD STRUCTURE (CONT'D)

2.4 Profile of Directors (cont'd)

Directorship in other listed companies:

MCB Group Limited
Caudan Development Ltd
Promotion and Development Ltd
Médine Ltd

(iii) Angelo Letimier, Independent Director (as from 25.11.22)

Mr Angelo Létimier is a C –Suite Versatile Bank Executive with International experience and Credit Card expertise in Mauritius and African countries. Having held diverse managerial roles during his career at The Mauritius Commercial Bank Ltd (“MCB”), he worked towards the setting up of the overseas subsidiary MCB Madagascar. He was also involved in launching the first international credit card in Mauritius in 1988 and in establishing the representative office of MCB, in Paris, in 1990. In 1992 he was appointed as Senior Vice President and General Manager of the Middle East & Africa Region at MasterCard International Inc. Based in Paris, he managed the development of MasterCard programs in 64 countries, positioned MasterCard as the region’s leading card brand, and extended its franchise from 36 to 127 member banks.

He reintegrated MCB in 2005 to restructure its Cards operation. In 2008, he contributed in the setting up of ICPS (International Card Processing Services Ltd), as a subsidiary within the MCB Group in partnership with HPS Group of Morocco for the provision of end-to-end card processing services to banks. He acted as Managing Director of ICPS until 2018. Mr Létimier also served as a Director on the Boards of Mauritius Union Assurance Cy Ltd (MUA Ltd), AXA Assistance Ocean Indien, Investec Bank Mauritius Ltd, MasterCard International’s MEA Regional Board, ICPS and MCB Consulting Services. He is currently a director of Happy World Ltd.

(iv) Jean Michel Ng Tseung, Non-Executive Director (as from 19.05.23)

Holder of a BSc (Honours) in Mathematics from Imperial College of Science and Technology and member of the Institute of Chartered Accountant in England and Wales, Jean Michel joined MCB Ltd in January 2004 and was Head of Corporate of the MCB Ltd until July 2015, when he was appointed Chief Executive Officer of MCBIH. As from 1 March 2023 he was appointed Chief Executive of MCB Group Limited. Jean Michel trained as a Chartered Accountant with Arthur Andersen in London before becoming Partner and Head of the Audit and Business Advisory Department of De Chazal Du Mée and subsequently of Ernst & Young in Mauritius. He is currently a Board member of several companies within the Group.

Directorship in other listed companies

MCB Group Limited

(v) Medina Torabally, Independent Director (as from 25.11.22)

Miss Medina Torabally holds a Bachelor of Laws (LLB) from the University of Reading (UK) and is a practising lawyer at the Bar of Mauritius. She is also admitted to the Bar of England & Wales. Prior to joining Prism Chambers as an associate, Medina was a litigation associate at Benoit Chambers for three years and a Fellow of the Permanent Court of Arbitration in Mauritius. Her practice since 2016 centred around commercial dispute resolution. She presently spearheads the dispute resolution team at Prism Chambers with a focus on tax controversy and advice. She does not currently hold any other directorships.

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CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

2. THE BOARD STRUCTURE (CONT'D)

2.5 Board Attendance

Board meetings are held on a quarterly basis but may be convened at any time in case of urgent matters to be discussed.

No of Meetings held during the financial year ended 30 June 2023	4
Directors	
Mrs Margaret Wong Ping Lun	4/4
Mr Gilbert Gnany	4/4
Mr Pierre Guy Noël (up to 19.05.23)	4/4
Mr Robert Ip Min Wan (up to 25.11.22)	2/2
Mr Jean Marc Ulcoq (up to 25.11.22)	2/2
Miss Medina Torabally (as from 25.11.22)	2/2
Mr Angelo Letimier (as from 25.11.22)	2/2
Mr Jean Michel Ng Tseung (as from 19.05.23)	N/A

2.6 Board Committees

Audit and Risk Committee ("ARC")

The ARC consists of three members, two independent directors and one Non-Executive director, and is governed by a Charter approved by the Board of Directors and which is reviewed regularly. The Charter of the Audit Committee is available on the website of the Company. The Committee is chaired by an independent director and attendance to the Audit Committees was as follows:

Number of ARCs held during the financial year ended 30 June 2023	4
Directors	
Mr Robert Ip Min Wan (Chairperson) (up to 25.11.22)	2/2
Mr Jean Marc Ulcoq (up to 25.11.22)	2/2
Mrs Margaret Wong Ping Lun	4/4
Mr Angelo Letimier (Chairperson) (as from 16.01.23)	2/2
Miss Medina Torabally (as from 16.01.23)	2/2

The broad terms of reference of the Committee are:

- To review the effectiveness of the company's internal control and risk management systems;
- To ensure compliance with legal and regulatory requirements and business ethics;
- To review the integrity of quarterly financial statements and recommend their adoption to the Board prior to filing and publication; and
- To oversee the process for selecting the external auditor, assess the continuing independence of the external auditor and approve the audit fees.

Corporate Governance Committee ("CGC")

The CGC which consisted of two independent directors namely Mr Jean Marc Ulcoq (Chairperson) and Mr Robert Ip Min Wan and one Non-Executive director namely Mrs Margaret Wong Ping Lun, was dissolved on 19 May 2023, following the Board's decision to take all corporate governance matters at its level.

During the financial year 2022/2023, the CGC met on 07 September 2022 to review the Corporate Governance Report of the Company, and all members were present.

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3. DIRECTORS APPOINTMENT PROCEDURES

3.1 Directors Selection

The Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGES) of MCB Group Limited identifies suitable candidates for the Board of the Company after determining whether the potential candidates have the required criteria it has established. The RCGESC then proposes the selected candidates to the Board of the Company for review and approval. The RCGESC also oversees succession planning for independent directors. The ultimate authority for appointment of directors and for succession planning remain with the Board of directors of the Company.

3.2 Election and Re-election of Directors

All directors are re-elected each year at the Annual Meeting of Shareholders.

3.3 Induction of new Directors

During the year, three new directors were appointed and received tailor made induction. The two independent directors were briefed on the activities and strategy of the Company during a meeting held by the MCB Capital Markets team. They were also provided with an induction pack each, which included a set of the Company's governing documents.

The Chairperson, the non-executive Directors as well as the Company Secretary are readily available to answer any further queries that the newly appointed directors may have with respect to the Company.

The above mentioned induction programme meets the specific needs of both the Company and the newly appointed directors and enable the latter to participate actively in Board discussion.

3.4 Professional Development

The Chairperson regularly reviews and comes to an agreement with each director, if necessary, on his or her training and development needs. Upon request from the directors, the Company shall provide the necessary resources for developing and updating its directors' knowledge and capabilities.

All the directors were invited to attend a training on Agile Governance, organized by the ultimate holding company, MCB Group Limited. The training was held on 14 July 2023.

3.5 Succession Planning

MCB Group Limited is one of the largest group of companies in Mauritius with a large pool of talent with different skills, academic and professional qualifications, and expertise in various fields of business. The MCB Group strategy includes the recognition and fostering of talents within executive and management levels across the Group thus ensuring that opportunities are created to develop current and future leaders.

3.6 Time Commitment

Each director is expected to devote sufficient time and attention to the affairs of the Company. The Company anticipates a time commitment of around 2 days per year. This will include attendance at Board meetings, Board committees (if applicable), the Annual Meeting of Shareholders and meetings as part of the Board evaluation process and training and development programmes. There is always the possibility of additional time commitment in respect of ad hoc matters that may arise from time to time, and particularly when the Company is undergoing a period of increased activity. The Directors allocate sufficient time to the Company's operation (refer to 2.5).

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

4. BOARD PERFORMANCE AND EVALUATION

4.1 Legal duties of Directors

The directors are aware of their legal duties under the Act and other relevant legislations. They exercise the required standard degree of care, skill and diligence, which a reasonably prudent and competent director in such position would exercise.

4.2 Remuneration Philosophy

The RCGESC is responsible for the setting up and developing of the Group's policy concerning the remuneration of directors. MCB Group Ltd lays significant emphasis on appointing the right people with relevant skills and appropriate behaviours, and rewarding them, in line with market practice.

The Company applies the same remuneration philosophy for directors as its ultimate holding company, MCB Group Limited, which consists mainly of:

- a monthly basic retainer for membership of the Board
- an attendance fee per sitting of the Board and Committee
- the Chairpersons of the Board and Committees, having wider responsibilities are entitled to higher remuneration.

4.3 Directors' Remuneration

The Directors' fees and remuneration are in accordance with market rates and have been paid to the independent and non-executive directors as follow:

		EUR
Mr Robert Ip Min Wan	(up to 25.11.22)	1,706
Mr Jean Marc Ulcoq	(up to 25.11.22)	1,706
Mrs Margaret Wong Ping Lun		5,072
Mr Angélo Létimier	(as from 25.11.22)	1,751
Ms Médina Torabally	(as from 25.11.22)	1,512

Messrs Pierre Guy Noël, Gilbert Gnany and Jean Michel Ng Tseung have not received any directors' fees or remuneration. Non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

4.4 Directors' interests in shares

The directors' interests in the securities of the Company as at 30 June 2023 are detailed hereunder.

Directors	Compagnie des Villages de Vacances de L'Isle de France Limitée	
	Number of Ordinary Shares	
	Direct	Indirect
Mrs Margaret Wong Ping Lun	-	9,000
Mr Gilbert Gnany	-	-
Mr Angélo Létimier	-	-
Mr Jean Michel Ng Tseung	-	-
Ms Médina Torabally	-	-

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4. BOARD PERFORMANCE AND EVALUATION (CONT'D)

4.5 Directors' service contracts

There are no fixed term contracts or service contracts between the Company and the directors.

4.6 Related Party Transactions

Related party transactions have been conducted in accordance with the Conflicts of interest and Related Party Transaction Policy and the Code of Ethics. For related party transactions, please refer to note 17 of the Financial Statements.

4.7 Policies of the Company

The Conflicts of interest and Related Party Transaction Policy and the Code of Ethics have been approved by the Board on 02 July 2018 and are reviewed on a regular basis. The last review was effected in September 2020. Compliance with the Code of Ethics is regularly monitored and evaluated by the Board. Conflict of interests, if arise, are managed effectively.

4.8 Register of Interest

An interest register is maintained by the Company Secretary and is available for consultation by the shareholders upon request.

4.9 Management of Information

The Board lays due emphasis on the confidentiality, integrity, availability and protection of information. The Company has no workforce. Day-to-day activities are outsourced to subsidiaries of the MCB Group, which have appropriate frameworks, policies and controls in place to manage information.

4.10 Board, Committees and Individual Directors' Performance

The Board had resolved that a review of the performance and effectiveness of the Board, its Committees and its Directors be undertaken at an interval of two years. A review, led by the by the Corporate Governance Committee, was conducted internally with respect to the financial year 2021/2022 by means of a questionnaire filled by each Director to assess the Board's effectiveness and whether directors continue to discharge their respective duties effectively. The questions were categorised as follows:

- Structure of the Board
- Board efficiency and effectiveness
- Strategy and performance
- Risk management and Governance
- Director's self-assessment
- Chairperson's appraisal
- Evaluation of the Audit Committee
- Evaluation of the Corporate Governance Committee

The evaluation showed that the Board and its Committees are adequately constituted and are operating effectively, and that the Chairperson and the directors are fulfilling their roles as required. No significant action has to be taken as a result of the evaluation. The directors endeavour to maintain the same vigilance in leading the Company. The next evaluation exercise will be carried out in 2024.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

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5. RISK GOVERNANCE AND INTERNAL CONTROL

The Board of Directors is ultimately responsible for risk management, the procedures in place within the organisation and the definition of the overall strategy for risk tolerance. The Company's policy on risk management encompasses all significant business risks including physical, operational, financial, compliance and reputational which could influence the achievement of the Company's objectives.

The risk management mechanisms in place include:

- a system for the ongoing identification and assessment of risk;
- development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- reviewing the effectiveness of the system of internal control on an annual basis; and
- processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

The key risks for the Company are legal, regulatory, operational, reputational and financial risks and the Board is directly responsible for the design, implementation and monitoring of all risk, compliance and procedures of the Company. The Company's business model is based on deriving rental income from its investment property. The rental income depends on the performance of the hotel. The Company's working capital needs are minimal and its rental income is received in advance. In addition, other than existing debts, the Company has no material creditors.

Legal and Regulatory Risks

Legal and regulatory risks are mainly the risks that COVIFRA does not comply with legal & regulatory requirements namely SEM, FSC and Registrar of Companies. These risks are managed by the Board, taking advice from the Company's legal advisor where appropriate and setting out of proper processes and procedures in order to comply with all relevant legislations in force to safeguard the assets of the Company. The Board is also covered under appropriate insurance cover taken by the Company's immediate holding company. Regulatory reporting has been outsourced to experienced team of professionals within the MCB Group.

Operational Risks

Operational risks are managed by the Board and involves the identification of proper operational and administrative procedures to mitigate the risk of losses through errors or omissions. All activities are outsourced to entities within the MCB Group that have internal control systems that meet the standards required by the Group and are reviewed by the internal audit team.

Strategic Risks

The major strategic risk to the Company relates to the rental income it derives through its investment property. The Board regularly identifies and monitors this risk by overseeing performance of the Company's tenant. The implementation of board's decisions is monitored by the Real Asset Management team with the Company Secretary acting as liaison between the two.

Reputational risks are also managed by the Board through close overview of major activities of the Company and the identification and management of the financial risks are discussed in note 19 of the Financial Statements.

The Board of Directors has delegated the responsibility to ensure the effectiveness of the internal control systems to the Audit Committee of the Company which has set adequate policies to provide reasonable assurance that risks are identified and managed appropriately. Any serious issue arising is taken at Board level.

During the financial year under review all significant areas with respect to risk governance were covered by internal control and no material risk or deficiency was noted in the organisation's system of internal controls. The Board is satisfied regarding the implementation, operation and effectiveness of internal controls and risk management.

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6. REPORTING WITH INTEGRITY

6.1 Overview

The Company owns the Club Med Resort, a 394 rooms premium resort at La Pointe aux Cannoniers operated by Holiday Villages Management Services (Mauritius) Limited ("HVMS") under a long-term lease agreement. Accordingly, the Company's major source of revenue comprises rental income.

6.2 Health and Safety Issues

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

The health and safety of clients and visitors are paramount and all reasonable measures are taken to ensure a sound and healthy working environment.

The Company is an equal opportunity employer and does not discriminate in any way with regard to race, religion or gender. All employment opportunities are openly advertised.

6.3 Corporate Social Responsibility

No Corporate Social Responsibility contributions were made for the year under review.

6.4 Charitable Donations

No donations were made by the Company during the year under review.

6.5 Political Donation

No political donations were made by the Company during the year under review.

6.6 Documents on the Website

The following documents which have been approved by the Board are available on the Website of the Company and are monitored and updated in a timely manner further to any changes in laws, requirements from regulatory bodies or decisions taken by the Board:

- ⇒ The full Annual Report of the Company including the financial statements
- ⇒ The Constitution
- ⇒ The Board Charter
- ⇒ The Audit Committee Charter
- ⇒ The Corporate Governance Committee Charter
- ⇒ The Code of Ethics
- ⇒ The Conflicts of interests and related party transactions policy
- ⇒ The Position Statements of the Chairperson and the Company Secretary
- ⇒ The Statement of major accountabilities within the organization
- ⇒ The Nomination and appointment process
- ⇒ Profile of the Directors
- ⇒ Profile of the Company Secretary
- ⇒ The structure, organization and qualifications of the key members of the internal audit function

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7. AUDIT

7.1 Internal Audit

The Board resolved on 05 September, 2019 to outsource the internal audit function to the Internal Audit department of The Mauritius Commercial Bank Ltd (IA). The IA provides a balanced assessment of key risks and controls, independent from reports received from the Company's management.

The Head of IA is independent of the Executive Management of the Company and reports to the Audit Committee of the Company as well as to the Audit Committee of MCBG. The audit team executes its duties freely and objectively in accordance with the Institute of Internal Auditors' Code of Ethics and International Standards on independence and objectivity. All members of the audit team are required to sign the Code of Ethics on an annual basis.

IA ensures that the quality of internal audit services provided to Covifra is aligned with recognised best practices. IA leverages on a systematic and disciplined approach, notably through the use of well-focused audit work programs and computer aided audit techniques to evaluate the effectiveness of the internal control systems of the Company. The Institute of Internal Auditors requires each internal audit function to have an external quality assessment conducted at least once every five years. This exercise has been carried out in 2009, 2013, and 2018 respectively [2023 currently in progress], by internationally recognized firms which confirmed the Internal Audit BU's compliance with the International Standards for the Professional Practice of Internal Audit issued by the above mentioned institute.

Areas, systems and processes covered by internal audit during its exercise for 2022/2023 including non-financial matters are as follows:

- Governance and organization design: Review of Board minutes; review of agreements/SLAs with other entities of the MCB group.
- Accounting cycle: Close the books process, Obtain the independent valuation of the Investment property, review of General ledger and Trial Balance, review of bank reconciliations, variance analysis of material figures, vouching of significant items.
- Reporting to regulatory authorities: Verify that the DEM reporting requirements have been met and statutory returns duly submitted.

There are no restrictions placed on the internal auditor in conducting their audit exercises.

7.2 External Auditors

BDO & Co was first appointed as auditor of the Company since 2019 and the Audit and Risk Committee of Covifra recommends the appointment of external auditors on a yearly basis, after having reviewed the Audit Plan presented. The Audit Committee meet the external auditor without management's presence to discuss critical policies, judgements and estimates.

The Audit and Risk Committee also evaluates the performance of the external auditor and reviews the integrity, independence and objectivity of the External Auditor by:

- Confirming that the external auditor is independent from the Company
- Considering whether the relationships that may exist between the Company and the external auditor impair the external auditor's judgement

Upon approval from the Audit and Risk Committee, the Board of Covifra thereafter recommends the appointment of external auditors to the shareholders in the Annual Meeting of shareholders for approval by way of an ordinary resolution.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

7 AUDIT (CONT'D)

7.3 Auditors' Fees

The fees paid to the auditors, for audit and other services for the last 2 years were:

Audit fee for the year	<u>2023</u>	<u>2022</u>
	EUR	EUR
BDO & Co	7,600	6,800

The auditors did not receive any fees for other services.

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS

Amongst the key stakeholders, the shareholders are kept properly informed on matters affecting the Company and the Annual Meeting of Shareholders is held in accordance with the Act . Notices for the annual meeting and other shareholders' meetings are duly sent to all shareholders.

The Company's website provides relevant information to other stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure.

8.1 Shareholders Agreement Affecting The Governance of the Company by the Board

There is currently no such agreement.

8.2 Major Transaction

No major transaction as defined under section 130(2) of the Act was undertaken.

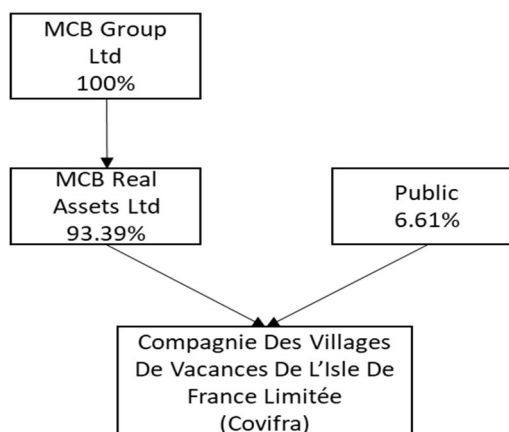
8.3 Third Party Management Agreement

Management Agreements are in place with subsidiaries of the MCB Group whereby there are common directors. However, all these subsidiaries are 100% owned and controlled by the same entity.

8.4 Shareholders Holding more than 5% of the Company and Holding Structure

Shareholders holding more than 5% of the share capital of the company as at 30 June 2023 were:

Name of shareholder	Holding	% Holding
MCB Real Assets Limited	63,443,493	93.39



COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS (CONT'D)

8.5 Share price information

The Company's share price started the year at Rs 21.95. It closed at Rs 24.10 on 30 June 2023.

8.6 Share Option Plan

No such scheme currently exists within the Company.

8.7 Timetable of important events

The Board aims to hold board meetings on a quarterly basis. The Annual Meeting of Shareholders shall be held in November or December each year.

September 2023	Release of full year results to 30 June 2023
November 2023	Release of quarterly results
February 2024	Release of half yearly results
May 2024	Release of results for the 9 months to 31 March 2024

8.8 Dividend Policy

The Company intends to distribute any excess cash as dividends, subject to its overall capital requirements, liquidity and profitability. The Company aims to declare an interim and a final dividend each year. During the financial year 2022/2023, the Company declared a total dividend of MUR 2.00 per share.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

STATEMENT OF COMPLIANCE

FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED 30 JUNE 2023

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

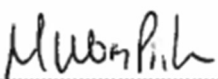
Name of Public Interest Entity : Compagnie des Villages de Vacances de L'Isle de France
Limitée ("Covifra")


Reporting Period : 1 July 2022 to 30 June 2023

We, the directors of Covifra, confirm to the best of our knowledge that the Company has not complied with certain Principles of the Code. Reasons for non-compliance are set out below.

Principles	Sections relating to	Reasons for non-compliance
2	Board Structure with an appropriate combination of executive, non-executive and independent directors	The Board consists of 2 independent and 3 non-executive directors. Given that the Company has no employees, there are no executive directors on the Board. Day-to-day management of Covifra are carried out by the employees of the subsidiaries of MCB Group Limited under relevant agreements.

Signed for and on behalf of the Board of Directors on 11 September 2023.


.....
Margaret Wong Ping Lun
Chairperson


.....
Jean Michel Ng Tseung
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Compagnie des Villages de Vacances de L'Isle de France Limitée

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Compagnie des Villages de Vacances de L'Isle de France Limitée ("the Company"), on pages 20 to 46 which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 20 to 46 give a true and fair view of the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	AUDIT RESPONSE
<p>Valuation of Investment Property</p> <p>At June 30, 2023, the Company had an investment property amounting to EUR 103.9M (2022: EUR 103.8M). The investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment property is carried at fair value annually and subject to triennial valuations by external independent valuers, which is mainly determined on an income approach basis. The latest fair valuation of the investment property by independent valuers was carried out for FY 2022. For the FY 2023, management reassessed the fair value of the investment property and concluded that the carrying value reflects the fair value as at June 30, 2023. The significance of the investment property on the statement of financial position and the judgements applied in determining the fair value resulted in it being identified as key audit matter.</p>	<p>Our audit procedures included amongst other the following:</p> <ul style="list-style-type: none"> - We understood, assessed and challenged management's process and methodology for valuing the investment property including gaining an understanding of the key controls around the investment valuation process; - With the support of our Corporate Finance Team, we challenged the appropriateness of the valuation method and assumptions used such as yield and capitalisation rates, in deriving the discounted cash flow by comparing these assumptions to our internally derived expectations based on historical performance of the businesses as well as industry benchmark ; - We verified the completeness, adequacy and relevance of the information presented to us; - We performed sensitivity analysis on the main assumptions used to ensure the valuation arrived at is fair and reasonable; -We also reviewed and assessed the completeness of the disclosure in the financial statements for compliance with International Financial Reporting Standards including disclosure on significant inputs and sensitivity analysis.

Refer to Note 2(c) (accounting policies), Note 3 (critical accounting estimates and judgements) and Note 5 (Investment Property) of the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Compagnie des Villages de Vacances de L'Isle de France Limitée

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the 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, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Compagnie des Villages de Vacances de L'Isle de France Limitée

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Mauritian Financial Reporting Act 2004

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

Other matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co
Chartered Accountants

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

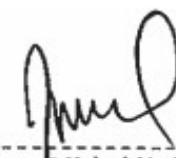
Port Louis,
Mauritius.
September 11, 2023

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	<u>Notes</u>	<u>30-Jun-2023</u>	<u>30-Jun-2022</u>
		EUR	EUR
ASSETS			
Non-Current Asset			
Investment Property	5	103,890,100	103,770,000
Current Assets			
Other Receivables and Prepayments	6	12,406	12,083
Tax Asset Receivable	16(iv)	834,569	274,181
Cash and Cash Equivalents	9	990,746	1,528,991
		<u>1,837,721</u>	<u>1,815,255</u>
Total Assets		<u>105,727,821</u>	<u>105,585,255</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated Capital	7	23,413,337	23,413,337
Retained Earnings		17,020,914	14,877,593
Total Equity		<u>40,434,251</u>	<u>38,290,930</u>
Non-Current Liabilities			
Borrowings	8	47,993,034	53,065,067
Lease Liabilities	10	3,701,547	3,844,438
Deferred Tax Liability	16(iii)	8,339,443	7,314,401
		<u>60,034,024</u>	<u>64,223,906</u>
Current Liabilities			
Other Payables	10	941,079	837,724
Dividend Payable	15(ii)	37,671	40,971
Borrowings	8	4,280,796	2,191,724
		<u>5,259,546</u>	<u>3,070,419</u>
Total Equity and Liabilities		<u>105,727,821</u>	<u>105,585,255</u>

Approved by the Board of Directors and authorised for issue on 11 September 2023.


 Margaret Wong Ping Lun
 Director


 Jean Michel Ng Tseung
 Director

The notes on pages 24 to 46 form an integral part of these financial statements.
 Independent auditor's report on pages 17 to 19.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year ended 30-Jun-2023 EUR	Year ended 30-Jun-2022 EUR
Revenue	11	8,521,559	6,068,837
Operating expenses	12	<u>(408,863)</u>	<u>(350,910)</u>
Operating Profit		8,112,696	5,717,927
Exchange Gain/(Loss)		441,609	(507,912)
Fair value gain on investment property	5	-	4,222,544
Finance costs	13	<u>(2,421,389)</u>	<u>(1,981,462)</u>
Profit before taxation		6,132,916	7,451,097
Income tax expense	16	<u>(1,025,042)</u>	<u>(1,283,863)</u>
Profit For The Year		5,107,874	6,167,234
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income For The Year		<u>5,107,874</u>	<u>6,167,234</u>
Earnings per share	14	EUR 0.0752	EUR 0.0908
Net assets per share		EUR 0.5952	EUR 0.5637
Number of ordinary shares		67,932,000	67,932,000

The notes on pages 24 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 17 to 19.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	<u>Notes</u>	<u>Stated Capital</u> EUR	<u>Retained Earnings</u> EUR	<u>Total</u> EUR
Balance at 1 July 2021		23,413,337	9,910,310	33,323,647
Profit for the Year		-	6,167,234	6,167,234
Dividend declared	15	-	(1,199,951)	(1,199,951)
Balance at 30 June 2022		<u>23,413,337</u>	<u>14,877,593</u>	<u>38,290,930</u>
Balance at 1 July 2022		23,413,337	14,877,593	38,290,930
Profit for the Year		-	5,107,874	5,107,874
Dividend declared	15	-	(2,964,553)	(2,964,553)
Balance at 30 June 2023		<u>23,413,337</u>	<u>17,020,914</u>	<u>40,434,251</u>

The notes on pages 24 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 17 to 19.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Year ended 30-Jun-2023 EUR	Year ended 30-Jun-2022 EUR
CASHFLOW FROM OPERATING ACTIVITIES			
Profit before Taxation		6,132,916	7,451,097
<u>Adjustments for:-</u>			
Fair Value Gain on Investment Property	5	-	(4,222,544)
Tax Deducted at Source on Rent	16 (iv)	(560,388)	(274,181)
Interest Expense	13	2,421,389	1,981,462
Unrealised Exchange (Gain)/Loss		(345,497)	491,681
Operating Profit before Working Capital Changes		7,648,420	5,427,515
Working Capital Changes :-			
Change in Other Receivables		(323)	101,588
Change in Other Payables		102,730	(750,431)
NET CASH GENERATED FROM OPERATING ACTIVITIES		7,750,827	4,778,672
CASHFLOW FROM FINANCING ACTIVITIES			
	22		
Proceeds from Issuance of Bond		-	-
Proceeds from Loan		-	1,403,600
Refund of Long Term Loan		(2,973,332)	(1,973,332)
Interest Paid		(1,963,745)	(1,644,754)
Capital Element of Lease Liabilities		(5,327)	(11,315)
Interest Paid on Lease Liabilities		(368,717)	(266,231)
Dividends Paid		(2,964,553)	(1,199,951)
NET CASH USED IN FINANCING ACTIVITIES		(8,275,674)	(3,691,983)
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS		(524,847)	1,086,689
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9	1,528,991	486,008
Effect of Foreign Exchange Differences		(13,398)	(43,706)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	990,746	1,528,991

The notes on pages 24 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 17 to 19.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 GENERAL INFORMATION

Compagnie des Villages de Vacances de l'Isle de France Limitée ("COVIFRA" or the "Company") is a public company incorporated in Mauritius. Its registered office is situated at MCB Centre, Sir William Newton Street, Port Louis. The Company is quoted on the Development and Enterprise Market (DEM) of The Stock Exchange of Mauritius.

The Company rents out its investment property to Holiday Villages Management Services (Mauritius) Limited ("HVMS"), which operates the Club Med Hotel at La Pointe aux Canonnières, Mauritius.

On 26 October 2017, MCB Real Assets Limited acquired 84.43% shareholding of Club Med SAS ("CMSAS") in the Company.

On 9 February 2018, a mandatory offer was made to the ordinary shareholders of COVIFRA to purchase their shares for a cash consideration of MUR 22.50 per share by MCB Real Assets Limited, pursuant to the Securities (Takeover) Rules 2010. As a result of the mandatory offer, MCB Real Assets Limited acquired a further 8.60% shareholding in the Company on 12 April 2018. The general public holds the remaining shares.

On 31 January 2019, 11,322,000 shares were allotted to the ordinary shareholders of COVIFRA, following a rights issue exercise at MUR 23.00 per share.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated and where necessary, comparative figures have been amended to conform with the change in presentation in the current year.

(a) Basis of Preparation

The financial statements of the Company comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except for investment property which is carried at fair value.

At 30 June 2023, the Company had net current liabilities of EUR 3,421,825 (30 June 2022: net current liabilities of EUR 1,255,164). The financial statements have been prepared on a going concern basis, the validity of which depends upon cash flow projections based on expected rental income as per the lease agreement (Refer to Note 3). The Company has sufficient financial resources to meet its financial obligations for the period up to 30 June 2024. Since the Company is able to manage its cash flows, the Directors therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (cont'd)

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

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018– 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Company's financial statements.

IFRS 3 Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Company's financial statements.

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018– 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Company's financial statements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Company's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 or later periods, but which the Company has not early adopted.

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

Effective date January 1, 2023

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date January 1, 2024

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

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of ‘settlement’ for the purpose of classifying a liability as current or non-current.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (cont'd)

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

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign Currencies

(i) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The directors consider that the Euro ("EUR") most faithfully represents the currency of the primary economic environment in which the Company operates.

The functional and presentation currency of the Company is the Euro. All values are rounded to the nearest Euro, except when otherwise indicated.

(ii) Transactions and Balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(c) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Investment property comprise of hotel property that is neither occupied substantially for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income. The building is substantially rented to a tenant and is not intended to be sold in the ordinary course of business. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.
- Adjusted accordingly, if a valuation obtained for a property is net of all payments expected to be made. Any recognised lease liability is added back.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:-

Financial Assets

The Company classifies its financial assets into the category discussed below, as per the business model test and the contractual cashflows of the asset. The Company's accounting policy for each category is as follows:

Amortised cost

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

The Company's financial assets measured at amortised cost comprise of cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Financial liabilities

The Company classifies its financial liabilities into the following category.

Amortised cost

Financial liabilities include the following items:

Bank borrowings are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire.

(e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

(i) Rental Income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rental income is shown net of Value Added Tax.

(f) Borrowing costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred.

(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Taxation (cont'd)

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and Deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(h) Leases

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(i) Lease of land under operating lease - sub lease arrangement

Land is leased from the Government of the Republic of Mauritius for a lease term of 60 years expiring on 30 September 2069, which is then sub-leased to a tenant for a lease term of 15 years.

The rights of use asset of the lease arising on the head lease has been accounted for as an investment property (refer to note 2(c)).

(ii) Lease of building under operating lease - Company's owned building

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except for contingent rental income which is recognised when it arises.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leases (cont'd)

The Company as lessee -Headlease (Land leased from the Government of Mauritius)

In accordance with IAS 40, commitments under non-cancellable operating leases of land are recognised on the statement of financial position as a liability and as an asset (investment property). The liability is determined as the present value of the minimum lease payments. Finance charges are allocated to profit or loss during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the Investment property) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change due to a change in floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(i) Related Party Transactions

For the purpose of these financial statements, parties are considered to be related to the Company, if they have the ability, directly or indirectly to control the Company and exercise significant influence over Company in making financial and operating decisions, or vice versa or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investment Property

In arriving at the fair value of the properties, which was determined on an income approach basis, the directors in consultation with the independent valuers had to make assumptions and estimates that were mainly based on market conditions existing at 30 June 2023 (2022: 30 June 2022). Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

Critical judgements in applying accounting policies

Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property that is measured using the fair value model, the directors have reviewed the Company's investment property and concluded that the Company's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, hence rebutting the sale presumption. As a result, the Company has recognised deferred taxes on changes in fair value of investment property.

Determination of functional currency

The determination of the functional currency is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. In making this judgement, the directors have considered the currencies in which costs and transactions are settled, the currencies in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The directors have determined the functional currency of the Company as being EURO ("EUR").

Going Concern

The Directors are of the view that the Company will be a going concern based on cash flow forecasts where rental income generated as per the terms of the agreement; assuming a 2% increase, will enable the Company to meet the following financial obligations over the next twelve months of the financial reporting date:

- Interest payments of existing loan obligations as per Note 8, and
- Principal repayments of the short term loan, term loan and BFCOI loan amounting to approximately EUR 4,000,000.

The Directors are currently considering different strategies to repay the EUR 11,845,000 to the Mauritius Commercial Bank Ltd which is due in July 2024. A proposition is to repay the loan through the issuance of floating rate notes by way of a private placement or to renew the existing facilities with the Mauritius Commercial Bank Ltd. The Board of directors is of the view that the above initiatives will be successful based on its past history to raise funds and to renew its existing facilities with the Mauritius Commercial Bank Ltd. In addition, a letter of support has been received from the ultimate holding company to confirm that they will continue to provide such financial assistance to the Company as is necessary to maintain the Company as going concern for the foreseeable future and to meet its debts and liabilities as they fall due.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

4 FUNCTIONAL CURRENCY

The exchange rates applicable during the current financial year and previous year were as follows:

	30 June 2023	30 June 2022
	MUR/EUR	MUR/EUR
Average Year to	46.76	48.38
As at 30 June	49.47	46.25

The mid-closing EUR/MUR rate as provided by the Bank of Mauritius at 30 June 2023 was MUR 49.56 (30 June 2022: MUR 47.51).

5 INVESTMENT PROPERTY

	Land & Buildings	
<u>At Fair Value</u>	2023	2022
	EUR	EUR
At 1 July 2022 / 1 July 2021	103,770,000	99,547,456
Lease Re-Assessment (See note 10(c))	120,100	-
Fair Value Gain on Investment Property	-	4,222,544
At 30 June 2023 / 2022	103,890,100	103,770,000

The right-of-use of the land and the buildings have been treated as investment property under IAS 40 and are stated at fair value.

Valuation Process

The Company's policy is to fair value its investment property every year with a qualified independent valuer appointed every three years.

Each year, management assesses whether there is a significant change in current market conditions which could cause the fair value of the investment property to differ materially from the carrying amount.

Every three years and upon observance of significant change in market conditions, management recommends the appointment of an independent external valuer, who is responsible for the external valuations of the Company's investment properties for the annual financial statements. Selection criteria for independent valuer include market knowledge, reputation, independence, objectivity and whether professional standards are maintained.

No independent valuer was appointed for the current year.

An independent valuation exercise of the investment property was carried out in 2022 by Jones Lang LaSalle (Pty) Ltd ("JLL"), a professional service company specialising in real estate and offering a range of services such as hotel advisory, valuation services, property and project management. Based on the income approach using the discounted cash flow method and a number of assumptions including a discount rate of 9.40%, JLL determined that the fair value of the investment property at 30 June 2022 was EUR 103,770,000.

Discounted cash flow technique is a method of discounting the rental income based on expected net cash flows of the underlying hotel.

The Directors have reassessed the fair value of the investment property as at 30 June 2023 based on the following criteria:

- Consideration of current market conditions;
- Rolling forward the discounted cash flows used by the independent valuer JLL.

Based on the above considerations, the Directors are of the opinion that the fair value of the investment property is reasonably stated.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

5 INVESTMENT PROPERTY (CONT'D)

The land is leased from the Government of the Republic of Mauritius for a term expiring on 30 September 2069.

Rental income derived from the investment property is disclosed in Note 11. Direct operating expenses from the investment property that generated rental income during the year amounted to EUR 381,922 (2022: EUR 288,981). The expenses are reimbursable as they are recharged by the Company to Holiday Villages Management Services (Mauritius) Ltd (HVMS) (Note 11).

The investment property has been classified within level 3 of the fair value hierarchy based on the following information:

	Valuation Technique	Significant Unobservable Inputs	Range
Hotel located in Pointe aux Canoniers	Income Approach - Discounted Cash Flow	- Rent growth p.a.	1.4% - 1.9%
		- Discount Rate	9.57%
		- Terminal Yield	7.92%

Significant increases/(decreases) in estimated rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the property. Significant increases/(decreases) in the discount rate and terminal yield would result in a significantly lower/(higher) fair value.

6 OTHER RECEIVABLES AND PREPAYMENTS

	2023	2022
	EUR	EUR
Other Receivables and Prepayments	12,406	12,083

Other receivables are unsecured, do not have any fixed repayment terms and are interest free.

7 STATED CAPITAL

	2023	2022
	EUR	EUR
Share Capital (i)	19,738,600	19,738,600
Share Premium (ii)	3,674,737	3,674,737
	23,413,337	23,413,337

	Number of Shares	Number of Shares
(i) Share Capital Issued and Fully Paid Ordinary shares of MUR 10 each At 30 June 2023 and 2022	67,932,000	67,932,000

	2023	2022
	EUR	EUR
At 30 June	19,738,600	19,738,600

The Board may issue shares at any time and there is no limit on the number of shares to be issued at Rs 10 of par value. Each ordinary share confer the shareholder the right to vote, equal share of dividends and distribution of surplus assets.

	2023	2022
	EUR	EUR
(ii) Share Premium At 30 June	3,674,737	3,674,737

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8 BORROWINGS		2023	2022
		EUR	EUR
<u>At Amortised Cost</u>			
Within one year	(a) - (f)	4,280,796	2,191,724
After more than one year	(a) - (f)	47,993,034	53,065,067

- (a) In July 2021, an additional short term loan of Euro 1,000,000 was taken to finance operating expenses. The term loan has a tenor of 29 months and carries an interest rate of 3% above 3-months EURIBOR (floored at 0%) per annum. The capital shall be repaid in a bullet repayment at maturity date and interest shall be serviced on a quarterly basis.
- (b) In December 2020, the Company availed of a working capital loan of Rs. 50,000,000 with The Mauritius Commercial Bank Ltd under the Bank of Mauritius COVID-19 Support Programme. The loan has a tenor of 48 months and carries an interest of 1.50% per annum. The capital shall be repaid in a bullet repayment 48 months after the last disbursement. The facility was used to cover essential monthly cash flows and working capital requirements. Under the COVID-19 Support Programme, an additional working capital loan of Rs. 20,000,000 was taken in July 2021 under the same term and conditions as set out above.
- (c) On 23 December 2020, a Facility Agreement of EUR 1,000,000 was signed between the Company and The Mauritius Commercial Bank Ltd; the latter being an entity under common control. The loan is repayable in a bullet repayment on 31 December 2023 and interest is payable at 3% above EURIBOR (floored at 0%) per annum. The loan will serve as a bridging finance for the shortfall on rental income and to honour commitments taken by the Company.
- (d) In July 2019, the Company issued secured floating rate notes by way of private placement for an amount of up to Euro 15,000,000. The notes are currently subscribed by its holding company and an entity under common control and interest is payable at 3% above 3-months EURIBOR (floored at 0%) per annum. The purpose of the notes issuance was to refinance part of the Company's borrowings. The Notes will mature in July 2029.
- (e) In October 2018, the Company entered into a long term loan agreement of Euro 29,600,000 with BFCOI (Banque Francaise Commerciale Ocean Indien); a foreign banking associate of MCB Group Ltd. Capital and interest payments are effected on a quarterly basis as per the revised loan amortisation schedule. The above loan carries an interest rate of 2.60% per annum and is secured by a fixed and floating charge over the investment property and the Company's assets.
- (f) A Facility Agreement of Euro 27,845,000 has been signed between the Company and The Mauritius Commercial Bank Ltd on 24 October 2017. The latter is an entity under common control. The loan is repayable in a single repayment on 26 July 2024 and interest is payable at 4.5% above 3-months EURIBOR (floored at 0%) per annum. As part of the Company's debt management; Euro 15,000,000 was paid back to The Mauritius Commercial Bank Ltd on 26 July 2019. As such, the interest rate on the Euro loan was reviewed and fixed at 3.50% above 3-months EURIBOR (floored at 0%) per annum. During the year, in line with the agreement, an amount of EUR 1,000,000 was paid on 15 March 2023. The loan is secured by a fixed charge over the investment property.

All borrowings are from related parties as shown in Note 17.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9 CASH AND CASH EQUIVALENTS	2023	2022
	EUR	EUR
Cash at bank (Note 17(h))	990,746	1,528,991

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

10 LEASE LIABILITIES AND OTHER PAYABLES	2023	2022
	EUR	EUR
Lease Liabilities	3,707,062	3,849,329
Rent received in advance	740,162	733,623
Other	195,402	99,210
	4,642,626	4,682,162
(a) <u>Analysed as:</u>		
Current	941,079	837,724
Non-current	3,701,547	3,844,438
	4,642,626	4,682,162

(b) The above lease liabilities pertain to the land leased from the Government of the Republic of Mauritius and treated as investment property. Interest expense on lease liabilities is disclosed under note 13.

	2023			2022		
	Minimum Lease Payments payable	Finance Charges allocated to future periods	Total	Minimum Lease Payments payable	Finance Charges allocated to future periods	Total
Lease liabilities	EUR	EUR	EUR	EUR	EUR	EUR
Within 1 Year	353,979	(348,464)	5,515	374,427	(369,536)	4,891
1 to 2 Years	353,979	(347,945)	6,034	374,427	(369,066)	5,361
2 to 3 Years	353,979	(347,378)	6,601	374,427	(368,551)	5,875
3 to 4 Years	353,979	(346,758)	7,221	374,427	(367,987)	6,439
4 to 5 Years	353,979	(346,079)	7,900	374,427	(367,369)	7,057
After 5 Years	14,631,131	(10,957,340)	3,673,791	15,850,729	(12,031,023)	3,819,706
	16,401,026	(12,693,964)	3,707,062	17,722,862	(13,873,533)	3,849,329

At the end of the reporting period, the instalments on the above minimum lease payments remain outstanding.

Amounts recognised in the statement of cash flows	2023	2022
	EUR	EUR
Total cash outflow for leases	(374,044)	(277,546)

(c) The annual rental is adjusted every 3 years by reference to the cumulative 3-year inflation rate based on consumer price. An approximate market interest rate of 9.40% was used to discount the minimum lease payments.

The risks associated with rights that the Company retains in the investment property are not considered to be significant as the lessee procures and maintains an insurance during the continuance of the lease. The lessee also bears all costs associated with wear and tear during the lease term.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

11 REVENUE

		2023	2022
		EUR	EUR
Revenue	(i)	8,139,637	5,779,856
Land Lease Refund from HVMS		381,922	288,981
		8,521,559	6,068,837

(i) Revenue for the year is set out below:

Basic Rent		4,877,851	3,464,806
Additional Rent		3,261,786	2,315,050
		8,139,637	5,779,856

The basic rent is fixed at EUR 4,650,000 and is adjusted by an inflation index at the beginning of each lease period starting from year 1 under the new rental agreement. As such, the basic rent is indexed to two-third of the Euro Zone Harmonised CPI. The additional rent arises as a result of the additions (work-in-progress) to the investment property. The inflation index is currently capped at 2% and shall not be inferior to 0%. Rent is payable every quarter in advance.

(ii) The table below shows the undiscounted rental payments to be received from HVMS over the remaining term of the lease agreement.

		2023	2022
		EUR	EUR
Within 1 Year		8,295,790	8,139,637
1 to 2 Years		8,428,305	8,295,790
2 to 3 Years		8,546,301	8,428,305
3 to 4 Years		8,665,949	8,546,301
4 to 5 Years		8,787,272	8,665,949
After 5 Years		55,368,225	64,155,497
		98,091,842	106,231,479

12 OPERATING EXPENSES

		2023	2022
		EUR	EUR
Advertising		740	2,256
Bank Charges		976	238
Directors' Remuneration		11,747	10,793
Licence		5,896	5,338
Other Expenses		8,134	1,075
Professional Fees		381,309	331,153
Subscriptions		57	56
		408,859	350,909

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13 FINANCE COSTS

		<u>2023</u>	<u>2022</u>
		EUR	EUR
Interest on:			
- Lease Liabilities	(a)	368,717	346,706
- Loan from Entity under Common Control	8(a)-(c) & 8(f)	759,123	530,548
- Loan from Entity in which the ultimate holding company has significant influence	8(e)	594,516	646,535
- Money Market Line and Overdraft Facility from Entity under Common Control		-	923
- Secured Credit-Linked Floating Rate Notes	8(d)	699,033	456,250
Other		-	500
		<u>2,421,389</u>	<u>1,981,462</u>

(a) The interest expense on the lease liabilities is notional and arises from the accounting of the lease liabilities at amortised cost.

14 EARNINGS PER SHARE

		<u>2023</u>	<u>2022</u>
Earnings per share is based on:			
Profit after Taxation	EUR	<u>5,107,874</u>	<u>6,167,234</u>
Number of Ordinary Shares		<u>67,932,000</u>	<u>67,932,000</u>
Earnings Per Share	EUR	<u>0.0752</u>	<u>0.0908</u>

15 DIVIDEND

		<u>2023</u>	<u>2022</u>
		EUR	EUR
(i) <u>Dividend Declared</u>			
Interim Dividend (2023: EUR 0.02 (Rs. 1.00) per Share 2022: EUR 0.02 (Rs. 0.80) per Share)		1,355,923	1,199,951
Final Dividend (2022: EUR 0.02 (Rs. 1.00) per Share 2021: EUR Nil per Share)		1,608,630	-
		<u>2,964,553</u>	<u>1,199,951</u>
(ii) <u>Dividend Payable</u>			
At 1 July 2022 / 1 July 2021		40,971	37,440
Dividends Declared		2,964,553	1,199,951
Dividends Paid		(2,964,553)	(1,199,951)
Exchange Difference on Translation		(3,300)	3,531
At 30 June 2023 / 30 June 2022		<u>37,671</u>	<u>40,971</u>

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

16 TAXATION

(i) Income Tax

The income tax rate applicable to the Company is 17% (2022: 17%). The Company does not have any current tax liability as it has tax losses which are available for offset against future taxable profits.

At 30 June 2023, the Company had accumulated tax losses of EUR 22,442,719 (30 June 2022: EUR 24,971,101) which are available for offset against future profits. These pertain to capital allowances on acquisitions after 1 July 2006 and thus can be carried forward indefinitely.

During the year, tax losses of EUR 2,528,382 were utilised against taxable profits.

The tax losses are as follows:

	Chargeable Income before Capital Allowances	Unabsorbed * Capital Allowances	Tax Losses Carried Forward
Up to period ended 30 June 2021	9,511,541	(33,578,823)	(24,067,282)
Year ended 30 June 2022	3,723,203	(4,627,022)	(903,819)
Year ended 30 June 2023	5,767,296	(3,238,914)	2,528,382
			(22,442,719)

* These relate to capital allowances on acquisitions after 1 July 2006 and thus can be carried forward indefinitely.

(ii) In the Statement of Profit or Loss

	2023 EUR	2022 EUR
Current Tax on the Adjusted Profit for the Year at 17%	-	-
Deferred Tax Expense	16(iii) 1,025,042	1,283,863
Tax Expense	1,025,042	1,283,863

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

	2023 EUR	2022 EUR
Profit before Taxation	6,132,916	7,451,097
Tax at 17%	1,042,596	1,266,686
Tax Effect on:		
Tax Loss brought forward	(4,245,087)	(4,091,438)
Previous year's adjustment	4,434	-
Income not subject to Tax	(135,355)	(772,365)
Expenses not Deductible for Tax Purposes	68,765	138,624
Capital allowances on Investment Property	(550,615)	(786,594)
Deferred tax expense	16(iii) 1,025,042	1,283,863
Tax Loss carried forward	3,815,262	4,245,087
	1,025,042	1,283,863

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

16 TAXATION (CONT'D)

		2023	2022
		EUR	EUR
(iii) Deferred Tax Liabilities			
At 1 July 2022 / 2021		7,314,401	6,030,538
Deferred Tax expense	16(ii)	1,025,042	1,283,863
At 30 June 2023 / 2022		8,339,443	7,314,401
In respect of:			
<u>Deferred Tax Liabilities</u>			
Accelerated capital allowances		12,067,073	11,496,041
Fair Value of Investment Property		717,832	717,832
		12,784,905	12,213,873
<u>Deferred Tax Assets</u>			
Tax Losses		(3,815,262)	(4,245,087)
Lease Liabilities		(630,199)	(654,385)
		(4,445,461)	(4,899,472)
<u>Net Deferred Tax Liabilities</u>		8,339,444	7,314,401
(iv) Tax Deducted at Source			
At 1 July 2022 / 2021		274,181	-
Tax Deducted at Source withheld during the Year		560,388	274,181
At 30 June 2023 / 2022		834,569	274,181

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

17 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control. The transactions of the Company with related parties during the year under review are as follows:

	2023 EUR	2022 EUR
(a) <u>Interest on Borrowings</u>		
Holding Company	125,326	212,765
Entity in which the ultimate holding company has significant influence	594,516	646,535
Entity under common control	1,332,830	774,956
(b) <u>Facility Fee on Borrowings</u>		
Entity under common control	-	500
(c) <u>Administrative Expenses</u>		
Entities under common control	342,481	301,306
(d) <u>Key Management Personnel</u> (including Directors' Remuneration)	11,747	10,793
(e) <u>Dividend Declared</u>		
Holding Company	2,768,674	1,120,666
(f) <u>Proceeds from Loan & Debt Issuance</u>		
Entities under common control	-	1,432,400
(g) <u>Refund of Loan</u>		
Entities under common control	(1,000,000)	-
Entity in which the ultimate holding company has significant influence	(1,973,333)	(1,973,333)
(h) <u>Outstanding Balances as end of Reporting Period</u>		
<i>Payables to Related Parties:-</i>		
Entities under Common Control	186,477	87,475
<i>Bank Balances:-</i>		
Entity Under Common Control	990,626	1,528,863
Entity in which the ultimate holding company has significant influence	120	128
<i>Borrowings:-</i>		
Holding Company	2,293,172	5,678,870
Entity in which the ultimate holding company has significant influence	21,819,541	23,803,136
Entity under common control	28,161,116	25,774,784

All the above transactions have been carried out at least under market terms and conditions. There have been no guarantees provided or received for any related party receivables or payables. At 30 June, 2023, the amounts owed by related parties were not impaired. Settlement for above transactions occur in cash.

18 ULTIMATE HOLDING COMPANY

The immediate holding company of COVIFRA is MCB Real Assets Ltd and the ultimate holding company is MCB Group Limited. Both companies are incorporated in Mauritius.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

19 FINANCIAL INSTRUMENTS

(a) Capital Risk Management

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

The capital structure of the Company consists of debt, net of cash and cash equivalents and equity attributable to equity holders, comprising issued capital and retained earnings.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	2023	2022
	EUR	EUR
Debt (i)	55,980,892	59,106,120
Cash & Cash Equivalents	(990,746)	(1,528,991)
Net Debt	54,990,146	57,577,129
Equity (ii)	40,434,251	38,290,930
Gearing Ratio	136%	150%

(i) Debt is defined as long and short term borrowings, including leases and loan due to holding company.

(ii) Equity includes all capital and reserves of the Company.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial liabilities and equity instrument are disclosed in note 2 to the financial statements.

(c) Categories of financial instruments

	2023	2022
	EUR	EUR
<u>At Amortised Cost</u>		
Financial assets		
- Cash and Cash Equivalents	990,746	1,528,991
Financial liabilities		
- Borrowings	52,273,830	55,256,791
- Lease Liabilities	3,707,062	3,849,329
- Other Payables	195,402	94,319
- Dividend Payable	37,671	40,971
	56,213,965	59,241,410

Rent received in advance of EUR 740,162 (2021: EUR 733,623) has been excluded from other payables.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

19 FINANCIAL INSTRUMENTS (CONT'D)

(d) Financial risk management

The Company monitors and manages the financial risks relating to its operations namely credit risks, interest rate risk, liquidity risk and foreign currency risk.

(i) Foreign currency risk

The currency profile of the Company's financial assets and liabilities is summarised as follows:-

	2023		2022	
	Financial Assets EUR	Financial Liabilities EUR	Financial Assets EUR	Financial Liabilities EUR
CURRENCY				
EURO	985,524	50,302,821	1,490,820	53,738,135
Mauritian Rupee	5,222	5,170,982	38,171	5,503,275
	990,746	55,473,803	1,528,991	59,241,410

(ii) Foreign currency sensitivity

The Company is exposed to the risk that the exchange rate of Euro relative to Mauritian Rupee may change in a manner that may have a material effect on the reported value on the Company's financial instruments.

At 30 June 2023 and 30 June 2022 respectively, if the EURO strengthens/weakens by 10% against Mauritian Rupee, based on historical observations with other variables held constant, the effect on profit would have been as follows:

	Impact on	
	Profit before taxation 2023	Profit before taxation 2022
EUR strengthens by 10%	higher by EUR 516,576	higher by EUR 546,510
EUR weakens by 10%	lower by EUR 516,576	lower by EUR 546,510

The percentage applied has been determined based on historical observations of exchange rates for the last three years.

(iii) Interest rate risk

The Company is exposed to interest rate risk through the loan that it has contracted and on cash at bank.

Interest rate sensitivity analysis

If interest rates had been 25 basis points higher or lower based on historical observations, the effect on profit would have been as follows:

	2023 EUR	2022 EUR
Decrease in profit/ increase in loss	72,113	74,613

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

19 FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's credit risk is primarily attributable to cash and cash equivalents. Since cash and cash equivalent are held with reputable financial institutions; credit risk is considered to be low. The amount presented in the statement of financial position represents the Company's maximum exposure to credit risk.

(f) Liquidity risk management

The Company's liquidity management is overseen by the directors who ensure that necessary funds are available at all times to meet payment commitments when due without having recourse to additional external financing.

The following table details the Company's remaining contractual maturity of its non-derivative financial liabilities.

For financial liabilities, figures have been arrived at based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company may be required to settle the liability.

Maturities of Financial Liabilities

<u>YEAR 2023</u>		<u>Within 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>	<u>Total</u>
		EUR	EUR	EUR	EUR
	Borrowings	4,743,424	40,126,792	10,550,007	55,420,223
	Lease Liabilities	353,979	1,415,916	14,631,131	16,401,026
	Dividend Payable	37,671	-	-	37,671
	Other Payables	195,402	-	-	195,402
	EUR	<u>5,330,476</u>	<u>41,542,708</u>	<u>25,181,138</u>	<u>72,054,322</u>
<u>YEAR 2022</u>		<u>Within 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>	<u>Total</u>
		EUR	EUR	EUR	EUR
	Borrowings	2,693,313	43,412,209	12,816,003	58,921,525
	Lease Liabilities	374,427	1,497,707	15,850,729	17,722,862
	Dividend Payable	40,971	-	-	40,971
	Other Payables	94,319	-	-	94,319
	EUR	<u>3,203,030</u>	<u>44,909,916</u>	<u>28,666,732</u>	<u>76,779,677</u>

The Company expects to meet its obligations from operating cash flows.

(g) Fair value of financial instruments

Except where stated elsewhere, the carrying amounts of the Company's financial assets and financial liabilities approximate their fair value.

COMPAGNIE DES VILLAGES DE VACANCES DE L'ISLE DE FRANCE LIMITEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

20 SEGMENTAL INFORMATION

The Company rents out its investment property located in Mauritius to Holidays Villages Management Services (Mauritius) Ltd.

The Company has only one segment and the information reported to the chief operating decision maker for the purpose of resource allocation and assessment is based on this segment. The information presented in the statement of financial position as at 30 June 2023 and 2022 and in the statement of profit or loss and other comprehensive income for the year ended 30 June 2023 and 2022 are those of the segment.

21 CAPITAL COMMITMENT

The company does not have any capital commitment.

22 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Non-cash transactions					
		2022	Cash Flows	Interest Expense / Dividends Declared	Foreign Exchange Difference	Lease Re- assessment	2023
		EUR	EUR	EUR	EUR	EUR	EUR
Borrowings	Note 8	55,256,791	(4,937,077)	2,052,671	(98,876)	-	52,273,509
Lease Liabilities	Note 10	3,849,329	(374,044)	368,717	(257,040)	120,100	3,707,062
Dividend Payable	Note 16(ii)	40,971	(2,964,553)	2,964,553	(3,300)	-	37,671
		<u>59,147,091</u>	<u>(8,275,674)</u>	<u>5,385,941</u>	<u>(359,216)</u>	<u>120,100</u>	<u>56,018,242</u>

		Non-cash transactions					
		2021	Cash Flows	Interest Expense / Dividends Declared	Foreign Exchange Difference	Lease Credit Reversal	2022
		EUR	EUR	EUR	EUR	EUR	EUR
Borrowings	Note 8	55,716,527	(2,214,486)	1,634,255	120,495	-	55,256,791
Lease Liabilities	Note 10	3,455,714	(277,546)	346,706	243,981	80,474	3,849,329
Dividend Payable	Note 16(ii)	37,440	(1,199,951)	1,199,951	3,531	-	40,971
		<u>59,209,681</u>	<u>(3,691,983)</u>	<u>3,180,912</u>	<u>368,007</u>	<u>80,474</u>	<u>59,147,091</u>

23 EVENTS AFTER REPORTING DATE

On September 11, 2023, the Company declared a final dividend of EUR 0.02 (Rs. 1.10) per share representing a total dividend of approximately EUR 1,358,640.