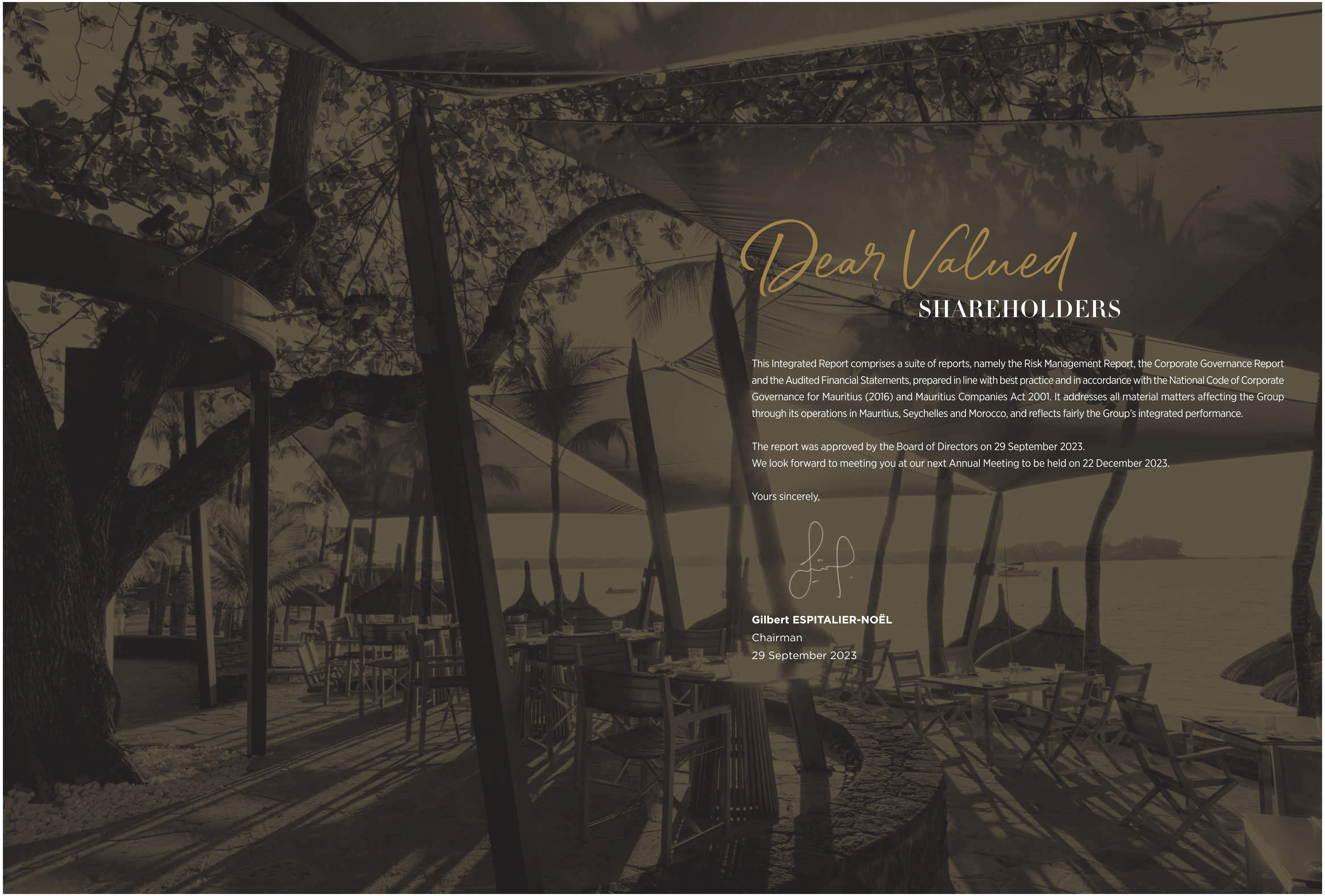
Integrated Annual Report 2023

NEW MAURITIUS HOTELS LIMITED


People first culture
The Integrated Annual Report is published in its entirety on the Company's website:
www.beachcomber.com



Dear Valued SHAREHOLDERS

This Integrated Report comprises a suite of reports, namely the Risk Management Report, the Corporate Governance Report and the Audited Financial Statements, prepared in line with best practice and in accordance with the National Code of Corporate Governance for Mauritius (2016) and Mauritius Companies Act 2001. It addresses all material matters affecting the Group through its operations in Mauritius, Seychelles and Morocco, and reflects fairly the Group's integrated performance.

The report was approved by the Board of Directors on 29 September 2023.
We look forward to meeting you at our next Annual Meeting to be held on 22 December 2023.

Yours sincerely,

Gilbert ESPITALIER-NOËL
Chairman
29 September 2023

About OUR REPORT

Our Integrated Reporting Journey

The NMH Group's Integrated Annual Report for 2023 is tailored to meet the needs of financial capital providers and various stakeholders. This document is aligned with the guiding principles and key concepts of the International Integrated Reporting Council ("IIRC") framework, disclosing our value creation process through a series of comprehensive reports.

Forward-Looking Statements

This document may contain forward-looking statements expressing our expectations or forecasts regarding future events. Such statements, identified by terms like "believe," "anticipate," "intend," "seek," "will," "plan," "could," "may" and others, reflect our best judgement at the time of writing. However, actual developments and outcomes may differ considerably due to risks, uncertainties and other significant factors.

We expressly state that we have no obligation to amend or update any forward-looking statement should it prove inaccurate at a later stage, whether due to new information, future events or any other reasons. We advise investors against placing excessive reliance on any forward-looking statements published in this document, as they have not undergone review or reporting by the Group's independent external auditor.

Feedback

We appreciate your feedback on how we address topics that matter to you as we continue to work on enhancing our reporting. For feedback and enquiries, please visit: **www.beachcomber.com**

Board Responsibility Statement

The Board of Directors of NMH recognises its obligation to uphold the integrity and accuracy of this Integrated Annual Report. Using collective judgement, the Board believes the report adequately addresses material matters concerning our strategy and the creation and sustenance of value over the short, medium and long term. This document sufficiently covers the use and effects on our capitals, as well as how their availability is affecting the Group's strategy and business model. The Board affirms adherence to the IIRC framework in preparing this report.

This report provides a balanced view of the Board's strategy and its relation to the organisation's value creation ability in the short, medium and long term.

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Glossary OF TERMS

AMS	Annual Meeting of Shareholders
ARC	Audit and Risk Committee
ARR	Average Room Revenue
bn	Billion
BHI	Beachcomber Hospitality Investments Ltd
BMS	Building Management System
Board	The Board of Directors of NMH
BoM	Bank of Mauritius
BREEAM	Building Research Establishment Environmental Assessment Method
CDS	Central Depository & Settlement Co. Ltd
CEO	Chief Executive Officer
CGC	Corporate Governance Committee
CO_2	Carbon dioxide
CMMS	Computerised Maintenance Management System
CSR	Corporate Social Responsibility
DMC	Destination Management Company
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EIA	Environmental Impact Assessment
ENL	ENL Limited, a public company incorporated in Mauritius bearing business registration number C06000648 and listed on the Official Market of the SEM
EUR	Euro
FED	Fondation Espoir Développement Beachcomber
FTO	Federation of Tour Operators
FY	Financial year
GBP	Great Britain pound sterling
GDPR	European General Data Protection Regulation
GNS	Guest Night Spending
Grit	GRIT Real Estate Income Group Limited, a public company incorporated in Mauritius bearing business registration number C128881 C1/GBL and listed on the Official Market of the SEM
H&S	Health & Safety
HT	High Tension
IIRC	International Integrated Reporting Council
ISO	International Organisation for Standardisation
k	Thousand
KPI	Key Performance Indicator
kVA	Kilovolt-ampere
kW	Kilowatt
m	Million
MIC	Mauritius Investment Corporation Ltd, a private limited company, fully owned by the Bank of Mauritius
MJ	Megajoule
MSDG	Medium-Scale Distributed Generation
MUR	Mauritian rupee
MW	Megawatt
NAV	Net Asset Value
NAVPS	Net Asset Value per Share
NGO	Non-Governmental Organisation
NMH, Company, Group	New Mauritius Hotels Limited, a public company incorporated in Mauritius bearing business registration number C06001439 and listed on the Official Market of the SEM
NOI	Net Operating Income
Official Market	Official Market of the Stock Exchange of Mauritius
PAT	Profit after Tax
PEJ	Projet Employabilité Jeunes
PIE	Public Interest Entity
PV	Photovoltaic
ROE	Return on Equity
Rogers	Rogers and Company Limited, a public company incorporated in Mauritius bearing business registration number C06000706 and listed on the Official Market of the SEM
ROI	Return on Investment
SC	Strategy Committee
SEM	Stock Exchange of Mauritius Limited
TO	Tour Operator
TRevPAR	Total Revenue per Available Room

General OUTLOOK

A word from our *Chairman*

Dear Valued Shareholders,

I am honoured to address you in my new role as Chairman of New Mauritius Hotels Limited ("NMH," the "Group" or the "Company") and present the Integrated Annual Report of the Group for the year 2023. This report has been drawn up in adherence to the principles and guidelines set forth by the International Integrated Reporting Council's Integrated Reporting Framework, the National Code of Corporate Governance for Mauritius (2016) and the provisions of the Mauritius Companies Act 2001.

2023 marks a year of transition, as we bid farewell to Hector Espitalier-Noël, who retired as Chairman of NMH on 30 June after 26 years leading our Board. He will continue to serve as a Director and on behalf of the Board, I would like to express my gratitude for his leadership and contributions.

Hector's vision has left an indelible mark on the Group, shaping our path over the years. I step into the role of Chairman with a commitment to preserving and advancing the legacy that he has built.

As we look to the future, I also wish to extend my sincere thanks to the Board members for placing their trust in me.

On 1 July 2023, we welcomed Stéphane Poupinel de Valencé to the role of Group CEO. With his guidance, deep sense of leadership and strong commitment, I am confident in our ability to lead NMH into the next chapter of its growth.

Embracing Growth

Globally, in the year under review, tourism continued to recover at a strong pace. Building on this prevailing trend, the Mauritian destination posted a remarkable performance. NMH kept the pace with occupancy rates surpassing pre-crisis levels. All of our Business Units showed solid growth.

None of these accomplishments would have been possible without the commitment and dedication of our Artisans. NMH has experienced both prosperous years and challenging moments, yet we have always showcased adaptability and resilience. I offer heartfelt appreciation to each of our 4,900 Artisans for their consistent hard work and commitment to delivering service excellence, which have been our driving force. They are at the heart of what we do.

While this remarkable year inspires optimism, we remain mindful of the lessons from history, emphasising the need for a cautious approach as we move on our journey and navigate the future.

Commitment to Sustainability

Sustainability is part of our values and corporate culture. We are focused to positively impact the environment and the communities where our hotels are located. We hence take pride in being the first hotel group in Mauritius to achieve EarthCheck Gold Certification.

"Feel the Happiness You Give" – Our Artisan Promise

This year, we launched our employer brand which underscores our commitment to our people – our Artisan Value Proposition, "Feel the Happiness You Give". Rooted in our People & Culture strategy, it encapsulates our commitment to our Artisans, making them central to our corporate philosophy.

Acknowledgements

I would like to extend my sincere appreciation to all our stakeholders for their support and contributions to the Group's continuous growth. Our journey towards success has been made possible through the unwavering commitment and loyalty of our guests, partners, shareholders and the NMH team.

I wish to commend the dedication of my fellow Directors, whose expertise and tireless efforts have played a key role in advancing NMH's mission. Their commitment to excellence continues to drive our organisation forward.

Let me also take a moment to pay a special tribute to Sunil Banymandhub, a long-standing member of the Board of Directors who has recently retired from his role. We extend our appreciation and thanks for his significant contributions.

It is our collective effort that will continue to shape the future of NMH and elevate the hospitality experience for all. As we reflect on our accomplishments and drive towards a sustainable future, I am truly grateful to each and every one of you for being a part of our journey.

Gilbert ESPITALIER-NOËL
Chairman
29 September 2023

Key FIGURES

THE GROUP

STATEMENT OF PROFIT OR LOSS	**Year ended 30 June 2023 Rs m**	Year ended 30 June 2022 Rs m	Year ended 30 June 2021 Rs m
Revenue	**14,084**	8,115	1,137
Earnings/(Loss) before interest, income tax, depreciation and amortisation	**4,741**	2,036	(1,991)
Profit/(Loss) before tax	**2,809**	66	(3,635)
Income tax (expense)/credit	**(527)**	(20)	505
Profit/(Loss) for the year	**2,282**	45	(3,130)
Non-controlling interests	**(163)**	(110)	(43)
Profit/(Loss) attributable to owners of the parent	**2,119**	(65)	(3,173)

STATEMENT OF FINANCIAL POSITION	**As At 30 June 2023 Rs'm**	As At 30 June 2022 Rs'm	As At 30 June 2021 Rs'm
Non-current assets	**37,797**	37,109	35,512
Current assets	**4,402**	3,650	2,740
Total assets	**42,199**	40,759	38,252
Ordinary share capital	**2,780**	2,780	2,780
Redeemable convertible secured bonds	**1,833**	1,833	1,103
Retained earnings	**2,311**	1,198	1,070
Other components of equity	**2,069**	2,990	1,168
Shareholders' funds	**8,993**	8,801	6,121
Preference share capital	**1,927**	-	-
Non-controlling interests	**90**	476	(59)
Total equity	**11,011**	9,278	6,062
Non-current liabilities	**21,354**	19,988	20,042
Current liabilities	**9,834**	11,494	12,148
Total liabilities	**31,188**	31,482	32,190
Total equity and liabilities	**42,199**	40,759	38,252

DISTRIBUTION TO SHAREHOLDERS			
Cancellation of dividend payable	**-**	-	82
Dividends (Note 1)	**-**	-	-
Dividends to preference shareholders	**23**	24	24

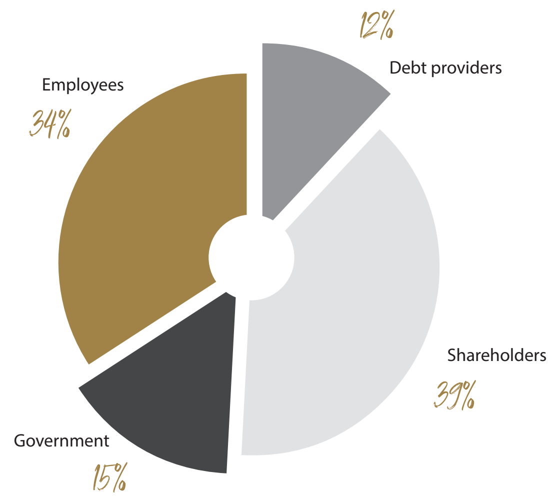
KEY FINANCIAL RATIOS	**2023**	2022	2021
Head count	**4,878**	4,647	5,052
Number of room keys available	**2,148**	2,148	2,148
Room nights available for the year	**784,020**	784,020	784,020
Number of guests nights	**1,262,092**	695,855	132,541
Occupancy (%)	**73**	42	10
TRevPAR (Rs)	**14,252**	7,956	979
Earnings/(Loss) per share (Rs)	**3.86**	(0.12)	(5.78)
Dividends per share (Rs)	**-**	-	-
Interest cover (x)	**4.02**	1.88	(2.04)
Net asset value per share (Rs)	**20.06**	16.90	11.04
Return on equity (%)	**20.73**	0.49	(51.63)
Return on assets (%)	**5.41**	0.11	(8.18)
Net debt/Total assets (%)	**43**	49	58
Gearing (%)	**62**	68	79
Net debt/Equity (%)	**164**	213	368

Note 1 : Dividend for FY20 was cancelled in FY21.

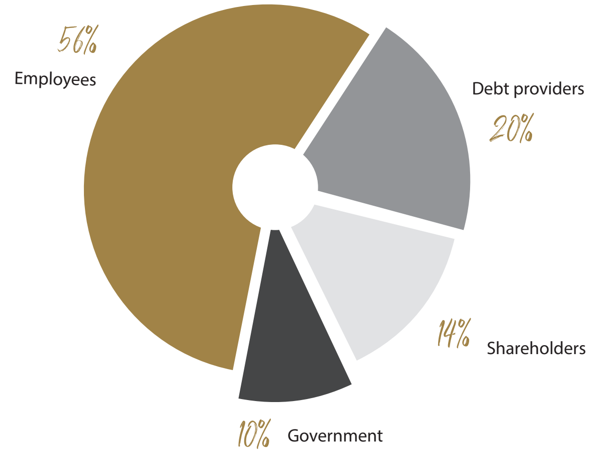
Value ADDED STATEMENT

	THE GROUP	
	Year ended 30 June 2023 Rs m	Year ended 30 June 2022 Rs m
Revenue	**14,084**	8,115
Value added tax	**1,924**	1,082
Total revenue	**16,008**	9,197
Payment to suppliers for material and services	**(5,537)**	(4,141)
Value added by operations	**10,471**	5,057
Finance revenue and other income	**375**	62
Other (losses)/gains	**298**	(3)
Fair value gain/(loss) on Investment property	**109**	(19)
Gain on disposal of subsidiaries/gain on business combination	**236**	-
Other impairment (losses)/reversal	**(129)**	326
Total wealth created	**11,360**	5,423
Wealth distributed		
Debt providers	**1,356**	1,085
Shareholders	**4,396**	784
Government	**1,707**	488
Employees	**3,901**	3,066
	11,360	5,423

WEALTH DISTRIBUTED (2023)



WEALTH DISTRIBUTED (2022)



Message from our *Executive Team*

Throughout the year under review, the travel and tourism sector demonstrated a steady recovery, marked by improved air connectivity, growing enthusiasm for travel and the easing of travel restrictions. The growth in travel demand benefitted all Group operations. Consequently, we are pleased to report commendable results for the year ended 30 June 2023. The Group achieved a turnover of Rs 14.1bn (FY22: Rs 8.1bn), an EBITDA of Rs 4.7bn (FY22: Rs 2.0bn), and a profit after tax of Rs 2.3bn (FY22: Rs 45m). All Group subsidiaries were profitable.

Mauritius

Mauritius welcomed 1.2 million tourists during the financial year, a significant upswing from the previous year, though not reaching pre-pandemic levels.

Revenue from operations in Mauritius reached an unprecedented high of Rs 11.2bn (FY 22: Rs 6.1bn), supported by an average occupancy rate of 73.8% (FY22: 41.4%). Additionally, performance was bolstered by favourable euro and pound sterling exchange rates compared to the Mauritian rupee, generating treasury gains of Rs 0.3bn.

However, on the cost side, persistent inflationary pressures were experienced throughout the year. The prolonged conflict between Russia and Ukraine contributed to increased commodity prices, while a slowdown in activity in China disrupted the supply chain. Persistently high headline inflation maintained pressure on interest rates and labour costs. Despite these challenges, operational margins remained robust.

The year's EBITDA stood at Rs 3.6bn, a significant boost from the Rs 1.0bn reported in FY22.

Morocco

Operations in Morocco experienced a notable pickup in activity, reaffirming the hotel's positioning as a premier luxury resort in Marrakech. Both the occupancy rate and average room rate showed year-on-year growth. Additionally, growth in average guest spending was attributable to golfing activities, ballroom facilities and food and beverage operations.

As a result, revenue for the year recorded a substantial increase, reaching Rs 1.2bn (FY22: Rs 0.8bn). Furthermore, operating margins improved, resulting in an EBITDA of Rs 249m (FY22: Rs 119m before reversal of impairment) and a profit for the year of Rs 93m.

Seychelles

In February 2023, the annual rent for the hotel on Sainte Anne Island in Seychelles, leased to Club Med, was raised by 2% as per the lease agreement. The property was revalued at year-end, resulting in a gain of Rs 109m being recognised (FY22: loss of Rs 19m). EBITDA for the year stood at Rs 510m (FY22: Rs 372m).

Tour Operating Activities

Our tour operating companies in South Africa, UK and France continue to serve as primary sources of guests for our resorts. Substantial growth was observed in this segment of our business, reflecting the pent-up demand for travel despite increased airfares. Turnover from this segment, including Mautourco, has surged by an impressive 69% year-on-year and profit after tax has more than doubled to Rs 0.4bn.

Key Focus Areas

Maintaining a safe and conducive workplace remains essential in our efforts to attract and retain talent. This, in turn, allows us to deliver on our commitment to our guests. The People and Culture team initiated 28 projects aimed at enhancing the experience and value proposition for our Artisans. Our objective is to build a resilient, content and highly-skilled team that shares common values and strives to deliver their best.

Reducing our existing debt remains a top priority. We successfully refinanced bonds amounting to Rs 825m, due in November 2022, with bank support. Additionally, we are diligently repaying the existing loans as scheduled, using our operating cash flows.

We remain committed to our digitalisation journey to enhance the guest experience and elevate service quality. We are making substantial investments in hardware and software to modernise our current architecture for efficiency gains.

Project Updates

Paradis Beachcomber underwent a four-month closure from June 2023 for extensive refurbishment of 128 rooms and suites, as well as the introduction of new food concepts in two refurbished restaurants. Simultaneously, works are being undertaken at Shandrani Beachcomber and Canonnier Beachcomber for the refurbishment of infrastructure facilities and rooms which required the closure of some 200 rooms. We have invested approximately Rs 0.7bn in these projects.

Additionally, work has progressed on the Harmonie Beachcomber project in Black River. The 6-hectare plot of land designated for the creation of a new wetland has been revalued to reflect its realisable value. All associated costs related to the previous hotel project have also been reassessed. As a result, a one-off impairment of Rs 129m has been recorded. A revised hotel design embracing modern and sustainable practices is being contemplated. Work is also underway for the development of an 18-hole golf course, with partial financing expected through the sale of golf memberships. Several membership contracts have been signed as of date.

Outlook

Group results for the first quarter of FY24 are expected to be negatively impacted by several factors, including the temporary closure of Paradis Beachcomber, ongoing refurbishment work at Canonnier Beachcomber and Shandrani Beachcomber, and room cancellations in September 2023 in Marrakech.

The earthquake that struck the Marrakech region on 8 September has not caused any structural damage to our buildings. Our immediate response was to ensure the safety of our guests and Artisans and give assistance to the affected neighbouring region. The resort is currently closed to undergo repair works for two weeks and the insurance proceeds, which are expected to fully cover the cost of these repairs and a portion of consequential losses, will only be recognised when received later in the year.

The outlook for the rest of the year is promising, with strong forward bookings and all refurbished rooms back in inventory by mid-November 2023. The Group anticipates an EBITDA of over Rs 4 bn for the full year, assuming no major change in prevailing conditions.

Stéphane Poupinel de Valencé
Chief Executive Officer
29 September 2023

Pauline Seeyave
Chief Financial Officer

Value CREATION MAP

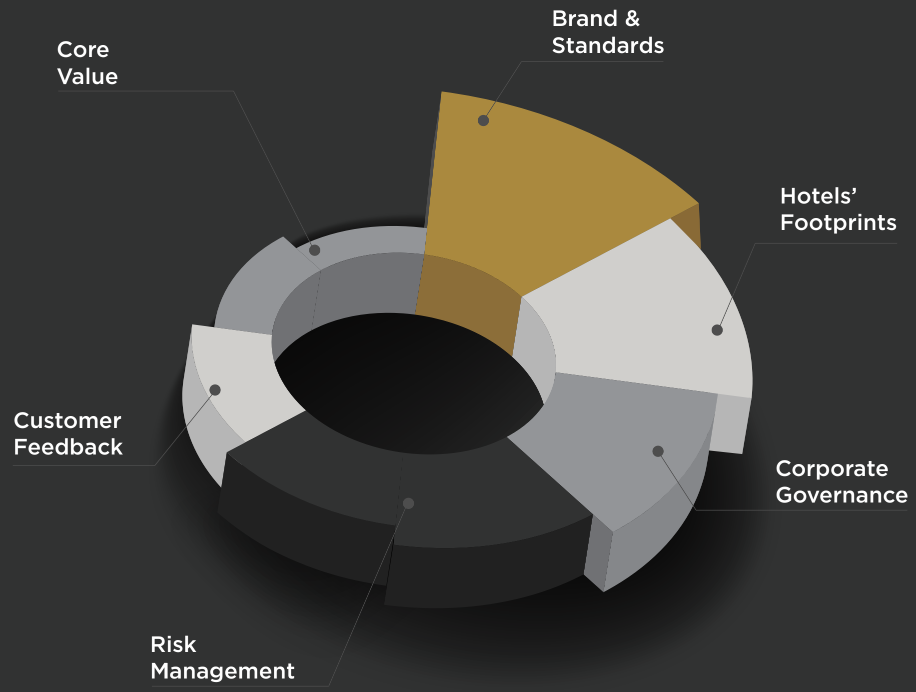
RESOURCE OPTIMISATION

ARTISANS

HOTELS

PARTNERS

Process Efficiency



People & Culture
Our Artisans remain the daily reason behind our success, and nurturing them is always a priority for us.

Social Inclusiveness
A social touch to our surroundings is also what we bring in. The immediate environment of our hotels forms part of the Beachcomber experience, and therefore demands considerable attention.

Our Sustainable Journey
Hotels are large consumers of resources, and it is our duty to be a responsible player in society. Data on our resource usage is fundamental to achieving our objectives.

Brand Promise
Being a vertically integrated player in the hospitality sector strengthens our brand name as we work to deliver the Beachcomber experience to our guests.

Our Hotel Portfolio
We maintain our portfolio of hotels while investing in our support systems, such as our website and booking network.

Financial Resources
Our hotels require capital to maintain their high standards. Financial management is essential to operate at optimum level.

ARTISANS

HOTELS

PARTNERS

Value Deliverables

Community

Shareholders

Revenue Rs
14.1bn

Fund Providers

Artisans

Regulators

The Beachcomber journey begins right from the day guests choose our hotels and lives on long after their stay.

People & Culture
Better working environment for our Artisans. Competent and experienced team members.

Social Inclusiveness
Promoting economic development of local communities.

Our Sustainable Journey
Youth empowerment. Optimisation of our resource usage.

Brand Promise
Stronger brand awareness, data and knowledge of the customer.

Our Hotel Portfolio
Prestigious resorts.

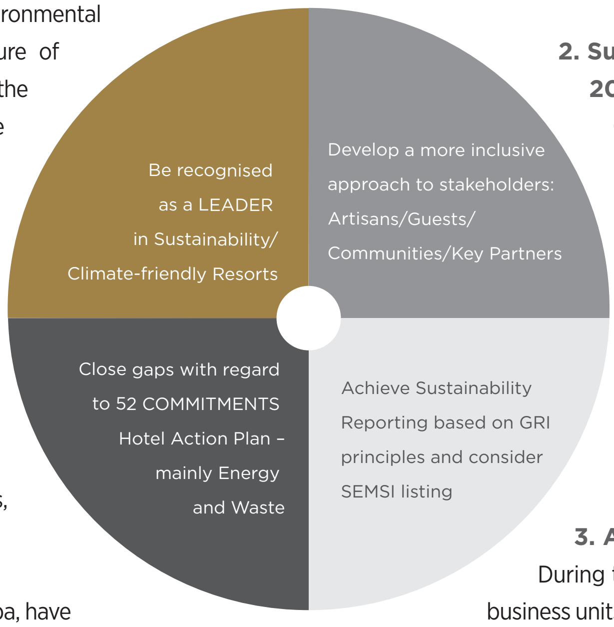
Financial Resources
Superior returns to our stakeholders.

Environment

Environment

MAKING SUSTAINABILITY A VALUABLE ASSET

At the close of financial year 2022-2023, we are delighted to present the progress and initiatives implemented by Beachcomber Resorts & Hotels in pursuit of a more sustainable future. Our achievements reflect our unwavering commitment to environmental and social stewardship. At Beachcomber Resorts & Hotels, sustainability is not just a buzzword; it is a core value that shapes every aspect of our operations and contributes to effectively execute our long-term strategic plan. Throughout the year, we have made significant strides in minimising our environmental impact and fostering a culture of responsibility. As we navigate the challenges of today's world, we remain steadfast in our dedication by aligning with our ambitions as set in our 3-year plan.



Key Highlights

1. EarthCheck Gold Certification

We are proud that our Head Office as well as 2 of our hotels, Dinarobin Beachcomber Golf Resort & Spa and Paradis Beachcomber Golf Resort & Spa, have achieved EarthCheck Gold Certification for the very first time in late 2022. We are even prouder to announce that we are the only ones in Mauritius to have achieved such high distinction. This certificate confirms five consecutive years of good practices and continuous improvement in sustainable commitments, as defined by the requirements of the EarthCheck Standard. Our 6 other hotels are on their fourth and last year of EarthCheck Silver Certification.

The EarthCheck Standard has been mapped across the 17 Sustainable Development Goals (SDGs) to encourage environmental, social and cultural best practices and allow us to assess our contribution to the achievement of the United Nations' goals. The standard addresses the SDGs with qualitative criteria and also assesses the quantitative progress towards achieving these goals with its benchmarking indicators, which are directly linked to the certified standard's criteria.

2. Sustainable Tourism Mauritius Awards 2023

Canonnier Beachcomber Golf Resort & Spa was honoured with Bronze Distinction at the Sustainable Tourism Mauritius Awards 2023 (Hotel Category). This award recognises the property's practices as regards efficient use of water, greener energy, responsible waste management, community development, responsible sourcing, Artisan engagement and guest participation.

3. Artisan Engagement

During the year, all Green Team members across our business units, totalling 90 persons, have received refresher training on our Sustainability commitments, including the use of the EarthCheck reporting platform, to be able to better support the Green Team Leaders. The latter have participated in February 2023 in a 5-day training workshop by EarthCheck on the new Company Standard version 4.1 on which our audits shall be based this year.

To enhance Artisans' awareness, Green Tours have been designed to highlight the main green actions in place in our hotels. They shall be gradually rolled out to enable guests to participate.

Measuring our Progress

1. Sustainability KPI Dashboard

Measuring and monitoring our sustainability performance is crucial for achieving our environmental and social goals. To enhance our sustainability efforts and ensure effective progress tracking, we have developed a comprehensive internal Sustainability Key Performance Indicators (KPI) Dashboard.

This dashboard serves as a central tool to track and communicate our sustainability initiatives, successes as well as highlight main areas for improvement. It is designed to provide a clear and concise overview of our performance across various dimensions, enabling us to identify trends, address issues promptly and make data-driven decisions.

The figures below show the Group average performances for 2022-2023 compared to the baseline year of 2021-2022 on main sustainability KPIs, aligned with our EarthCheck reporting.

Use Water Efficiently

We monitor our consumption to see how best we can reduce our impact on local water resources and better implement conservation measures. Water elements measured include water from CWA, bowsers, desalination, treatment plants and rainwater harvested.

Water Consumption per Guest Night figures are lower than the baseline for our 4* properties, showing improved water management practices, increased awareness of water conservation as well as full implementation of water-saving measures such as tap aerators and low–flow showerheads. Renovation work at Shandrani Beachcomber Resort & Spa also greatly helped address water leaks that had been identified. Furthermore, Canonnier Beachcomber is gradually phasing out bathtubs in nearly half of its rooms. On the other hand, our 5* resorts show a slight increase compared to baseline data; there are identified leaks which are being addressed. However, this is tampered when excluding recycled water; these hotels are usually high consumers of recycled waste water for irrigation purposes. With Water being a scarce resource, we acknowledge the need for better stewardship and monitoring.

Water Consumption		**Baseline FY21-22**	**Data FY22-23**
Group Average – 4*	m^3/GN	1.15	0.69
Group Average – 5*	m^3/GN	1.44	1.63
Excluding Recycled and Captured Water			
Group Average – 4*	m^3/GN		0.56
Group Average – 5*	m^3/GN		1.23

Choose Less but Greener Energy

We track our energy usage to identify opportunities for efficiency improvements and renewable energy integration. Elements monitored include electricity purchased from CEB, equivalent to our electricity consumption; stationary fuel, both diesel and LPG; and production of green energy.

A notable highlight of this financial year is the significant reduction in our Electricity Consumption per Guest Night compared to the previous financial year, resulting in substantial cost savings and a reduced environmental footprint. We made strategic investments in upgrading our hotel infrastructure to enhance energy efficiency. Modern and energy-efficient HVAC systems, LED and solar lighting as well as smart appliances were installed in many of our hotels, contributing to our energy conservation efforts.

We conducted comprehensive training programmes to raise awareness among our Artisans about the importance of energy conservation. By encouraging a culture of responsibility, our team played a pivotal role in minimising unnecessary energy usage. We will also push towards greater guest participation.

Electricity Consumption		**Baseline FY21-22**	**Data FY22-23**
Group Average – 4*	kWh/GN	42.43	25.45
Group Average – 5*	kWh/GN	101.64	50.14
Including Production of Green Energy			
Group Average – 4*	kWh/GN		26.21
Group Average – 5*	kWh/GN		51.81

Manage Waste Responsibly

Tracking our waste generated and recycling rates is vital to help understand and minimise our waste footprint. We dedicate ourselves to addressing this challenge head-on as we believe that waste can be an opportunity rather than just a burden. The environmental impact of waste may be reduced through responsible handling and promoting a circular economy. By reusing and recycling resources, a decrease in waste generation can be observed.

Moreover, our Waste Management Policies rolled out during the year helped create different streams for each waste category with an aim to reduce landfill disposal. We also implemented a series of waste reduction initiatives, emphasising sustainable practices across all operational areas. With the help of our Artisans at every level, who are encouraged to adopt waste minimisation strategies, we successfully lowered overall volumes generated within our hotels and sent to landfill.

For the financial year, our overall recycling rate stood at some 40% compared to 33% for the previous period.

Waste sent to Landfill		Baseline FY21-22	Data FY22-23
Group Average – 4*	Kg/GN	4.1	1.86
Group Average – 5*	Kg/GN	8.0	4.03

Below are the environmental savings achieved through Waste Management for the period January 2023 to July 2023 as per data from our Don't Waste management platform:

HAS SAVED **7,112** TREES

HAS SAVED **10,934,470** LITRES OF WATER

HAS SAVED **959,922** M³ OF CARBON DIOXIDE

HAS SAVED **3,730,141** kWh OF CARBON DIOXIDE

Our Carbon Footprint

Measuring our carbon footprint demonstrates our commitment towards achieving climate-friendly resorts and catering for eco-conscious guests. As part of our EarthCheck benchmarking tool and performance report, we are able to measure our carbon footprint for both electricity and waste sent to landfill. A notable reduction has been achieved during the reporting year.

Greenhouse Gas Emissions

GHG for Electricity		Baseline FY21-22	Data FY22-23
Group Average – 4*	kg CO_2-e/GN	16.83	11.11
Group Average – 5*	kg CO_2-e/GN	29.41	21.90
GHG for Waste sent to Landfill		**Baseline FY21-22**	**Data FY22-23**
Group Average – 4*	kg CO_2-e/GN	5.21	2.15
Group Average – 5*	kg CO_2-e/GN	9.77	4.91

"Beachcomber Resorts & Hotels pursues its journey towards sustainability. As we target the EarthCheck Gold Certification in 2024 for our 9 properties in Mauritius, we reaffirm our engagement to make change happen, through our 52 Commitments Environmental & Social Charter."

Géraldine Koenig
CHIEF RISK & COMPLIANCE OFFICER

By developing and implementing a robust Sustainability KPI Dashboard, we reaffirm our commitment to transparency, accountability and positive impact. With a data-driven approach, we are confident that we can accelerate our progress towards a more sustainable future. Specific KPIs have also been set at hotel departmental level to further engage Artisans.

2. 52 Commitments Plan

Integrating a comprehensive action plan based on our 52 commitments reflects our structured approach to translate the latter into tangible initiatives, serving as a road map for achieving our environmental and social goals. Through this action plan, we prioritise transparency and accountability by outlining specific objectives, measurable targets and dedicated resources for each commitment. By tracking our progress, engaging stakeholders and realigning our strategies as needed, we ensure that our efforts extend beyond words to implement impactful actions that benefit both the environment and the communities we operate in. Our action plan underscores our unwavering pledge to leave a positive and lasting legacy for future generations, reinforcing our position as leaders in sustainable hospitality.

During the financial year, our hotels have worked on numerous initiatives, thereby reducing the average number of planned items earmarked to be completed as part of our 3-year plan. From an average of 20 planned items to be closed in year 2021, we have now reached an average of only some 10 items per hotel that remain to be completed to meet the 52 Commitments action plan and taking into consideration those items that are not applicable.

The following table summarises planned priorities for each hotel:

PLANNED									
Beachcomber Resort & Hotels	Use Water Efficiently	Choose Less but Greener Energy	Manage Waste Responsibly	Embellishing Environment/ Biodiversity	Fostering Community Development	Responsible Sourcing	Engagement of our Artisans	Contribution of our Guests	TOTAL
Mauricia	1	2	1	0	3	1	0	1	**9**
Canonnier	2	2	1	0	1	1	0	1	**8**
Victoria	1	2	2	0	2	1	0	1	**9**
Shandrani	1	4	2	0	2	0	1	2	**12**
Trou aux Biches	1	1	1	1	2	1	1	1	**9**
Paradis	2	2	1	0	4	2	2	2	**15**
Dinarobin	3	2	1	1	1	2	2	3	**15**
Royal Palm	0	1	1	0	0	1	0	1	**4**

Moving Forward

1. Stakeholders' Inclusiveness

Backed by our 3-year plan's ambitions to develop a more inclusive approach, we recognise the importance of fostering meaningful relationships with our stakeholders.

We will continue to build collaboration with eco-conscious suppliers, allowing us to procure sustainable and biodegradable packaging materials. As a result, single-use plastic and non-recyclable packaging have been significantly eliminated, positively impacting our overall waste output. We are also working on several projects with some of our key suppliers to ensure a cleaner future.

At Beachcomber, we take great pride in actively engaging with the local community through our dedicated community projects. As a responsible corporate citizen, we recognise the significance of giving back and making a positive impact on the lives of those around us. Through future collaborative initiatives and partnerships, we aim to address community needs and contribute to their well-being. From supporting educational programmes to participating in environmental conservation efforts and promoting local handicraft, we passionately invest time, resources and expertise to empower and uplift the communities we serve. For the financial year 2023-2024, our focus is for each of our hotels to work on at least 2 community projects, which are an integral part of our ethos, reflecting our belief in better integrating the community around our workplaces.

2. Biodiversity Conservation

We recognise the critical importance of biodiversity conservation for a sustainable future. As part of our commitment to environmental stewardship, we shall dedicate adequate resources during the financial year 2023-2024 to protect and preserve one of the most vulnerable ecosystems on our planet: coral reefs. Beyond their ecological significance, they also serve as coastal barriers, protecting shorelines from erosion and storm surges, and are crucial for our tourism industry. Beachcomber, as a leading resort hospitality group, is committed to doing its part to protect these delicate and invaluable ecosystems.

Through initiatives and partnerships with Reef Conservation, Paradis Beachcomber and Trou aux Biches Beachcomber Golf Resort & Spa will undertake several key actions to safeguard coral reefs, including:

- Coral Restoration Project: We shall participate in coral restoration efforts by funding and engaging in transplanting and cultivating coral fragments in degraded areas.
- Advocacy and Education: We shall receive educational programmes and workshops about the importance of preserving these vital marine habitats.
- Research and Data Collection: We shall collaborate with Reef Conservation scientists to gather crucial data on coral reef health, biodiversity and resilience.

The above will be complemented by awareness sessions by other third-party providers and the adoption of sustainable practices within our water sports operations.

In conclusion, Beachcomber's firm commitment to sustainability stands as a beacon of responsible stewardship, preserving our coastal treasures and reinforcing the delicate balance between enjoyment and preservation. Through diligent conservation efforts, mindful resource management and collaborative community engagement, we navigate the sands of time, dedicated to fostering a thriving ecosystem.

Our journey towards Making Sustainability a Strong Asset is not only a testament to our passion for environmental preservation but also a promise to future generations. With gratitude for our progress and enthusiasm for forthcoming challenges, Beachcomber Resorts & Hotels strides confidently towards a future of lasting sustainability for both our guests and Artisans.

Artisans

Artisans

AN INCLUSIVE WORK ENVIRONMENT

At Beachcomber, we recognise that our greatest asset is our people. As we reflect on the past year, we are proud to present our Artisan Value Proposition (AVP) – a commitment to nurturing a supportive and rewarding work environment for our Artisans. This key aspect of our promise is built on the foundation of our essential values, which guide our actions, decisions and interactions throughout Beachcomber.

Our AVP is at the core of our success and outlines the unique benefits and opportunities Beachcomber offers to attract, engage and retain top talent. Built on the principles of fostering an inclusive work environment, it empowers our Artisans to thrive personally and professionally. The architecture of our AVP is based on the phrase #FeelTheHappinessYouGive and is supported by the following pillars:

Grow Together	Share & Care	Proud to Serve	Have Fun, Set the Trend	Secured & Confident

As we move forward, we remain committed to upholding our AVP and continuously improving our Beachcomber Artisan experience. As such, we express our sincere and profound gratitude to our dedicated team members for their strong commitment and invaluable contributions to our success as a company.

As illustrated by the People & Culture demographics charts, our Group head count has recorded a slight uptick, primarily due to our commitment to maintaining service excellence in the context of the rapid pick-up in the influx of tourists in our hotels in Mauritius. The proportion of leavers within the 0-5 years' service range remains high compared to other brackets, highlighting the fundamental importance of talent retention in an increasingly competitive environment for recruitment in the industry.

Regarding our overseas operations as at 30 June 2023, some 325 persons were employed on a permanent basis at the Fairmont Royal Palm Marrakech on the hotel side and on the golf operation, which includes clubhouse catering. The hotel is under management contract with the Accor group of hotels. NMH management is visiting this property 4 times a year on average. In the months to come, the team will strengthen with the opening of the Fairmont residences and the recruitment of a team dedicated to the residences' services.

The totality of the workforce at Ste Anne in the Seychelles, is on the payroll of Club Med, which manages the property. Visits to this resort are mainly focusing on property maintenance and the upkeep of the asset by our lessee.

All our overseas offices and Beachcomber Tours have had an eventful year with the Mauritian destination trending with travellers. Despite a few departures, we have managed to optimise our existing resources to achieve an exceptional performance in booking conversions.

ARTISAN ENGAGEMENT

Employee engagement refers to the emotional connection and commitment that employees have towards their work, their organisation and its goals. Engaged employees are enthusiastic about their job, feel a sense of purpose and satisfaction in their work and are motivated to go above and beyond to contribute to the success of the Company. At Beachcomber, Artisan engagement is essential for a productive and successful workplace, as it directly impacts their performance, retention and overall organisational outcomes.

Through our AVP, emphasis on engagement has and will remain a key strategic objective for the months and years ahead, and the necessary tools are being put in place to ensure the Company succeeds in this endeavour.

In line with our outlined objectives, the third Lavwa Artizan Beachcomber Engagement Survey was conducted at all levels of the Company's operations in Mauritius. The comparative overall results showed a reassuring positive trend considering the uncertain post-pandemic climate.

Beachcomber Group			
Year	2019	2022	**2023**
Tri*M HiPO Score	81	85	**86**
Happiness Index	84	87	**88**

The detailed results have been analysed and initiatives to enhance the engagement and motivation of our Artisans are under consideration. This exercise is carried out on an annual basis.

At Beachcomber, we believe that implementing initiatives to boost engagement based on the feedback received from this survey is crucial to building a more engaged and motivated workforce.

Remuneration

The Performance-Driven Bonus Scheme was reactivated for the year under review for relevant levels in hotels and at the Head Office.
A new incentive, the Beachcomber Resorts Incentive Scheme, was introduced to reward presence at work in our hotel operations and at the Head Office.
To mitigate the impact of inflation on the cost of living, the Company offered supermarket vouchers to all Artisans over four months (September to December 2022).

Industrial Relations

Meaningful and positive discussions are ongoing in view of signing a new Collective Agreement (that takes into consideration new labour laws, the Chetty Award 2019 and current business challenges). Issues of labour mobility and flexibility, the revamping of the current salary structure, job levelling and bonus scheme remain pivotal to the negotiations.

Artisan Assistance Programme

In line with Beachcomber's AVP Brand Pillar 'Share & Care', an Artisan Assistance Programme has been launched to offer a professional and confidential counselling service. At the end of the reporting year, 162 Artisans had used this facility and our engagement survey has indicated that a vast majority (87%) of Artisans surveyed would be willing to contact the service should they feel the need to do so.

Learning and Development

The success of our Company is inherently tied to the growth and development of our Artisans. In the ever-changing business landscape, investing in Learning and Development (L&D) has become crucial for staying competitive and fostering a culture of continuous improvement.

Our L&D strategy is based on a threefold approach:
Skills Enhancement: We identify the critical skills necessary for individual and organisational success. Through targeted training, workshops and certifications, we aim to upskill our workforce, ensuring they remain adept at handling evolving challenges.

Leadership Development: We recognise the significance of effective leadership in achieving our corporate goals. Thus, we invest in leadership development programmes to cultivate a robust pipeline of future leaders who can guide the Company through any circumstance.

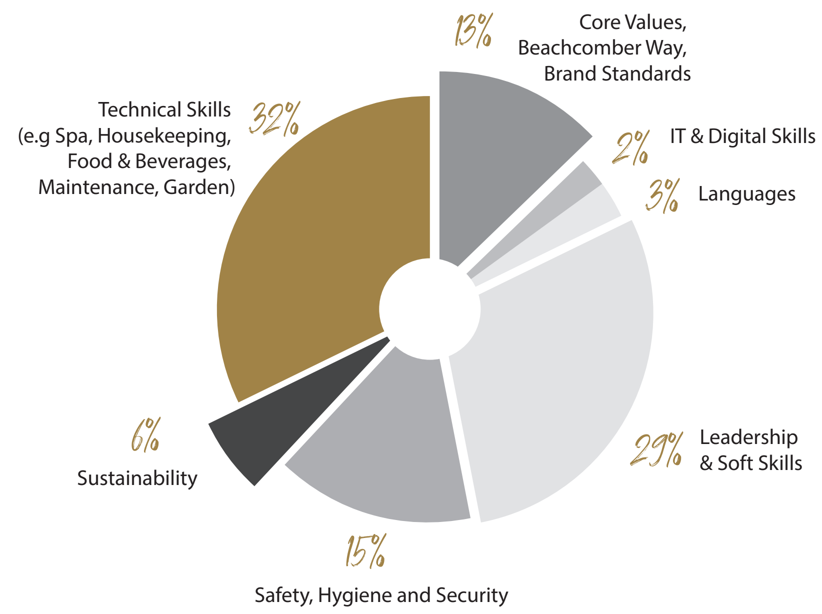
Continuous Learning: Learning should be a continuous journey rather than a one-time event. We promote a culture of lifelong learning by encouraging Artisans to take advantage of various learning resources, both internal and external. Moreover, we firmly believe in the effectiveness of continuous on-the-job learning.

Understanding intergenerational aspects at the workplace is of paramount importance in today's diverse and dynamic work environment. In line with one of our People-First strategic objectives for this financial year, Intergenerational Management Training has been provided to 485 Artisans across all our business units to better manage the integration of the GEN Y and GEN Z workforce (67% of our head count) and empower Artisans to work together more harmoniously, capitalise on the strengths of each generation and contribute to a thriving and inclusive workplace culture.

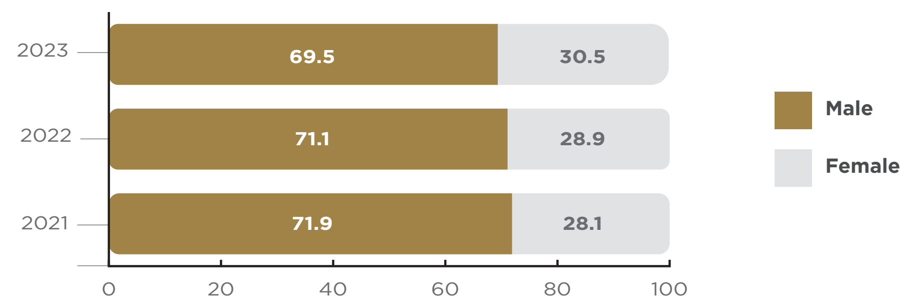
Key Figures – Learning & Development (Operations in Mauritius)

Head Count	Artisans trained	Total Training Hours delivered	Average Training Hours per Artisan
4,136	3,600 (87%)	72,240	17.5

TRAINING HOURS BY FOCUS AREA
2023 (Mauritius)



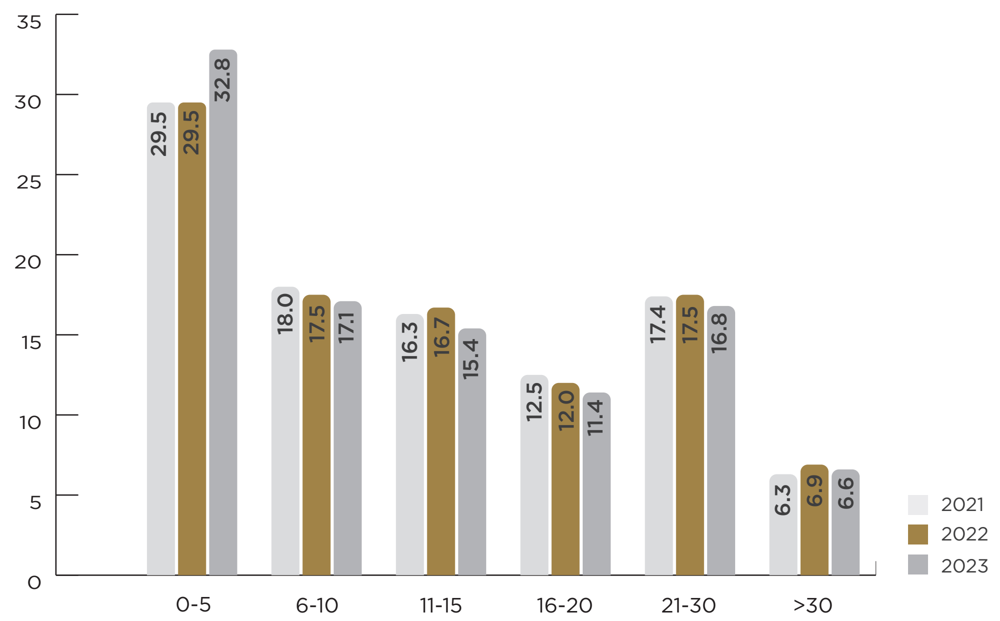
GENDER DISTRIBUTION (%)



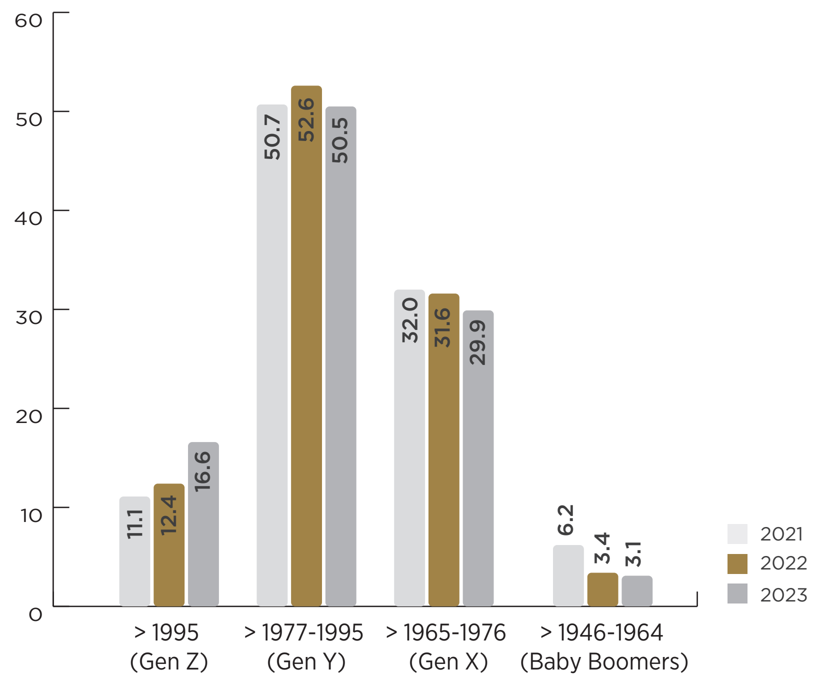
"Our Artisans' well-being is at the core of our People First strategy. We have this year embarked on an exciting journey with our Artisan Value Proposition."

Sebastian LA HAUSSE DE LALOUVIÈRE
CHIEF PEOPLE OFFICER & GROUP LEGAL COUNSEL

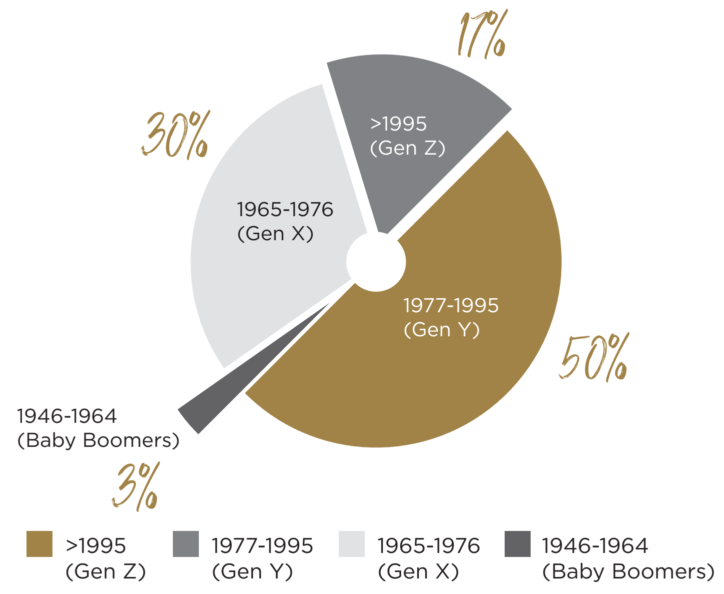
HEAD COUNT BY LENGTH OF SERVICE (%)



HEAD COUNT BY GENERATION (%)

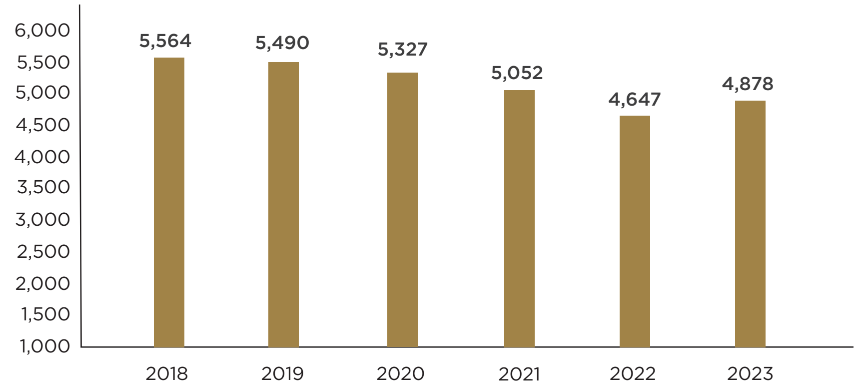


HEAD COUNT BY GENERATION - 2023

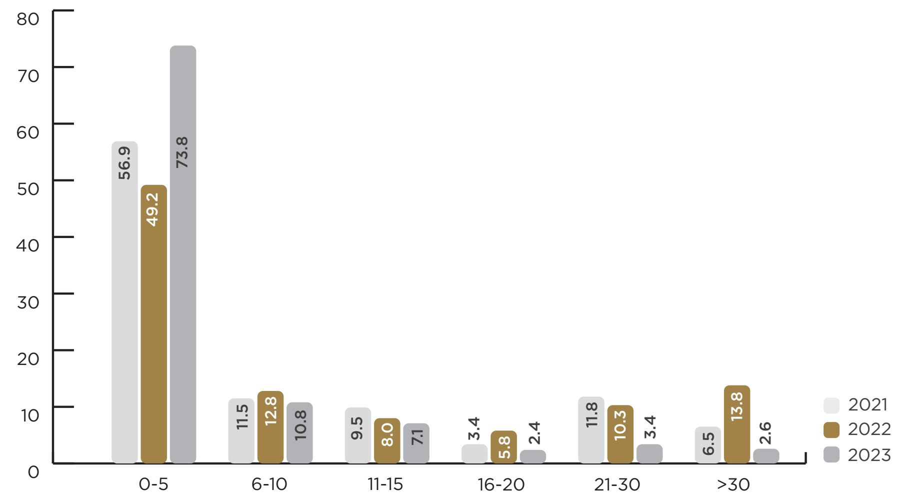


GROUP HEAD COUNT EVOLUTION

(LOCAL & OVERSEAS OPERATIONS)



LEAVERS BY LENGTH OF SERVICE (%)



Community INCLUSIVENESS

Fondation Espoir Développement Beachcomber (FED) continues to drive positive change through meaningful action. Embracing a holistic approach, we empower vulnerable groups, enhance employability and nurture cultural heritage. Our continuing efforts, combined with a handful of new endeavours, underline our commitment to fostering a more inclusive society.

FED, a Legacy of Empowerment

In June 1999, we have affirmed our commitment to support the social and economic empowerment of vulnerable communities through the inception of FED.

The key areas of focus for the Foundation encompass:

• Education and training
• Employability
• Health, including efforts against substance abuse and disabilities
• Economic and social development
• Preserving and promoting the cultural and natural heritage of Mauritius

FED plays a key role in the implementation of Beachcomber Resorts & Hotels' CSR initiatives. This longstanding commitment finds its strength in the active engagement of our Artisans in the socio-economic upliftment of their communities. The Foundation also operates in close partnership with our hotels, harmonising efforts to implement social programmes for well-being and prosperity across the neighbouring areas.

Ongoing Projects

Supporting Youth Employability through PEJ

Central to our mission of social inclusiveness, Projet Employabilité Jeunes (PEJ) reflects our commitment in promoting employability among vulnerable out-of-school youths. The programme enrols approximately 300 young people annually with the core objective to equip them with indispensable social and technical skills, to lead a fulfilling personal and professional journey.

The year 2023 witnessed a remarkable upswing from the previous year, with applications soaring from 613 to 740. A comprehensive selection process led to the identification of 288 candidates to join the programme. Midway through their soft skills preparation in June 2023, a total of 213 participants were still part of PEJ. This cohort is scheduled to embark on their technical training within our hotels, as from October.

PEJ	2021	2022	**2023**
Number of applicants	461	613	**740**
Number of recruits for training	129	278	**288**
Still in training as of 30 June	93	225	**215**

An extra objective established in the previous year was to enhance the PEJ project's alignment with the employment needs of Beachcomber hotels. This aim was largely achieved by showcasing the project in schools for school leavers and within community centres located in villages adjacent to Beachcomber hotels.

Moreover, the launch of the PEJ Accelerator in June 2022 stands as a cornerstone in the project's evolution. This initiative is designed to provide broad-based technical training, nurturing holistic growth and propelling young participants towards successful career paths. A notable aspect of this endeavour is individualised mentorship, extended to around thirty PEJ participants. This personalised guidance empowers them to excel as valets or waiters.

During the year under review, the National Social Inclusion Foundation provided a grant of Rs 1,048,355 to the PEJ training courses.

Beautiful Localhands, Empowering Handicraft Workers

Initiated in 2006, Beautiful Localhands (BLH) is a testament to our commitment to drive local craftspeople towards excellence by providing a platform to enhance their skills and showcase their products in the thriving tourism market.

In the period spanning July 2022 to June 2023, BLH achieved total sales of Rs 3,580,046, representing a substantial improvement from the preceding year's Rs 1,261,355.

Educational Support: Nurturing Academic Achievement

Since 2016 the Foundation has been funding a school support programme at Pointe aux Piments Government School for low-achieving pupils in Grades 5 and 6. FED also offers financial support for the services of a liaison officer to encourage parents to send their children to school.

The outcomes of our efforts include a commendable pass rate of 66.6% for the Primary School Achievement Certificate (PSAC) in 2022. It is essential to emphasise that prior to the launch of the programme, Grade 4 pupils (who took the PSAC exams last year) achieved a mere 38% pass rate and Grades 5 and 6 classes also exhibited exam success rates below 40%.

Building upon these achievements and following a request from both the school and parents, we have extended a comparable

"The Foundation will strengthen its ongoing projects and expand their outreach to empower more vulnerable individuals."

Viren VYTHELINGUM

CSR MANAGER

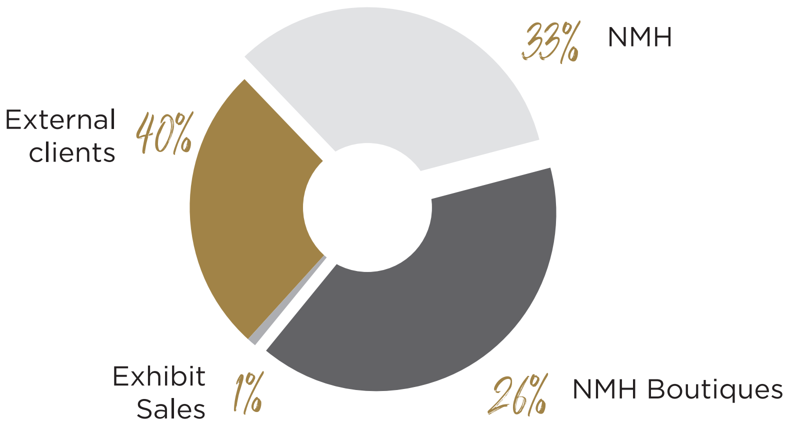
programme to Bel Ombre Government School since March 2023. This course is specifically designed for pupils in Grades 5 and 6. The backing for these school programmes is driven by the goal of curbing dropout rates and fostering academic success among children.

Furthermore, FED also supports three schools by providing ingredients for the preparation of breakfast for some 120 children. Through this, we strive to make sure that these pupils start the day with a healthy meal.

Vulnerable Lives Matter: Effecting Positive Change

The Vulnerable Lives Matter project, comprising five key components: Women Employability, Youth Employability, Youth Mentoring, Employability of Disabled, and Networking, received support through an EU grant and was initiated in October 2021. The overall project cost is €431,560, with funding consisting of an EU grant amounting to €386,936 and a FED contribution of €44,624.

BLH SALES PER CLIENT SEGMENT - JULY 2022-JUNE 2023



In October 2021, the EU released an initial partial disbursement of €88,786 in funds, followed by a second partial disbursement of €114,882 in January 2023, after the submission of the first interim report.

In terms of Employability of Disabled People, 49 youths have already undertaken specialised training within the "From Disability to Ability" initiative to enhance their employability and foster self-reliance.

With regard to Youth Employability, the year 2023 witnessed a surge of 740 registrations. From this pool, 288 candidates have been selected for training aimed at cultivating the skills of our future workforce. As of June 2023, 213 participants remained actively engaged in the programme. Looking back to 2022, a total of 280 youths were chosen, with approximately 200 successfully completing their training by December the same year.

The Women Empowerment Programme was due to commence in August 2023. This initiative demonstrates our pledge to create pathways for women to thrive and contribute meaningfully to their communities and the economy.

Regional Committees & Community Development

In line with our commitment to community empowerment, the regional committees were established in 2003. The central goal is to create a network of employees who collaborate with Beachcomber hotels and NGOs to contribute to the development of social and environmental projects.

From July 2022 to June 2023, FED has responded to requests from its regional committees in various domains including education, health, sports and leisure, as well as socio-economic development. The total funding allocated for these initiatives during this period amounts to Rs 1,916,435.

New Impactful Initiatives

The year under review witnessed the introduction of several projects by FED, each designed to catalyse positive change.

The Ravanne Project – Bridging Skills and Heritage

Set up in September 2022, the Ravanne Project encapsulates our commitment to empower young individuals with vocational skills while preserving traditional knowledge. Currently, this project has five participants, aged between 18 and 23. They meet every Tuesday and Thursday at the Beautiful Localhands facility in Bambous to craft traditional ravann and gain proficiency in playing them. The group has also started workshops with hotel guests to introduce them to playing this musical instrument.

Cultivating the Passion for Reading

In November 2022, FED has launched a reading workshop at La Brasserie, with the objective to cultivate children's interest in reading through enjoyable activities. Structured around weekly sessions, Wednesdays bring together participants aged 5 to 8, while Fridays cater to those aged 9 to 12. This initiative was expanded to include children from a shelter in Rose Hill as well, benefitting a total of 50 children.

Tennis Academy at Trou aux Biches

In May 2023, a tennis academy was established for the children of Trou aux Biches village. This initiative, hosted at Trou aux Biches Beachcomber Golf Resort & Spa, gathers 8 girls and 7 boys aged 10 to 12 every Saturday.

Charting the Course for 2023-2024

Our commitment to progress has led us to outline a number of objectives for the upcoming year. As we steer towards a more inclusive future, we remain dedicated to the following key targets:

- The Foundation's ongoing projects will be strengthened, ensuring their sustained impact on the communities we serve.
- A strategic renovation of the Beautiful Localhands shop in Trou aux Biches is on the horizon. This rejuvenation aims to enhance the visibility and appeal of local handicraft products.
- Building on the success of initiatives like the reading workshop and the tennis academy, our vision will extend to encompass additional areas in order to touch more lives and create a ripple effect of positive change.
- The inaugural phase of the Women Empowerment Project will include a group of 25 women, fostering skills, leadership and socio-economic independence.

"Since 1999, we have been on a continuous journey to promote inclusion through youth employability programmes and actions aiming to foster economic empowerment of local artisans. We are fully aware that now more than ever, it is essential that we maintain our long-term commitment and enhance our efforts towards socio-economic integration of the most vulnerable."

Karine Perrier Curé,
CHIEF BRAND & COMMUNICATION OFFICER
AND CHAIRPERSON OF FONDATION ESPOIR DÉVELOPPEMENT BEACHCOMBER

Guest JOURNEY

Delivering ON OUR PROMISE

In the ever-evolving global hospitality landscape, our Intellectual Capital is a driver of knowledge, innovation and relationships that adds value to the guest experience. These intangible assets and resources contribute to delivering on our brand promise by providing service excellence to our guests and inspiring trust and confidence.

During the year in review, we continued to advance in our mission to uphold the Beachcomber Brand Promise. Our commitment to The Art of Beautiful is focused on promoting hospitality excellence while surpassing guest expectations. In an environment of heightened competition, the strength of our brand is the pillar enabling us to consistently deliver unforgettable experiences that resonate with our guests.

Unique Brand Identity

The Kantar Mauritius' Market Intelligence Report released in August 2023 confirms the strength of the Beachcomber brand and its competitive advantages on the destination level. In addition, the Tourism & Hospitality Industry Outlook in Mauritius, released in July 2023, provides valuable insights into the broader industry landscape, further bolstering our understanding of the current state and prospects of the tourism and hospitality sector in Mauritius. We are pleased to present some key highlights.

Growing Top-of-Mind Awareness

Top-of-mind awareness continues to be strongly associated with Beachcomber. As a premium hotel brand, synonymous with stunning beach destinations, unparalleled experiences and strong guest satisfaction, Beachcomber is top of the mind when it comes to hotel and hospitality in Mauritius. It represents Success, Leadership and Responsibility. In addition, we record the highest rates in the Customer Satisfaction Index (CSI) among hotel brands and high rating in the Net Promoter Score (NPS). The favourable trend in NPS across the industry demonstrates our responsiveness to guest expectations amid heightened competition.

Consistent and effective advertising and communication campaigns have enabled the Beachcomber Brand to successfully establish a strong presence. We are more flexible, responsive and better positioned to meet the expectations of guests. This reaffirms our standing as a preferred choice for perfect holidays and underscores our pledge to effective communication and guest engagement.

Corporate Reputation

Corporate Reputation holds immense value, as brands with strong reputations experience accelerated value growth. Beachcomber has maintained and enhanced its solid reputation. Our focus on sustainable practices through our 52 Commitments Environmental and Social Charter, as well as our Fondation Espoir Développement Beachcomber, further cements our reputation as a responsible brand.

It is our utmost priority to sustain this high level of corporate reputation by building on our strengths, walking our talk and impactful communication. During the year, we have released our 52 Commitments video capsules series which shed light on the eight pillars of our sustainable journey. This video series provides an immersion into our initiatives to use water efficiently, choose greener energy, manage waste responsibly, embellish environment/biodiversity, foster community development, favour responsible sourcing, promote engagement of our Artisans and encourage guests' contribution.

In summary, the Kantar Report reinforces our position as an industry leader. Our brand equity, unwavering trust and exceptional guest experiences continue to drive our success. The high bookings further confirm our market position, with occupancy rates in Beachcomber hotels exceeding pre-COVID-19 levels, driven by a rebound in key source markets like France, Germany, the UK, South Africa, and Reunion Island. We have also successfully tapped into new markets like Israel, Turkey, Australia and Eastern Europe. This achievement is a testament to the satisfaction and loyalty of our guests, driven by our consistent delivery of The Art of Beautiful and the dedication of our Artisans. As we look ahead to the high season and anticipate promising booking forecasts, we remain optimistic that this momentum will extend beyond 2023.

Launch of our Employer Brand Campaign

In pursuit of enhancing brand recognition and attracting top talent, Beachcomber introduced its ground-breaking Employer Brand Campaign in August 2023. Our motto, "Feel the Happiness you Give" extends our promise as an employer brand. This campaign unfolds across national platforms, encompassing press, billboards and social media channels. It features the inspiring stories and testimonials of our Artisans, marking a first in the Mauritian hotel industry.

Our primary goal is to shine a spotlight on our Artisans – our Faces of Happiness –, their roles, career journeys and the profound impact and happiness of working for Beachcomber. Their authentic narratives take centre stage, as they are the beating heart of our resorts, embodying what distinguishes us.

The Kantar Report confirms Beachcomber as a prestigious industry benchmark which inspires pride in its Artisans. Our Employer Brand Campaign aims to reinforce our dedication to nurturing, entrusting and empowering our Artisans devoted to ensuring that guest stays exceed expectations and experiences that reflect our brand promise.

"We intend to further strengthen the Beachcomber Brand position through relentless pursuit of excellence, our commitment to guest experience and service, environment, social responsibility and Artisans' empowerment."

Karine PERRIER CURÉ

CHIEF BRAND & COMMUNICATION OFFICER

Our Hotel PORTFOLIO

Our manufactured capital comprises a diverse portfolio of resorts, each offering a distinctive blend of location and comfort. We own eight properties in Mauritius, one in the Seychelles leased to Club Med and another one in Morocco operated under a management contract with the Fairmont brand, which is part of the Accor Group of Hotels.

Key Indicators

Currently, we are operating with a total of 2,014 keys in our hotel portfolio in Mauritius, distributed as follows:
- 69 at Royal Palm Beachcomber Luxury
- 175 at Dinarobin Beachcomber Golf Resort & Spa
- 293 at Paradis Beachcomber Golf Resort & Spa
- 333 at Trou aux Biches Beachcomber Golf Resort & Spa
- 327 at Shandrani Beachcomber Resort & Spa
- 295 at Victoria Beachcomber Resort & Spa
- 283 at Canonnier Beachcomber Golf Resort & Spa
- 239 at Mauricia Beachcomber Golf Resort & Spa

Our properties abroad also offer the following capacity:
- 134 at Fairmont Royal Palm Marrakech
- 295 at Club Med Seychelles (Sainte Anne Island)

Achievements

After the temporary postponing of several projects resulting from the COVID-19 disruption, our focus in allocating available funds has been on a range of strategic initiatives. Among these efforts, we initiated a soft refurbishment of the rooms at Royal Palm to enhance the guest experience.

At Trou aux Biches Beachcomber, we proceeded to renew the furniture and carry out minor revamping, ensuring our facilities retain their appeal. Consultations were also held with international experts to secure an Environmental Impact Assessment (EIA) licence for the rehabilitation of the hotel's beach. Refurbishment was completed at Shandrani Beachcomber, including technical galleries and a comprehensive makeover of Ponte Vecchio restaurant.

With regard to our overseas properties, we carried out snagging work at Club Med Seychelles. An extension project has been initiated at Fairmont Royal Palm Marrakech to increase the number of rooms by approximately 80. Other new additions include padel courses and a laundry facility.

Another significant measure involved the replenishment of end-of-life kitchen equipment in our resorts, with particular emphasis on improving productivity and launching energy-saving programmes. Furthermore, we dedicated resources to essential back-of-house infrastructure, including the installation of chillers and a desalination plant, with external consultants guiding us through the permit approval process. Notably, we successfully replaced chillers at Mauricia Beachcomber, Dinarobin Beachcomber and Paradis Beachcomber.

Upcoming Initiatives

In an effort to ensure continuous improvement, a number of projects are currently underway, some of which require partial or complete resort closures. Cannonier Beachcomber, for instance, is undergoing a comprehensive upgrade, focusing on the enhancement of 120 bathrooms to keep up with modern standards.

Paradis Beachcomber is encountering a significant transformation, with plans including the redecoration of 120 Tropical Rooms and the replacement of La Palma restaurant with an exciting new Mediterranean concept, Zest. A complete refurbishment of the dive centre is being carried out as well as the installation of a new golf course irrigation system. Addressing the challenge of beach erosion, substantial work is underway on the beachfront. Shandrani is also in for a slew of changes, including the development of a new Ponte Vecchio restaurant and kitchen.

Our newly set up Real Estate cluster is actively planning for refurbishments and improvements in 2024, collaborating closely with external consultants and in-house resources. Management is working on a 5-year capital expenditure plan to ensure our infrastructure is well-maintained, delivering an exceptional guest experience while remaining competitive in the market.

This strategic approach also encompasses efforts aligned with our 52 Commitments for a Sustainable Future. As part of our commitment to our employees, Artisan facilities such as canteens, changing rooms, fitness rooms and recreational areas across all our properties are being improved to create a more attractive employee value proposition..

"Our newly set up Real Estate cluster is actively planning for refurbishments and improvements in 2024, collaborating closely with external consultants and in-house resources."

Jean Louis PISMONT

CHIEF OPERATIONS OFFICER

Performance HIGHLIGHTS

The Group's sources of capital include shareholders' equity, debt through bank borrowings, bonds and preference shares. Financial resources are allocated to projects that are likely to create value, such as strategic developments and future growth projects.

Key Figures (Rs bn)	**FY23**	FY22
Revenue	**14.1**	8.1
EBITDA	**4.7**	2.0
Profit after tax	**2.3**	0.05
Net cash flows generated from operating activities	**4.0**	2.6
Net cash flow used in investment activities	**(0.8)**	(0.6)
Net cash flow used in financing activities	**(2.4)**	(1.9)
Interest cover (times)	**4.02**	1.88
Average cost of interest-bearing instruments (%)	**5.35**	3.94
Equity	**11.0**	9.3
Assets	**42.2**	40.8
Net debt	**18.0**	19.8

Key Financial Matters

Results

The Group achieved a significant milestone with a turnover of Rs 14bn, marking a year-on-year increase of 74%. The hospitality sector's recovery played a crucial role in this success, as well as the strengthening of the euro and pound sterling, which boosted revenue and treasury gains.
However, costs also increased in line with renewed activity. Inflationary pressures persisted throughout the year, impacting operating costs. Staff costs in particular experienced a notable year-on-year surge, mostly due to the Government Wage Assistance Scheme provided during the pandemic period, which mitigated prior year costs.
Nonetheless, the Group's EBITDA more than doubled to Rs 4.7bn with growth mostly attributable to better occupancy and operational efficiency measures put in place across all operations.

Cash flow generated from operations

Enhanced Group activity led to the generation of Rs 4.0bn of net cash from operations. This healthy flow-through of funds from increased revenue across the Group was used for the servicing of interest costs, the repayment of obligations as they fell due and reinvestment into our resort and technology infrastructure to keep up-to-date with emerging trends.

Issue of redeemable preference shares in Beachcomber Hospitality Investment Ltd

The Group's equity increased by Rs 1.7bn during the year, primarily due to the issuance of preference shares in Beachcomber Hospitality Investments Ltd, used to buy out its minority stake.
In May 2023, the Group reorganised its assets in BHI. NMH transferred its stake in Kingfisher Ltd, the holding company of Ste Anne Resort Ltd in Seychelles, to BHI. The latter thus became a diversified hospitality fund with three Beachcomber properties in Mauritius, leased to NMH and one property on Sainte Anne Island, Seychelles leased to a subsidiary of Club Med.
Further to this reorganisation, the minority shareholder in BHI, Leisure Property Northen (Mauritius) Limited ("LPNM") decided to exit the structure. Redeemable preference shares amounting to EUR 40.3m were issued and listed on the Stock Exchange to partly fund this exit and repay a shareholder loan to NMH. Additionally, loans amounting to EUR 18.2m belonging to LPNM were consolidated into BHI, reducing the net cash consideration for the transaction. The Group recorded a bargain purchase of EUR 5.1m upon the exit of the minority shareholder and BHI is now a wholly-owned subsidiary of NMH.

Preference share dividend

In July 2023, the Company declared a dividend of Rs 1.65 for each preference share held, covering arrears accumulated to that date. The arrears were fully settled in August 2023. The Company intends to resume with the payment of ordinary shares, cash flow permitting.

"The Group has successfully navigated a challenging period and is now reaping the rewards of its efforts, achieving substantial growth in Turnover."

Pauline SEEYAVE
CHIEF FINANCIAL OFFICER

Major Challenges Ahead

Increase in interest rates

The Group remains committed to reducing its indebtedness to lower finance costs and improve its financial position. Net debt stood at Rs 18bn as at 30 June 2023 (FY22: Rs 19.8bn). Loans are being repaid from own funds as they fall due. With successive increase in key rates worldwide, the cost of borrowing for the Group increased to 5.35% for the year under review. Fortunately, the interest cover remains comfortable at 4 times compared to EBITDA. The Group is currently working towards SEMSI listing and combined with the sustainable goals set over time, will aim at refinancing its existing debt from different sources to assist in lowering the cost of debt.

Dynamic market conditions and enhanced uncertainties

The hotels sector is inherently exposed to many risk factors that could impact its performance. Given the challenging geopolitical conditions, including the protracted Ukraine-Russia conflict, evolving power dynamics between China and USA, and ensuing uncertainty on demand for travel and leisure and supply costs, risk of forecasting inaccuracy is enhanced and can impact decision-making. We have to remain attentive to shift in trends and adapt our strategies with agility. We use sensitivity analysis and scenario building to measure impact on revenue, costs and cash flow and ensure we have adequate resources to address potential adverse developments.

Operational Efficiency and Sustainable Practices

The rapid evolution of technology represents an opportunity for the sector as a modern infrastructure, powered by automation, provides a more secure and competitive environment. This requires careful selection of technology solutions, together with timely implementation. Our team continually upskills and invests in the appropriate tools to keep abreast of this ever-evolving environment.

Sustainable practices in the hospitality industry are key to its long-term viability. The Group has implemented cost-effective and eco-friendly initiatives to comply with environmental regulations and continues to invest significantly in beach and marine ecosystem protection. Our EarthCheck certification reflects our commitment to waste minimisation and responsible use of natural resources, as well as our belief in building an inclusive workplace and being an impactful stakeholder in the community at large. We are also aiming at integrating the SEM Sustainability Index in the current financial year.

Risk
MANAGEMENT

Risk Management REPORT

1. Our Risk Management Philosophy

At NMH, our Risk Management philosophy revolves around the relentless pursuit of excellence and a commitment to building a resilient future, helping to turn risk into business value. The Board, supported by the Risk Committee, the Audit Committee and the senior management team and business unit leaders, plays a vital role in setting and reinforcing the risk tone and appetite for NMH. This approach is integrated throughout our corporate office and business units, promoting a culture of risk awareness and proactive risk management which is today becoming more and more embedded in our ethos.

We can summarise the critical success factors in our risk management as follows:

- clearly identified senior management to support, own and lead on risk management;
- existence and adoption of a framework for risk management that is transparent and repeatable, based on a Template Risk Assessment Log and documented by Policies, Standards, Procedures, Processes where applicable;
- active monitoring and regular review of risk through control set at operational level and weekly visits and audits performed by Risk & Compliance/Internal Audit;
- fully embedding and consistently applying management of risk in the management process;
- clear communication with all staff; and
- closely linking management of risks with the achievement of objectives.

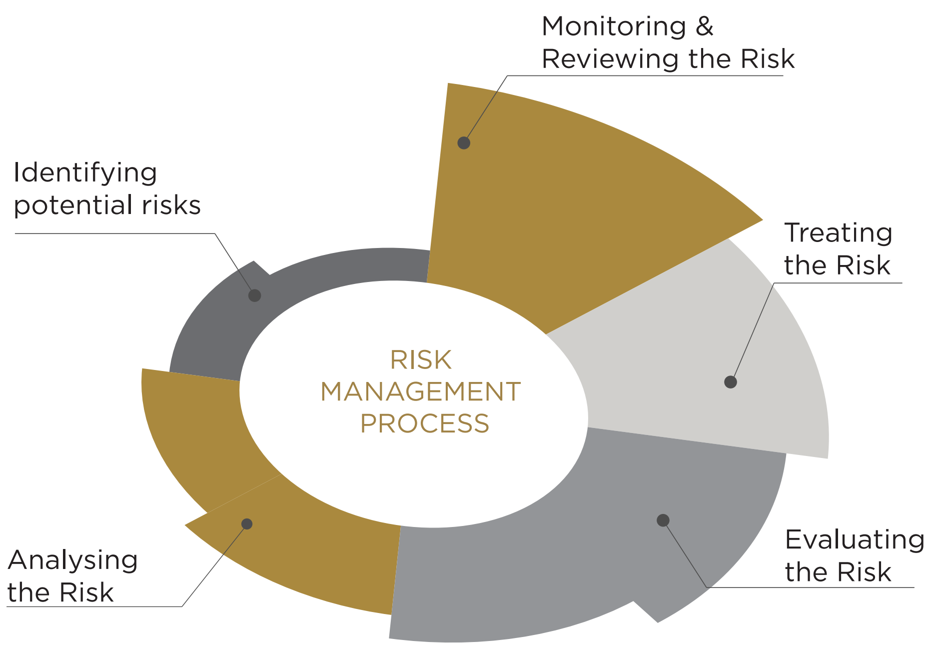
Our Integrated Risk Management Process and Cycle

During the reporting year, we continued to deepen our integration of risk management into our business operations, aligning them with our strategic objectives.

Potential risks were initially identified based on insights from diverse sources. Through regular meetings with functional specialists, we assessed the probability or likelihood and potential impacts of risks and reviewed the effectiveness of existing mitigation measures. Response strategies were implemented to eliminate or minimise their impact.

Our Artisans are actively engaged in every stage of the process, dedicating significant efforts to identifying, analysing and managing operational, environmental and compliance risks, among others. Our risk management cycle serves as a perpetual and strategically vital process. Throughout the cycle, continuous measurement, monitoring and reporting are crucial, fostering trust and transparency with stakeholders.

FIVE-STEP OF RISK MANAGEMENT PROCESS



Our main risks can be classified as follows with the Risk Committee (RC), the Audit Committee (AC) or both, as applicable, overseeing their effective management:

Risk Group	Risk Category	Key Aspects/Tasks	Oversight
Operational	Health & Safety	Water/Building/Fire/Activities / Transport/Food/Epidemics	Risk (Note 1)
	Security Failures	Access to premises/Robbery/Attack Software/Hardware	Both
	Quality & Process	Technology efficiency/Service providers / Hacking & Cyberattack/Data breach	Risk
	IT		Both
	Human	Recruitment/Talent management/Payroll management/Unions/Industrial Unrest	Risk (Note 2)
Environmental	Natural Disasters	Torrential Rain/Cyclone/Heavy swell / Tsunami/Oil spill Wetland/Marine & land management	Risk
	Biodiversity Management	Carbon footprint	Risk
	Energy/Water/Waste / Harmful Substance Management		Risk
Strategic	Industry & Markets	Mix/Competition/Innovation Communication/Promise/Trademarks	Risk
	Brand	Due diligence	Risk
	Projects & Partnerships		Risk
	Business Continuity [External – Air Connectivity/ Country Reputation]		Both
Compliance	Legal & Regulatory		Both
	Industry Standard		Both
	Ethics		Both
Financial	Stock Management		Audit
	Billing/Payment		Audit
	Asset Management		Audit
	Treasury Management		Audit
	Forex Management		Audit
	Supply Chain		Audit

Note 1 – AC looks after the staff transport aspect.
Note 2 – AC looks after payroll management.

Our Risk Management Framework with the Four Lines of Defence

We have further enhanced our risk management approach by adopting a four-lines-of-defence model:

1st Line of Defence		2nd Line of Defence		3rd Line of Defence		4th Line of Defence
• Policies, standards, and procedures providing support for operational management and frontline teams.	⇨	• Implementation of rules and policies and follow-up at operational level with head office's support.	⇨	• Control and measure system by the Risk & Compliance Department and Internal Audit.	⇨	• Independent evaluations of risk management and compliance practices by external auditors and regulatory bodies with the support of our insurance.

- The first line of defence comprises policies, standards and procedures that help provide support to operational management and frontline teams for the proper management of their activities, including any specific identified risk, with each relevant Department, whether at Head Office (HO) or Business Unit (BU) level, being responsible for drafting the above-mentioned documents.

- The second line of defence involves the implementation and follow-up of the above rules and policies at operational level as part of their day-to-day management, with the design of related control and exception reports, as applicable, to help them manage risks specific to their activities with support from HO.

- The third line of defence, represented by our dedicated Risk & Compliance Department and Internal Audit function, provides control and measure, through Monthly Safety Reports, Internal Audits with scoring systems, Testing & Inspection Reports as well as Benchmarking Reports, among others, and evaluation and enhancement of the effectiveness of risk management efforts with the support of partners, as applicable.

- Finally, External Auditors including SGS, LIBA, QuantiLab and EarthCheck, and regulatory bodies form the fourth line of defence, offering independent evaluations of our risk management and compliance practices, with the support of our insurance.

Supporting our four lines of defence model in managing risks is our Code of Ethics. In line with recommended best practice, the code is currently being reviewed to ensure that it incorporates contemporary issues and updated operational practices.

2. Managing Non-Financial Risks

The **Risk Committee** oversees the management of non-financial risks, ensuring their proper evaluation and mitigation. The Risk & Compliance Department has Safety/Sustainability/Quality/Compliance under its direct responsibility and incorporates within the Risk Register all non-financial risks, working in close collaboration with the Legal, People & Culture and IT Departments, as well as qualified professionals, to help identify and address relevant risks.

At NMH, Safety remains at the forefront of our priorities, as evidenced by the regular Safety Reports implemented throughout our BUs. Our comprehensive approach includes conducting Safety and Health Risk Assessments, aligning with OSHA guidelines, performing hazard analyses based on HACCP principles, as well as logging all incidents taking place within our resorts for proper review and follow-up.

We have in place an exhaustive programme of independent audits and testing to provide due reassurance to our guests, Artisans and business partners as part of our Safe Place Label, which comprises:

- Unannounced Food Safety Audits & Testing, coupled with Room Hygiene Checks
- Air Quality Monitoring in Rooms
- HACCP Audit
- Legionella Risk Assessment
- Environmental Water Testing

Environmental Risk Assessments are performed within each BU once a year as part of our EarthCheck Certification audit process and help in the drafting of a comprehensive Action Plan.

We also closely monitor and measure all guest feedbacks received and root cause analysis is performed in order to ensure that repetitive negative comments are duly noted and taken care of.

Furthermore, we diligently maintain a Legal Register, continuously updating it to ensure strict compliance with evolving laws and regulations. This commitment ensures that our Artisans and stakeholders are safeguarded, and our operations adhere to the highest standards of safety and compliance.

During the financial year, four Risk Committee sessions were convened on the following dates:
(i) 19 September 2022;
(ii) 7 November 2022;
(iii) 31 January 2023; and
(iv) 4 May 2023.

Subsequent to each meeting, minutes were disseminated as part of the comprehensive record-keeping process.

Main Potential Threats to Hotel Operations Identified and Mitigated

Our Risk Management journey has been strengthened during the reporting year through a disciplined and committed approach. Risk & Compliance quarterly reviews involving the hotels and relevant departments resulted in the identification and mitigation of the Top 5 Risks per Hotel. This proactive approach ensures that potential threats are identified and managed efficiently.

The following main overall potential non-financial risks have been identified during the year, including some new ones, and with mitigating measures in place:

Risk Category	Top Risks identified
Health & Safety	Poor and/or ageing building & equipment
	Fire safety hazards
	Use of external contractors, poor attitude and engagement
	Food safety-related
	Legionella concerns
Security Failures	Theft
Quality & Process	Noise pollution, often external to our operations
IT	Internal security of our Internet Service Provider
	Ageing hardware & increased maintenance of systems
	Human awareness of the risk of cyberattacks
	Inaccurate data entry and usage
Human	Scarcity of labour
	Intergenerational attitude challenges
	Low attractivity of the sector in general with the image as secure for long-term employment tarnished by COVID-19
Harassment	
Natural Disasters	Beach erosion
Water Management	Lack of fresh water supply & limited capacity of sewage treatment plant resulting in more pressure put on water supply
Business Continuity	Lack of system preparedness
Compliance	Ethical issues with some Artisans not adhering to our Code

Due to their potential significant adverse impact, our in-house experts and/or specialised service providers continuously assess and monitor these threats.

"We are committed to proactive risk management in the pursuit of excellence. Fostering a culture of risk awareness is central to achieving our strategic objectives."

Géraldine Koenig
CHIEF RISK & COMPLIANCE OFFICER

3. Managing Financial Risks

Operational and compliance risks are identified, analysed and managed through regular meetings with functional specialists. Probability of occurrence and potential impacts are assessed and the mitigation measures in place are reviewed to assess their adequacy. Our Artisans are hence given a defined framework to work within and are encouraged to keep abreast of and derive learning points from major disruptions in the hospitality industry. We are thus continually on the lookout for emerging risks and take a proactive approach to mitigating those risks. Business processes are also constantly analysed and consolidated following recommendations made by internal and external auditors, or other specialised service providers.

Financial and strategic risks are predominantly identified, analysed and managed by the Group's executives during the annual budgeting process and short- to medium-term strategic planning. Risks identified are assessed for both likelihood of occurrence and potential financial impact. NMH holds a Risk Register where all financial risks are duly consolidated. The register is updated on an annual basis to track the evolution of our major risks. The Internal Audit function includes financial and strategic risks in its annual audit plan, based on their controllability ratings.

The Internal Audit function was consistent in its risk-based approach where higher risk areas were subject to audit reviews. During the year, focus was laid on (i) operational controls; (ii) financial controls; (iii) payroll; and (iv) internal and external compliance.

Our Risk Mitigation Approach

In our risk mitigation approach, strategic, financial and operational risks are classified under the following captions, each of which requires a different risk management approach:

- Preventable risks
- Strategy risks
- External risks

Preventable risks, arising from within an organisation, are monitored and controlled through rules, values and standard compliance tools. In contrast, strategy risks and external risks require distinct processes that encourage managers to openly discuss risks and find cost-effective ways to reduce the likelihood of risk events or mitigate their consequences.

NMH has tailored its risk management processes to these different risk categories. A rules-based approach is effective for managing preventable risks. Our Artisans are provided with defined frameworks within which they operate, thus bringing a more structured approach to their work. Strategy risks, on the other hand, require a fundamentally different approach based on open and explicit risk discussions. To anticipate and mitigate the impact of major external risks, NMH uses tools such as scenario analysis.

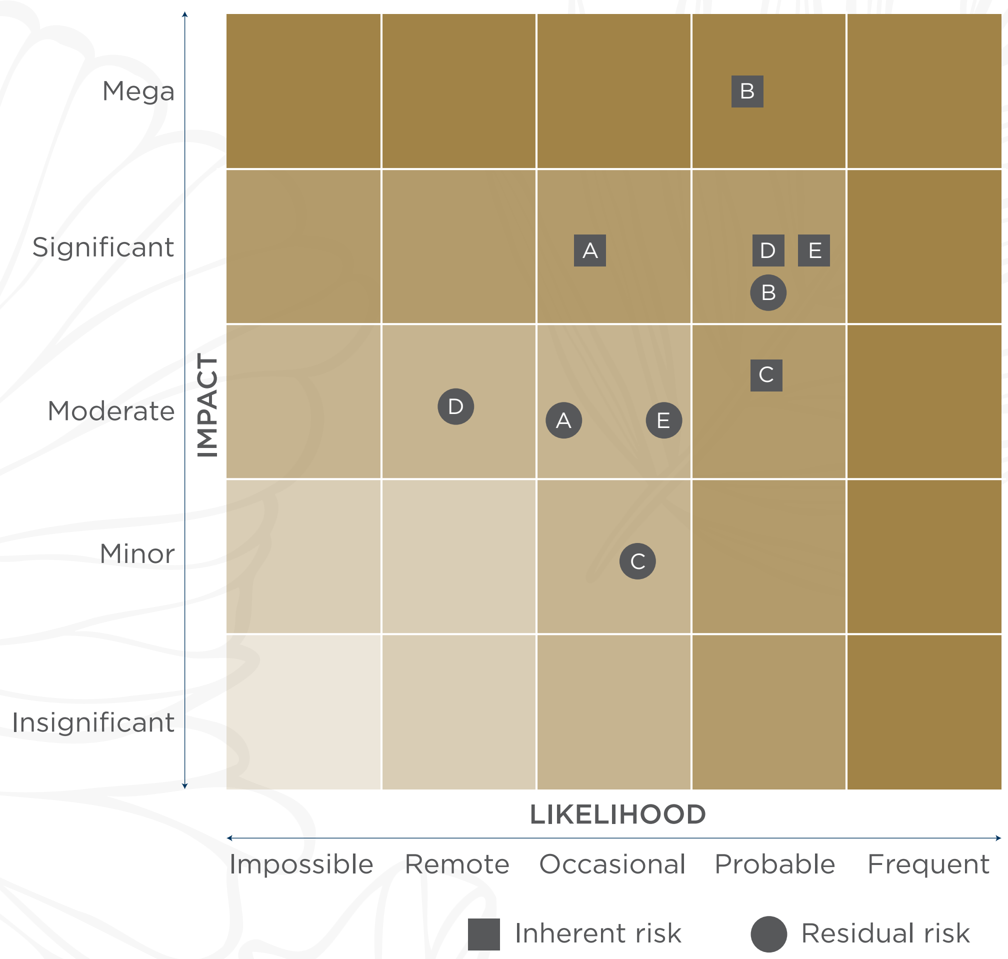
CATEGORY 1	CATEGORY 2	CATEGORY 3
Preventable Risks	**Strategy Risks**	**External Risks**
Risks arising from within the Company that generate no strategic benefits	Risks taken for superior strategic returns	External, uncontrollable risks
RISK MIGRATION OBJECTIVES		
Avoid or eliminate occurrence cost-effectively	Reduce likelihood and impact cost-effectively	Reduce impact cost-effectively should risk occur
CONTROL MODEL		
Integrated culture-and-compliance model: Develop mission statement: value and belief systems Rules and boundary systems Standard operating procedures; internal controls and internal audit	Interactive discussions about risks to strategic objectives drawing on tools such as: • maps of likelihood and impact of identified risks; and • key risk indicator (KRI) scorecards Resource allocation to mitigate critical risk events	"Envisioning" risks through: • trail risk assessment and stress testing; and • scenario planning
ROLE OF THE RISK MANAGEMENT STAFF FUNCTION		
Coordinates, oversees and revises specific risk controls with the Internal Audit function	Runs risk workshops and risk review meetings Helps develop a portfolio of risk initiatives and their funding	Runs stress testing Scenario planning and sensitivity testing with management team
RELATIONSHIP OF THE RISK MANAGEMENT FUNCTION TO BUSINESS UNITS		
Acts as independent overseer	Provides independent facilitators, independent experts or embedded experts	Complements strategy team or serves as independent facilitator of "envisioning" exercises

Our Top Inherent Financial Risks

NMH is faced with inherent risks that could materially affect the Group's business, revenue and operating profit. The table on pages 56 and 57 lists the main inherent risks for the Group.

Top Risk	Description and Risk Context	Opportunities	Risk Responses
A. Foreign Exchange/Treasury	• Market volatility	• Optimise the forex management function	• Mitigating measures include forward currency contracts, currency options and partly borrowing in forex
	• Delays in receiving monies from debtors	• Continuously review and monitor our client creditworthiness criteria	• The Group extends credit facilities to only recognised and creditworthy third parties • Credit limit is in place to avoid overexposure • Advance payments are requested from new clients until a credit rating is established
B. Debts	• Rise in interest rates leading to higher cost of finance	• Constant negotiations with lending institutions to obtain better rates	The Group uses a mix of fixed-and variable-rate debts
	• Inability to meet obligations	• Explore hedging techniques such as Interest Rate Futures	• Lending facilities are renegotiated to obtain better terms and conditions
		• Optimise our treasury management function	
C. Theft, Fraud and Corruption	• Misappropriation of assets	• Establish a more efficient and resilient Asset Management System	• Clearly defined systems and procedures are in place to ensure compliance with internal controls
	• Fictitious payment instructions via emails	• Enforce primary and secondary controls in our business processes	• Systems are subject to regular reviews by the Group's Internal Audit function to assess their efficiency and effectiveness. Audit recommendations are discussed and implemented
	• Collusion	• Identify high-risk areas and strengthen controls	• A standardised control approach has been adopted across the Group. This approach has been rolled out across all BUs. It defines the controls that need to be applied and their frequency
	• Delays in enforcing our Code of Ethics and Business Conduct		• The Code of Ethics and Business Conduct is being refreshed and revised to ensure it caters for contemporary issues and updated operational practices. However, its foundation remains to encourage all stakeholders to step up to their responsibility to behave ethically and contribute towards the prevention of frauds
D. Legal and Regulatory Compliance	• Non-compliance with procedures/statutory obligations	• Establish systems that would help the Group prepare for compliance with new legislations	• Statutory compliance is taken seriously and guidance is sought from experts to ensure that our compliance procedures are adequate
		• Draft, explain and roll out procedures to ensure compliance	• Compliance audits are carried out by the Group's Internal Audit Department
E. Procurement	• Inaccurate internal needs analysis	• Improve user communication	• Use of forecasting in procurement strategy
	• Poor vendor selection	• Standardised procurement processes	• Supplier due diligence
	• Disorganised vendor management	• Further develop supplier relationship	• Setting up good processes and workflows
	• Error-prone, manual processing	• Deploy procurement automation technology	
	• Delays in procurement		

RISK HEAT MAP



Audit Committee
For internal control, internal audit and risk management issues, please refer to page 65 (Governance – Board Committees).

Progress and Achievements
Internal Audit

Internal audit forms NMH's third line of defence. It is an independent in-house function with a direct reporting line to the Chairperson of the Audit Committee on audit matters and to the CEO for day-to-day administrative matters. The Internal Audit function has a defined mandate through the Internal Audit Charter that establishes its purpose, authority and responsibility.

The Internal Audit function is not called upon to hold any other operational responsibilities.

The yearly Internal Audit Plan, which excludes joint ventures and associates, is based on our Risk Matrix and is approved by the Audit Committee at the beginning of the financial year. Focus is laid on emerging and high-risk areas and reporting is made to the Committee on a quarterly basis. High-risk issues together with Internal Audit recommendations are tabled during Audit Committee meetings and comments from management and implementation plans are discussed. The progress into the Audit Plan is also analysed and gaps, if any, are explained.

Based on its assessment, the Internal Audit function is currently not aware of any significant area where there are inadequate controls/internal control deficiencies that could result in risks with a material impact the operations of the Group.

The Internal Audit Department is adequately resourced and maintains a consistently high level of professionalism and quality based on international standards, appropriate knowledge, skills and experience.

In a bid to further improve the contribution of Internal Audit in providing assurance to the Board and management, the department is in the process of automating its 'technology' in audit and risk management. Going digital, coupled with automating our time-intensive and repetitive processes, should enable Internal Audit to spend less time on process administration and more time effecting changes.

Implementation reviews are also presented to the Audit Committee on a six-month basis to ensure that management's commitments towards remedial actions are complied with.

During the year, there were no limitations or restrictions in the Internal Audit's scope of work and access to information.

The Internal Audit Department constantly strives in delivering quality audits together with sound recommendations geared towards improving business process efficiency and productivity. For the year under review, the internal audit planning was flexed to cater for special audits. The need for such examinations came to light following the execution of our planned internal audit interventions.

Our Key Performance Indicators (KPIs)

Business Units	FY 22	FY 23
Hotels	2 Business Cycles across 8 hotels	3 Business Cycles across 8 hotels
Catering	1	1
Special Audits	8	3

In FY 2022-2023, the Internal Audit Department performed 3 special audits at the request of management. These included a review of commissions receivable on diving activities, the rolling out and adoption of a standardised approach to controls across the Group and an investigation over certain specific anomalies.

External Auditor
BDO & Co. was appointed as External Auditor of the Group in 2018 following a tender exercise. During the year, the AC assessed the independence and effectiveness of the External Auditor before making a recommendation to the Board for their retention.

High-priority issues raised by the External Auditor regarding policies and accounting treatments were discussed during AC meetings.

4. AML/CFT
NMH has successfully embedded a strong culture of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) with the deployment of its real estate programme. Our risk management framework is designed to ensure compliance with the provisions of AML/CFT Laws of Mauritius as mandated by the Financial Intelligence Unit (FIU).

Over and above the appointment of a Money Laundering Reporting Officer and a Deputy Money Laundering Reporting Officer and the implementation of the AML/CFT Policy Manuals and Procedures, NMH has adopted documented guidelines for the client onboarding process, bolstered a secure platform to ensure meticulous record-keeping, crafted a carefully designed client risk assessment tool and produced comprehensive reports.

The Risk & Compliance Department has designed the following training modules:
(i) An introduction to AML/CFT
(ii) Customer Due Diligence and its importance
(iii) Understanding the risk of Politically Exposed Persons
(iv) Suspicious Transaction Reporting
(v) Our onboarding process

Moreover, an independent Compliance Audit is planned for March 2024 to ensure our processes remain aligned with the evolving regulatory landscape and industry best practices. This validation approach underscores our commitment to maintaining appropriate standards of AML/CFT compliance within NMH.

5. Data Protection
NMH is fully committed to ensuring compliance with the Data Protection Laws of Mauritius and the GDPR. In line with our steadfast commitment to data protection, we have taken significant measures to enhance the security of guest and Artisan data.

- Appointment of Data Protection Officer and Registration as Controller: We have appointed a dedicated Data Protection Officer and achieved registration as a Controller with the Data Protection Office. We have extended this commitment by ensuring that NMH and its 17 subsidiaries are duly registered with the Data Protection Office of Mauritius.

- Comprehensive Data Privacy Measures: Our commitment to data privacy is evident through the adoption of a comprehensive Privacy Policy, complementing our existing Data Protection Policy Manual and Procedures.

- Internal Compliance Audits: In a proactive stride towards data security, audits were conducted across all our hotels, with a focus on guest data, as well as at our Beachcomber Tours UK and France subsidiaries. This internal assessment validates our ongoing efforts to uphold data protection protocols.

In continuation of our comprehensive compliance strategy, we have planned additional training sessions on guest and Artisan data privacy management as well as an independent Gap Audit Analysis in November 2023 to identify areas with potential for further improvement. This proactive approach serves as a testament to our unwavering commitment to safeguarding the security and privacy of our guest and Artisan data.

6. Conclusion
NMH's commitment to risk management continues to be a driving force in our pursuit of excellence. By integrating risk management into our business operations, fostering a culture of risk awareness and embracing a four-lines-of-defence model, we strive to achieve our strategic objectives with utmost resilience.

"During the year, there were no limitations or restrictions to the internal audit's scope of work and access to information."

Jamil TAUJOO
CHIEF INTERNAL AUDIT OFFICER

Governance

Corporate governance REPORT

New Mauritius Hotels Limited ("NMH" or the "Company") is a public interest entity under the provisions of the Mauritian Financial Reporting Act. NMH's Corporate Governance Report sets out the Company's commitment to transparency, good corporate governance and the continuous effort to enhance shareholder value. Throughout the report, we have set out how we have applied the principles and complied with the relevant provisions of the Code of Corporate Governance for Mauritius (the "Code").

In June 2023, Mr Gilbert Espitalier-Noël resigned as Chief Executive Officer of NMH and was succeeded by Mr Stéphane Poupinel de Valencé. The composition of the Board of Directors was reviewed with the departure of Mr Sunil Banymandhub and the appointment of Mr Stéphane Poupinel de Valencé and Mrs Sharmila Banymadhub-Chakowa. With this new composition, the Board of Directors of NMH is henceforth composed of 25% of women Directors.

1. GOVERNANCE STRUCTURE

The Board of NMH is collectively accountable and responsible for the long-term success of the Company, its reputation and governance. The Board also assumes the responsibility for leading and controlling the Company and meeting all legal and regulatory requirements. In line with the Code, the Board has:

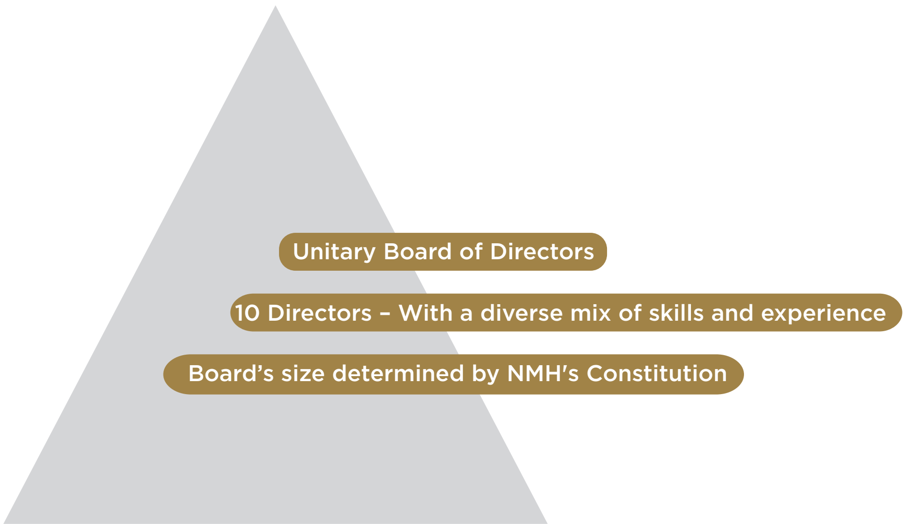
- adopted a Board Charter which sets out the objectives, roles and responsibilities, as well as composition of the Board of Directors;
- identified its key Senior Governance positions and the position statements are detailed in NMH's Board Charter;
- approved an Organisational and Governance Structure (as disclosed on page 74 of the Integrated Annual Report); and
- adopted a Code of Ethics.

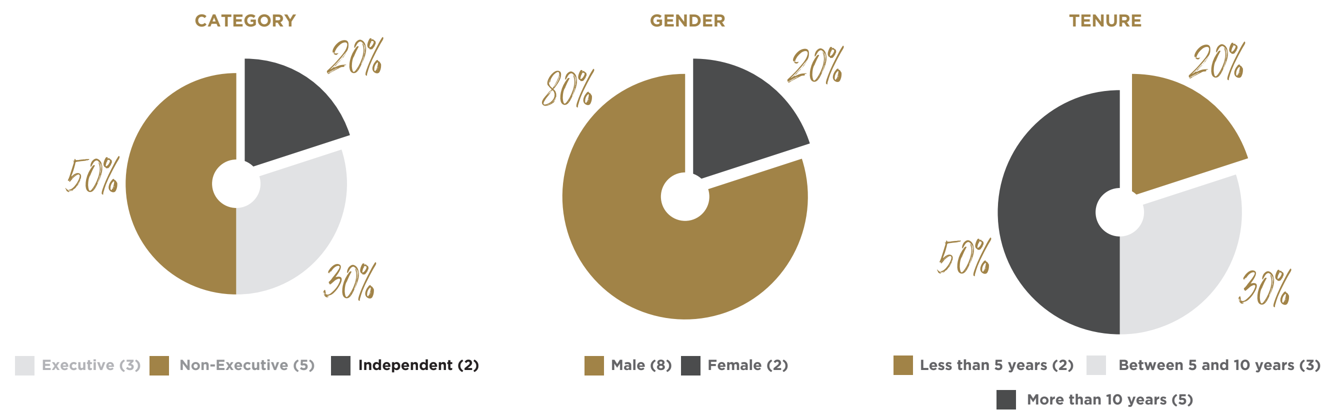
The Board Charter and Code of Ethics are available for consultation on NMH's website: **www.beachcomber.com**

2. THE BOARD

2.1 Board Composition

- All Directors of NMH ordinarily reside in Mauritius.
- NMH's Constitution is available for consultation on NMH's website: **www.beachcomber.com**
- The names and profiles of NMH's Directors are disclosed on pages 76 to 79 of the Integrated Annual Report.





During the financial year under review, the Board met 11 times.

2.2 Main Focus Areas of the Board FY 2022/23

Financials

- Approved the audited financial statements/Integrated Annual Report of NMH for the year ended 30 June 2022.
- Approved the unaudited quarterly consolidated results of NMH for publication purposes.

Strategy & Finance

- Reviewed the performance of the Group against business plans as reported by the CEO.
- Reviewed the strategy of the NMH Group.
- Received the budget for the year ending 30 June 2023.
- Approved the CAPEX and lease facilities for the year ending 30 June 2023.
- Approved finance lease facilities.
- Approved the 3-year plan (2023-2025) of NMH.
- Reviewed, assessed and approved strategic initiatives for debt reduction.
- Approved various banking facilities, re-established the signatories and mode of operation of the regional bank accounts of NMH.
- Approved the declaration of dividends for the Redeemable Non-Voting Preference Shares which should have been paid for the period June 2021 to December 2022 as well as for the current period to 30 June 2023.
- Approved the sale of 27 villas under the IHS scheme at Trou aux Biches Golf Resort & Spa.

Governance, Compliance and Risk

- Approved the appointment of Mr Stéphane Poupinel de Valencé as CEO and Executive Director of NMH.
- Received the report on the Group's Digitalisation Strategy and IT Risks.
- Prepared and convened the annual meeting of shareholders.
- Recommended to the shareholders the appointment of BDO & Co. as auditors of the Company.
- Approved various off-market transfers/transmissions of shares.
- Considered the findings of the Board Evaluation Report 2022.
- Reviewed and re-confirmed the Charter of the Corporate Governance Committee.
- Approved the Data Protection Policy Manual and Privacy Policy for NMH.
- Approved the restructuring of Beachcomber Hospitality Investments Ltd in the form of a scheme of arrangement.

Standing Agenda Items

- Received reports on follow-up matters from previous minutes.
- Received disclosure of interests from Directors as and when applicable.
- Received the reports/recommendations of the Audit Committee, Corporate Governance Committee and Risk Committee.
- Received reports from the CEO.

2.3 Board Committees

- The Board has delegated some of its powers and responsibilities to three Committees, namely:
  (i) the Corporate Governance Committee, which also acts as Remuneration and Nomination Committee;
  (ii) the Audit Committee; and
  (iii) the Risk Committee.
- The Chairperson of each Committee regularly reports proceedings of the Committees to the Board. The Board of Directors has access to all Committee meetings and records.
- Each Committee has its own Charter which sets out, inter alia, membership requirements, meeting proceedings, roles and responsibilities.
- The Charters are reviewed annually by the Committees and any proposed amendments are recommended to the Board for approval. The Charters are available for consultation on NMH's website: **www.beachcomber.com**

2.3.1 Corporate Governance Committee ("CGC")

As at 30 June 2023, the CGC was composed of:

CGC Members	Category
Jean-Pierre Montocchio	Non-Executive Director, Chairperson
Herbert Couacaud	Non-Executive Director
Hector Espitalier-Noël	Non-Executive Director
Sunil Banymandhub[1]	Non-Executive Director
Gilbert Espitalier-Noël[2]	Executive Director

[1] *Effective September 2023, Mr Sunil Banymandhub is no longer a Director of the Company. Mr Stéphane Poupinel de Valencé has been appointed as member of the CGC in his stead.*
[2] *Post 30 June 2023, Mr Gilbert Espitalier-Noël sits as a Non-Executive Director.*

During the financial year under review, the CGC met 5 times.

Main Focus Areas of the CGC during FY 2022/23

Corporate Governance

- Reviewed the Corporate Governance Report for the year ended 30 June 2022.
- Recommended the re-election/reappointment of Ms Pauline Seeyave, Messrs Hector Espitalier-Noël, Herbert Couacaud and Sunil Banymandhub as Directors of the Company.
- Reviewed the findings of the Board appraisal and recommended an action plan to the Board.
- Recommended the classification of Mr Gilbert Espitalier-Noël as Non-Executive Director, effective 1 July 2023.
- Reviewed and reconfirmed the terms of reference of the CGC.
- Monitored NMH's compliance with its Code of Ethics.

Remuneration and Nomination Matters

- Reviewed the remuneration package of senior executives and bonus scheme for the Artisans.
- Recommended the appointment of Mr Stéphane Poupinel de Valencé as the new CEO of NMH in replacement of Mr Gilbert Espitalier-Noël, effective 1 July 2023.
- Recommended the appointment of Mr Stéphane Poupinel de Valencé as additional Director.
- Recommended the appointment of Mr Gilbert Espitalier-Noël as Chairman of NMH, effective 5 July 2023.
- Recommended the appointment of Mr Stéphane Poupinel de Valencé as additional member of the CGC.

2.3.2 Audit Committee ("AC")

As at 30 June 2023, the AC was composed of:

AC Members	Category
Alain Rey	Independent Non-Executive Director, Chairperson
Jyoti Jeetun	Independent Non-Executive Director
Sunil Banymandhub[1]	Non-Executive Director

[1] *Effective September 2023, Mr Sunil Banymandhub is no longer a Director of the Company. Mrs Sharmila Banymadhub-Chakowa has been appointed as member of the AC in his stead.*

During the year, the Chairperson of the AC extended committee meeting invitations on an ad hoc basis to the Chief Financial Officer, Chief Internal Audit Officer and external auditors. Outside of formal meetings, the Committee Chairperson maintains a dialogue with key individuals involved in the Company's governance, namely the Chairperson of the Board, the Chief Executive Officer, the Chief Financial Officer, the external audit lead partner and the Head of Internal Audit.

During the financial year under review, the AC met 4 times.

Main Focus Areas of the AC during FY 2022/23

Financial Statements & Reporting Responsibilities

- Reviewed and recommended to the Board the approval of:
  - the audited financial statements, risk management disclosures of the Integrated Annual Report and publication of the audited abridged financial statements for the year ended 30 June 2022; and
  - the publication of the unaudited quarterly consolidated results of the Company.
- Received the external auditors' report of the audited financial statements of NMH for the year ended 30 June 2022.

Internal & External Audit matters

- Recommended the reappointment of BDO & Co. as auditors for the year ending 30 June 2023.
- Examined reports issued by the Internal Audit function.

2.3.3 Risk Committee ("RC")

As at 30 June 2023, the RC was composed of:

RC Members	Category
Sunil Banymandhub[1]	Non-Executive Director, Chairperson
Jitendra Bissessur	Non-Executive Director
Gilbert Espitalier-Noël[2]	Executive Director

Effective September 2023:

[1] Mr Sunil Banymandhub is no longer a Director of NMH. Mrs Sharmila Banymadhub-Chakowa has been appointed as member and Chairperson of the RC in his stead.

[2] Mr Stéphane Poupinel de Valencé has been appointed as member of the RC in replacement of Mr Gilbert Espitalier-Noël.

During the year, the Chairman of the RC extended Committee meeting invitations to the Chief Risk & Compliance Officer, Chief Operations Officer, Chief Digital Officer, Chief People Officer & Group Legal Counsel, Chief Brand and Communication Officer and Chief Commercial Officer.

During the financial year under review, the RC met 4 times.

Main Focus Areas of the RC during FY 2022/23

- Received reports issued by the Chief Risk & Compliance Officer, the Chief Digital Officer and the Chief People Officer & Group Legal Counsel.
- Received reports on environment risks, commercial risks, fire safety, food safety and insurance coverage.

2.4 Directors' Appointment Procedures

2.4.1 Appointment and Re-election

- The Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. The Director so appointed by the Board will hold office only until the following Annual Meeting and will then be eligible for reappointment.
- The appointment process is delegated to the CGC, which recommends to the Board the Directors to be appointed and/or re-elected.
- In accordance with the Company's Constitution, at each Annual Meeting of the Company, two Directors, who have been longest in office since their appointment or last reappointment retire by rotation and are eligible for reappointment.
- Re-election of Directors over the age of 70 is made in compliance with Section 138(6) of the Mauritian Companies Act 2001.
- Upon recommendation of the CGC, the following will be proposed to the shareholders for approval shortly:
  - the re-election of Mr Jean-Pierre Montocchio and Mr Alain Rey as Directors of the Company in accordance with Section 23.6 of the Company's Constitution; and
  - the reappointment of Mr Herbert Couacaud, who is over 70 years old, as Director of the Company.
  - the re-election of Mr Stéphane Poupinel de Valencé and Mrs Sharmila Banymadhub-Chakowa as additional Directors of the Company in accordance with Section 23.4 of the Company's Constitution.
- The Chairperson confirms that Messrs Jean-Pierre Montocchio, Alain Rey, and Herbert Couacaud continue to be performing and remain committed to their role as Directors of the Company.

2.4.2 Board Induction

2.4.3 Professional Development and Training

- Directors are encouraged to keep themselves abreast of changes and trends in the Company's businesses, environment and markets.
- The Board regularly assesses the development needs of its Directors and of the Board as a whole.
- It facilitates attendance at appropriate training programmes so that Directors can continuously update their skills and knowledge.
- Directors attended training on 'Duties and responsibilities of Directors of Public Interest Entities ("PIEs")', Anti-Money Laundering/Combating Financing of Terrorism and Sustainability.

2.4.4 Succession Planning

- The CGC recommends plans for the succession of Directors and senior management.
- The Board regularly reviews its composition, structure and succession plans.

2.5 Directors' Duties, Remuneration and Performance

2.5.1 Directors' Interests, Dealings in Securities and Related Party Transaction

- The Board, in relation to dealing in the Company's listed securities, complies with the provisions of the Model Code for Securities Transactions (the "Model Code") by Directors of listed companies as detailed in Appendix 6 of the Listing Rules issued by the SEM and the Mauritian Companies Act 2001.
- The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect of the Model Code.
- NMH's Board Charter also contains policies on Conflicts of Interests and Related Party Transactions.
- Directors who are interested in a transaction or proposed transaction with the Company disclose their interests to the Board and cause same to be entered in the Interests Register.
- As a measure of good practice, the disclosure of any conflict of interests is a standard item on the Board's agenda such that at the beginning of each meeting, the Chairman invites the Directors to declare their interests, if any.
- The Company Secretary keeps the Interests Register and ensures that the latter is updated regularly. The register is available for consultation by shareholders upon written request to the Company Secretary.

• All new Directors are required to notify in writing to the Company Secretary their direct and indirect interests in NMH.
• The Directors' interests in NMH's shares as at 30 June 2023 were as follows:

	ORDINARY SHARES				PREFERENCE SHARES			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Sunil Banymandhub	-	-	-	-	-	-	-	-
Jitendra Bissessur	-	-	-	-	-	-	-	-
Herbert Couacaud	34,841,856	6.35	384,030	0.07	-	-	-	-
Gilbert Espitalier-Noël	401,526	0.07	8,920,960	1.63	-	-	1,064	0.00
Hector Espitalier-Noël	70,456	0.01	15,764,022	2.87	1,439	0.00	21,843	0.06
Jyoti Jeetun	-	-	-	-	-	-	-	-
Jean-Pierre Montocchio	10,212	0.00	587,411	0.11	330	0.00	28	0.00
Stéphane Poupinel de Valencé	60,000	0.01	-	-	-	-	-	-
Alain Rey	12,236	0.00	-	-	1,099	0.00	-	-
Pauline Seeyave	3,314	0.00	-	-	65	0.00	-	-

• During the financial year under review, none of the Directors has traded in the shares of NMH.
• Note 17 to the financial statements for the year ended 30 June 2023, set out on pages 126 to 130 of the Integrated Annual Report 2023, details all related party transactions between the Company or any of its subsidiaries or associates and a Director, Chief Executive, controlling shareholder or companies owned or controlled by a Director, Chief Executive or controlling shareholder.
• Shareholders are apprised of related party transactions through the issue of circulars and press releases by the Company in compliance with the Listing Rules of the SEM.

2.5.2 Information, Information Technology and Information Security Governance

The Board is responsible for information governance within NMH. The management of Information Technology and Information Security Governance is delegated to the Group's IT Department.

• ***Outlook :*** The Company has strengthened its focus on digital transformation around three pillars: digital culture, bottom line contribution and risk management. The digitalisation 3-year plan has aligned the road map with the Business Units.
• ***Digital Culture :*** The digitalisation of the Group is disseminated to a larger audience, democratising IT tools, skills and knowledge. The Company is equipping an increasing number of Artisans with digital tools ("à la carte" restaurant, buffet and bar waiters are seeing their daily tasks digitalised), with each initiative being another step towards paperless operations.
By fostering a more digital savvy workforce, we are reinforcing the appetite for change therefore facilitating the next steps towards the Group's digitalisation. A strong investment in talent training is helping the adoption of digital tools.
Our relentless focus on the guest journey will help us equip them with relevant digital tools. The digital journey complements human interaction and will be tailored to the unique customer profiles visiting our hotels.
• ***Bottom Line Contribution :*** New IT projects are focusing on revenue generation. For instance, reservation tools are being deployed across hotels to maximise usage of activities (golf, spa, etc.).
Key network equipment will be replaced in order to offer the greatest client experience, resulting in higher client satisfaction.
Our BI platform is being further leveraged to offer greater visibility to managers, fostering a data driven approach to measuring success and driving day to day operations.
By becoming more efficient, we ensure the same quality of service while controlling our costs.

Risk Management

• ***Risk Factors:*** Risks related to our business are described on pages 56 to 57.
• ***Information and Communication Technology:*** : From a business perspective, ICT remains fully aligned with business strategy to deliver innovative and cost-efficient solutions. Previously a support department, ICT has now become an enabler of the global business strategy. It is fully integrated into the business decision process to bring technological added value to the guest experience.
On the Company back-end systems, the emphasis is set to accelerate the digital transformation and processes review. By providing a well-defined, consistent approach to IT governance, ICT guides stakeholders in decision-making to ensure that the Company achieves the expected business outcomes.
Performance monitoring is part of the DNA to ensure that 24/7operations are running smoothly.
• ***Cyberattacks***: We use industry security standards to monitor all services and prevent intrusions. Best practices in security block threats against the infrastructure and applications. User awareness sessions help reinforce the security level against social engineering.
• ***Hardware Failures***: Our infrastructure consists of a data centre, running all our on-premises applications, and a Disaster Recovery ("DR") site, where the more critical applications are replicated online and where backups are stored.
• ***Software Failures***: The most critical applications are replicated online and all others are regularly backed up at our DR site. We also have service-level agreements with providers.
• ***Internet Access Disruptions***: Our country being subject to cyclones with potential for communication disruptions, all our communication lines are fully redundant down the physical access to all sites, as well as connection through the network of two different suppliers. This applies to our Internet connections and connections between our sites.
• ***Utility Failures:*** During the cyclone season, the probability of electricity supply disruption is quite high; we have equipped all pieces of equipment in our sites (hotels, Head Office, our data centre, DR site, etc.) with redundant UPS systems and generators.
• ***Websites***: Our websites are hosted by a well-reputed international hosting company and maintained by an internal team of developers.
• ***Business Alignment***: We are on the lookout for new technologies to run our business and improve guest satisfaction through guest-facing technologies, which are increasingly expected.
• ***Data Protection***: We collect, process and store personal data in the course of conducting our business operations. In doing so, we ensure compliance with the Mauritian Data Protection Act 2017 as well as the European General Data Protection Regulation ("GDPR").

The ICT policy is available for consultation on NMH's website: **www.beachcomber.com**

2.5.3 Legal Duties & Access to Information

• The Directors are aware of their legal duties.
• During the discharge of their duties, they are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company.
• Directors are also entitled to have access, at all reasonable times, to all relevant Company information and to management, if useful, to perform their duties.
• A Directors' and Officers' Liability Insurance policy has been secured by the Company. The policy provides cover for risks arising out of the acts or omissions of the Directors and Officers of the Company.
• The Board has delegated to the CGC its duty to regularly monitor and ensure compliance with the Code of Ethics.

2.5.4 Remuneration Policy

• The underlying philosophy is to set remuneration at an appropriate level to attract, retain and motivate high-calibre personnel and reward them according to their individual as well as joint contribution towards the achievement of the Company's objective and performance, while taking into account current market conditions and the Company's financial position. The Directors are remunerated for their knowledge, experience and insight given to the Board and Committees.
• For Executive Directors, apart from a base salary and short-term benefits which reflect their responsibilities and experience, their remuneration consists of a variable element in the form of an annual bonus, determined by the performance of both the Group and the individual.
• None of the Non-Executive Directors is entitled to remuneration in the form of share options or bonuses associated with the Company's performance.
• Particulars of Directors' remuneration are entered into the Interests Register of the Company.
• The table hereunder lays out the current fee structure of the Company for the year ended 30 June 2023:

Category of Member	Monthly Fixed Fee (Rs)
Chairman of the Board, also member of the CGC	40,000
Members also sitting on the CGC, AC and/or RC	35,000
Members not sitting on any Committee	25,000

2.5.5 Attendance and Remuneration/Benefits paid

For the year under review, the attendance at Board and Committee meetings and actual remuneration and benefits perceived by the Directors are presented in the following table:

Category	Director	Attendance				Remuneration & Benefits Perceived
		Board	AC	RC	CGC	Rs
Executive	Gilbert Espitalier-Noël[1]	11/11	n/a	4/4	5/5	23,868,230
	Pauline Seeyave	10/11	n/a	n/a	n/a	17,436,261
	Stéphane Poupinel de Valencé[2]	1/1	n/a	n/a	n/a	2,388,522
Non-Executive	Sunil Banymandhub[3]	11/11	4/4	⊙ 4/4	4/5	420,000
	Jitendra Bissessur	10/11	n/a	3/4	n/a	420,000
	Herbert Couacaud	8/11	n/a	n/a	2/5	420,000
	Hector Espitalier-Noël[4]	⊙ 11/11	n/a	n/a	5/5	480,000
	Jean-Pierre Montocchio	9/11	n/a	n/a	⊙ 4/5	420,000
Independent	Alain Rey	11/11	⊙ 4/4	n/a	n/a	420,000
	Jyoti Jeetun	10/11	4/4	n/a	n/a	420,000

⊙ Chairman as at 30 June 2023

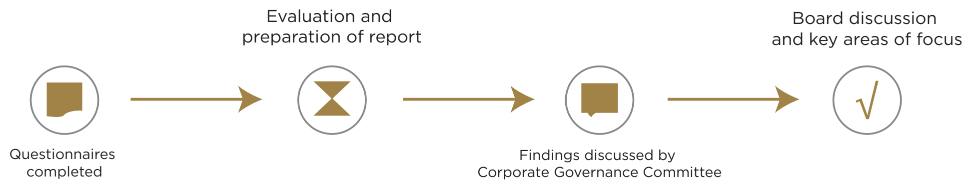
[1] *Effective July 2023, Mr Gilbert Espitalier-Noël is a Non-Executive Director and Chairman of NMH.*
[2] *Effective May 2023, Mr Stéphane Poupinel de Valencé has been appointed as Director of NMH.*
[3] *Effective September 2023, Mr Sunil Banymandhub is no longer a Director of NMH.*
[4] *Effective July 2023, Mr Hector Espitalier-Noël is no longer the Chairman of NMH.*

For the year under review, the Directors of the Company did not receive any remuneration from the Company's subsidiaries.

2.5.6 Board Evaluation

- Every year, the Board conducts a self-appraisal to assess its performance and efficacy as well as those of its Committees. The review was facilitated by the Company Secretary and Directors were issued with a questionnaire, designed to elicit their views and opinions on digitalisation, risk and self-evaluation.

Internal Evaluation Process



The Board of NMH is committed to continuous improvement. The results of the Board evaluation exercise have been shared with the Corporate Governance Committee and Board of Directors. The review concluded that the governance structures of NMH continue to be effective. Additional areas which would retain the Board's attention in the coming years have been defined. Since last year, the Board's and committee's agenda have been enhanced so that going forward, a systematic reporting process is in place for specific matters. This will ensure that appropriate information is provided to the Board in a timely manner.

3 INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

For internal control, internal audit and risk management, please refer to pages 50 to 59.

4 SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

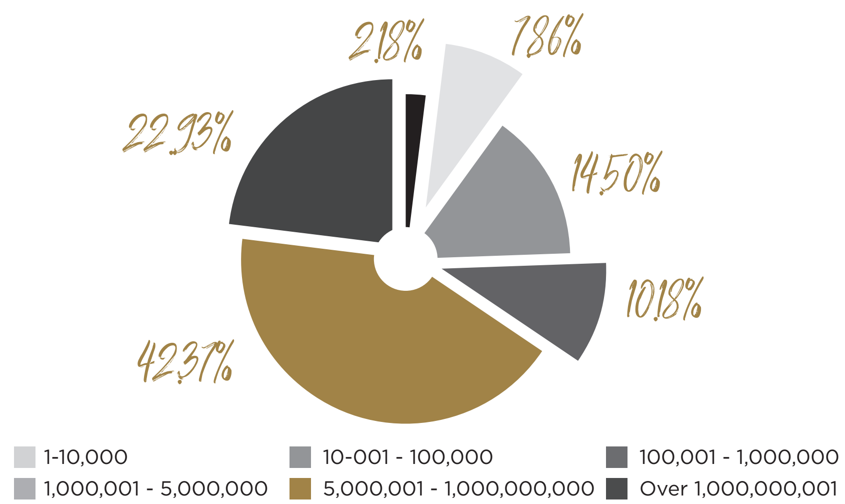
4.1 Shareholding Profile

As at 30 June 2023, shareholders holding more than 5% of the ordinary shares of the Company were as follows:

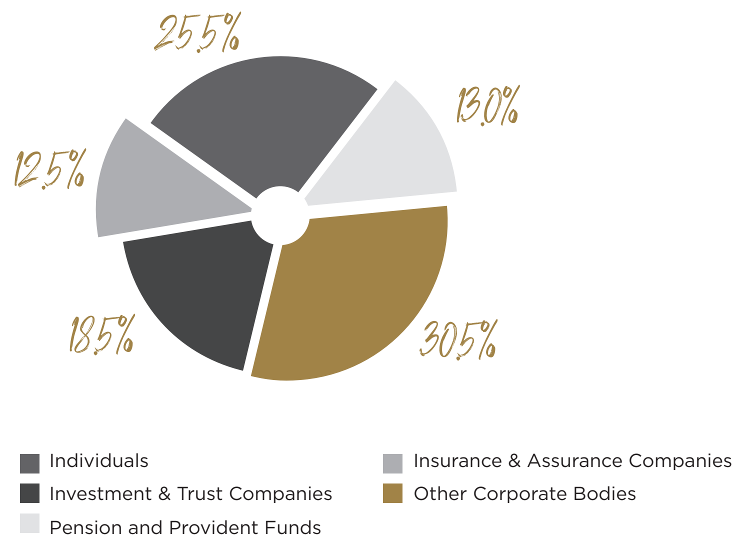
	Ordinary (%)
Rogers and Company Limited	22.93
ENL Limited	15.25
Swan Life Ltd	10.58
Herbert Couacaud	6.35

The distribution and spread of shareholders as at 30 June 2023 were as follows:

Distribution of Shareholders



Spread of Shareholders



4.2 Contracts of Significance between the Company and its Substantial Shareholders

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

4.3 Third-Party Agreements

NMH has a management services agreement with Semaris Ltd for the provision of management services.

4.4 Engagement with Shareholders

4.4.1 Shareholders' Relations and Communication

- The Board of Directors places great importance on open and transparent communication with its shareholders. The Company communicates with shareholders through its Integrated Annual Report, circulars issued in compliance with the Listing Rules of the SEM, press announcements, publication of unaudited quarterly and audited abridged financial statements of the Company, dividend declaration and meetings of shareholders.
- In compliance with the Mauritian Companies Act 2001, shareholders are invited to the meetings of shareholders of NMH where they can raise and discuss matters relating to the Company with the Board.
- The website (www.beachcomber.com) includes an investors' section which provides timely information to stakeholders. Interim, audited financial statements, press releases and so forth are accessible from there.
- Analyst meetings are also organised periodically at which analysts are invited to interact with management.

4.4.2 Shareholders' Calendar

September 2023	Publication of abridged audited financial statements for the year ended 30 June 2023
November 2023	Publication of 1st quarter results to 30 September 2023
	Issue of Integrated Annual Report 2023
December 2023	Annual Meeting of Shareholders
February 2024	Publication of half-year results to 31 December 2023
May 2024	Publication of 3rd quarter results to 31 March 2024

4.4.3 Shareholders' Agreement affecting the Governance of the Company by the Board

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

4.4.4 Dividend

The Company has no formal dividend policy. Payment of dividends is subject to the profitability of NMH, its foreseeable investment, capital expenditure and working capital requirements.

5 COMPANY SECRETARY

- ENL Secretarial Services Limited, a wholly-owned subsidiary of ENL Limited, employs qualified chartered secretaries to provide corporate secretarial services to the NMH Group. Mrs Preety Gopaul, who is qualified as an associate under the Institute of Chartered Governance, has more than 20 years of experience and is responsible of the company secretarial department.
- All Directors, including the Chairperson, have access to the advice and services of the Company Secretary, delegated by ENL Secretarial Services Limited, for the purposes of the Board's affairs and the business of the Company.
- The Company Secretary is responsible to the Board for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary
29 September 2023

Company SECRETARY'S CERTIFICATE

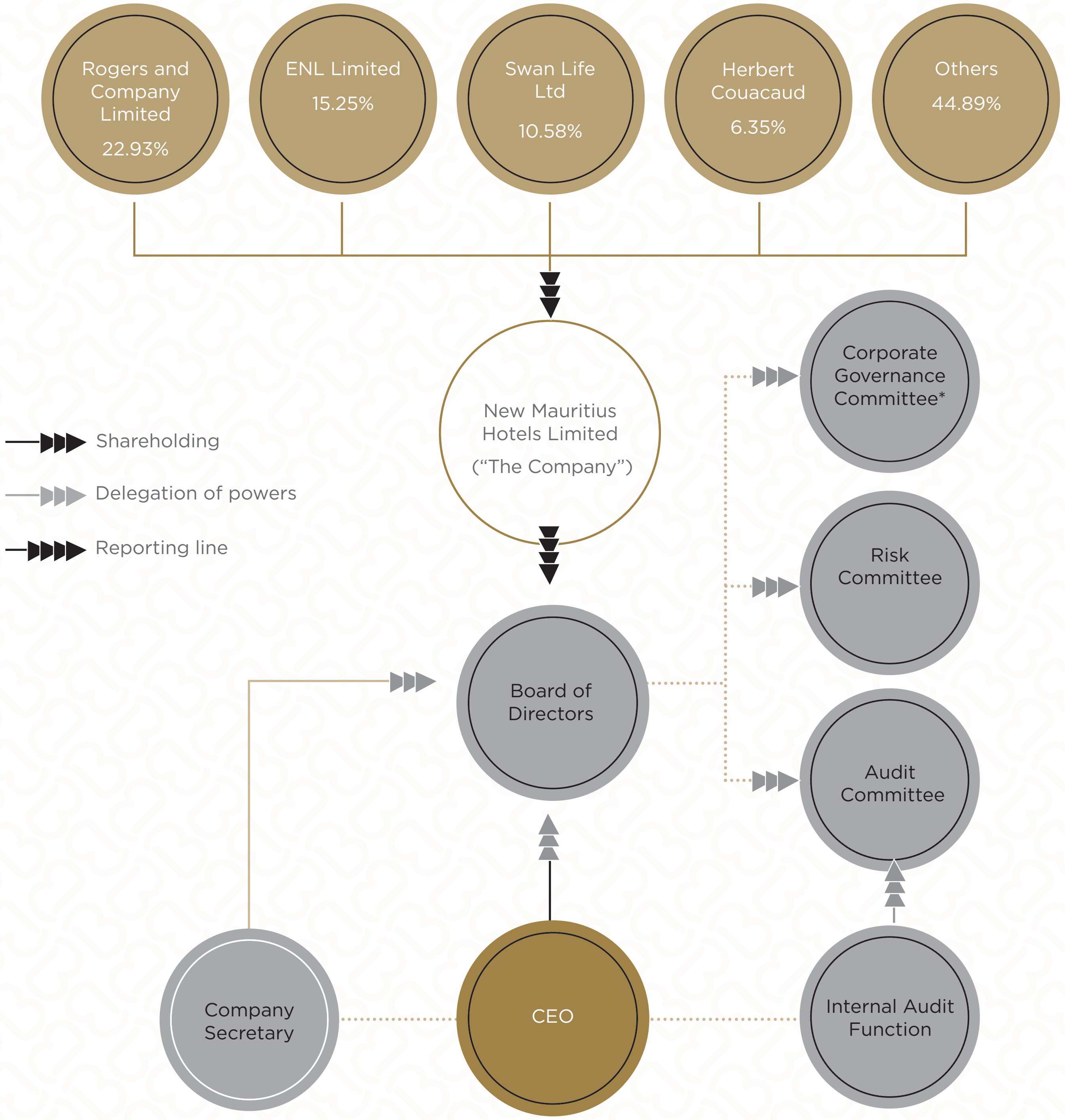
(Pursuant to Section 166(d) of the Mauritian Companies Act 2001)

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 Mauritian Companies Act 2001.

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

29 September 2023

Governance STRUCTURE



* In keeping with its Terms of Reference, the Corporate Governance Committee also acts as Remuneration and Nomination Committee.

Directors' PROFILES

Hector ESPITALIER-NOËL
(Born in 1958)
Chairman[1], Non-Executive Director
Appointed in: April 1997

Qualifications: Member of the Institute of Chartered Accountants in England and Wales

Committee: Member of the Corporate Governance Committee

Professional Journey:
- CEO of ENL Limited and of ENL Group until 30 June 2023
- Worked for Coopers and Lybrand in London
- Worked for De Chazal du Mée in Mauritius
- Past Chairman of New Mauritius Hotels Limited, Semaris Ltd and Rogers and Company Limited
- Past Chairman of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Mauritius Sugar Syndicate

Skills & Experience:
- Extensive CEO and leadership experience and skills
- Strong financial management and strategic business planning skills
- Significant experience in alliances, ventures and partnerships
- Staunch advocate for a more open national economy
- Advocate for a strong public-private sector partnership for sustainable growth
- Strong proponent of private enterprise and entrepreneurship
- Strongly convinced of the multidimensional role of business

[1] *Effective 5 July 2023, Mr Hector Espitalier-Noël is no longer the Chairman of NMH.*

Gilbert ESPITALIER-NOËL
(Born in 1964)
Chief Executive Officer, Executive Director[2]
Appointed in: February 2013

Qualifications: Master of Business Administration from INSEAD, BSc University of Cape Town, BSc (Hons) Louisiana State University

Committee: Member of the Corporate Governance Committee and Risk Committee[3]

Professional Journey:
- CEO of ENL Limited and of ENL Group
- CEO of New Mauritius Hotels Limited until June 2023
- Past CEO of ENL Property Limited
- Past Operations Director of Eclosia Group
- Former President of the Mauritius Chamber of Commerce and Industry, the Mauritius Chamber of Agriculture, the Joint Economic Council and the Mauritius Sugar Producers Association; past Vice-President of the Mauritius Export Association

Skills & Experience :
- In-depth knowledge and extensive experience of operations in ENL's key sectors of activity
- Skilled at creating high-performing teams
- Strong proponent of entrepreneurship, innovation and initiative
- Staunch advocate of, and extensive experience in, public-private partnerships for economic stewardship
- Sound understanding of the business dynamics in Mauritius

[2] *On 30 June 2023, Mr Gilbert Espitalier-Noël has resigned as Chief Executive Officer of NMH and now sits on the Board of Directors of NMH as Non-Executive Director. Effective 5 July 2023, Mr Gilbert Espitalier-Noël has also been appointed as Chairman of NMH.*

[3] *Effective September 2023, Mr Gilbert Espitalier-Noël has ceased to be a member of the Risk Committee.*

Sunil BANYMANDHUB *– resigned from the Board, effective September 2023*
(Born in 1949)
Non-Executive Director
Appointed in: March 2000

Qualifications: BSc Honours First Class in Civil Engineering UMIST, UK, master's degree in Business Studies (London Business School), Associate of the Institute of Chartered Accountants in England and Wales

Committee: Chairman of the Risk Committee and Member of the Corporate Governance Committee and Audit Committee

Professional Journey:
- Occupied senior positions within various major companies in the private sector in Mauritius
- Majority shareholder of a transport company
- Has been involved with several private sector organisations
- Former President of the Mauritius Employers' Federation and Member of the Presidential Commission on Judicial Reform presided over by Lord Mackay of Clashfern, previously UK Lord Chancellor
- Currently Chairman or Board member of a number of domestic and global entities

Skills & Experience:
- Many years' experience in financial services and senior management

Jitendra BISSESSUR
(Born in 1966)
Non-Executive Director
Appointed in: November 2021

Qualifications: BA (Hons) in Mathematical Statistics from the University of Delhi, India and MSc in Applied Economics with specialisation in banking and finance from the University of Mauritius.

Committee: Member of the Risk Committee

Professional Journey:
- Chief Executive Officer of the Mauritius Investment Company Ltd (MIC) since March 2021. He was the Officer-in-Charge of the MIC since its inception in June 2020
- Previously Director of the Economic Research and Analysis and Statistics Department of the Bank of Mauritius (2018-2020). Joined the Research Department of the Bank of Mauritius in January 1991 and has over 30 years of experience in the central banking field. He has both an economics and statistics background
- Worked as an economist in the African Department of the International Monetary Fund (IMF) (2013-14) and was part of the Article IV mission team to review macroeconomic developments and policies in Cameroon. He contributed to the Article IV Staff Report and Selected Issues Paper
- Led the team that set up the MIC and has been attending to corporate finance assignments including asset valuation and asset management
- Past member of the Statistics Board and a Member of the IMF's Task Force on Special Purpose Entities. He has been responsible for the Bank's regular publications including the Monthly Statistical Bulletin, Quarterly Reports and Annual Report. He has been the Secretary of the Bank's Monetary Policy Committee (2014-2021) and was responsible for preparing the Monetary Policy Briefing Paper

Skills & Experience
- Skilled in macroeconomic statistical analysis and framework and macroeconomic, economic and policy analysis and forecasting
- Specific experience in assessing macroeconomic conditions and the stance of monetary, exchange rate and financial policies
- Has represented the Bank in numerous seminars/conferences/meetings at various levels and in various capacities

Herbert COUACAUD *– up for reappointment at next Shareholders' Meeting*
(Born in 1948)
Non-Executive Director
Appointed in: May 1981

Qualifications: BSc in Economics and Mathematics, University of Cape Town

Committee: Member of the Corporate Governance Committee

Professional Journey:
- Former Chief Executive Officer of New Mauritius Hotels Limited (from 1974 until his retirement in June 2015)

Skills & Experience:
- Actively contributed to the development of the tourism industry in Mauritius

Dr Jyoti JEETUN
(Born in 1960)
Independent Non-Executive Director
Appointed in: December 2017

Qualifications: PhD in Strategy and Accounting, MBA, Warwick Business School, University of Warwick. Fellow of the Institute of Chartered Secretaries and Administrators

Committee: Member of the Audit Committee

Professional Journey:
- Group Chief Executive Officer of the Mont Choisy Group since April 2016, leading a major transformation in real estate development in the North through the Mont Choisy Smart City
- Former international consultant in private sector development and financial services
- Former academic with leading UK Business Schools (Warwick Business School, Birmingham Business School, Oxford Brookes Business School and Essex Business School)
- Occupied senior management roles with global investment banks in London (BNP Paribas, Barclays Capital, Bank of America Merrill Lynch)
- Past Deputy Director of the Centre for the Development of Enterprise, a Brussels-based international organisation promoting private sector enterprise development in ACP countries
- Founding Chief Executive of the Sugar Investment Trust and founding Chairperson of the Mauritius Post and Cooperative Bank (now MauBank)
- Started her career as a public servant and went on to become the Finance Editor of Business Magazine

Skills & Experience
- Over 25 years of executive management and boardroom credentials, mainly in the real estate development, banking, financial services and sugar sectors

***Directorship List** - For full directorship lists of the Directors, please refer to the Company's website: www.beachcomber.com*

Jean-Pierre Montocchio
- up for re-election at next Shareholders' Meeting
(Born in 1963)
Non-Executive Director
Appointed in: April 2004

Qualifications: Notary

Committee: Chairman of the Corporate Governance Committee

Professional Journey:
- Appointed Notary Public in Mauritius in 1990
- Contributed to the workings of the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee

Skills & Experience:
- Well-versed in corporate governance matters and NED experience across the private and public sectors
- Extensive experience in alliances, ventures and partnerships
- Strong proponent of fairness in business
- Staunch defendant of shareholders' interests

Stéphane POUPINEL de VALENCÉ
- up for re-election at next Shareholders' Meeting
(Born in 1978)
Executive Director[4]
Appointed in: May 2023

Qualifications: MBA (Paris Dauphine/Sorbonne), Postgraduate in Business Management (Curtin University), B.Com Management and Marketing (Curtin University); Professional Development Program (Cornell University), Senior Executive Program (London Business School), International Project Management (INSEAD)

Committee: Member of the Corporate Governance Committee and Risk Committee[5]

Professional Journey:
- CEO of New Mauritius Hotels Limited since July 2023
- Former Managing Director of Semaris Ltd and Chief Officer – Real Estate & Construction of NMH
- Past Managing Director of Medine Property, the property arm of Medine Ltd
- Commenced his career at Panagora Marketing Co. Ltd, part of the Eclosia Group, in sales and marketing

Skills & Experience:
- In-depth knowledge and experience of NMH's key operations
- Focus on people empowerment and community development
- Strong experience in leadership, property development and sales & marketing

[4] *Mr Stéphane Poupinel de Valencé has been appointed as CEO of NMH on 1 July 2023.*

[5] *Effective September 2023, Mr Stéphane Poupinel de Valencé has been appointed as member of the Corporate Governance Committee and Risk Committee.*

Alain REY *– up for re-election at next Shareholders' Meeting*
(Born in 1959)
Independent Non-Executive Director
Appointed in: February 2017

Qualifications: Member of the Institute of Chartered Accountants in England and Wales

Committee: Chairman of the Audit Committee

Professional Journey:
- Worked in the financial services industry at Citibank N.A. (France)
- Past Regional Corporate Director of Barclays Bank Plc at their Mauritius branch
- Past Senior Vice President and Chief Financial Officer of Novel Denim Holdings Ltd, a Nasdaq-listed company
- Past CEO of Compagnie de Mont Choisy Limitée, a group of companies involved in agricultural and property development activities

Skills & Experience:
- Extensive experience in the formulation and appraisal of risk assessment and management systems in various industries
- Past Chairman of various Strategic and Investment Committees with banking and financial competence and expertise

Pauline SEEYAVE
(Born in 1974)
Executive Director
Appointed in: August 2016

Qualifications: Master of Arts, St Catharine's College, University of Cambridge and Associate of the Institute of Chartered Accountants in England and Wales

Professional Journey:
- Group Chief Financial Officer of New Mauritius Hotels Limited since 2016
- Occupied senior executive roles in banking, including finance, risk management, credit, project finance and corporate banking
- Managed a wide portfolio of clients across various sectors in Audit and Business Assurance in the UK
- Current Non-Executive Director of Innodis Ltd
- Member of the Listing Executive Committee of the Stock Exchange of Mauritius Ltd
- Past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Méditerranée Albion Resorts Ltd

Skills & Experience:
- Over 20 years in leadership roles
- Extensive experience in risk management, finance and corporate governance

Sharmila Banymadhub-Chakowa *–*
up for re-election at next Shareholders' Meeting
(Born in 1963)
Independent Non-Executive Director
Appointed in: September 2023

Qualifications: Private Wealth & Family Office Management – Swiss Certified Course and Fellow of the Association of the Chartered Certified Accountant

Committee: Chairperson of the Risk Committee and Member of the Audit Committee[6]

Professional Journey:
- Provision of financial advisory and family office management services
- Local Representative and Director of CLSA (Mauritius) Limited, part of CITIC CLSA Group
- Past Managing Partner of Temple Corporate Services Ltd and Corporate Support Services
- Occupied senior executive positions in Finance, Administration and Treasury Management in private companies

Skills & Experience:
- Dynamic and goal-oriented Finance Professional with more than 30 years post-qualification experience in various sectors, the last 17 years being in the financial services sector
- Managed a portfolio of global business companies and funds
- Skilled in risk management and mitigation systems; also has compliance, client onboarding and team leadership skills
- Involved in the setting-up of internal control systems and AML/CFT policies & procedures

[6] *Effective September 2023, Mrs Sharmila Banymadhub-Chakowa has been appointed as Chairperson of the Risk Committee and member of the Audit Committee.*

***Directorship List -** For full directorship lists of the Directors, please refer to the Company's website: www.beachcomber.com*

Senior EXECUTIVES

From left to right: Hubert de Ravel, Jean-Louis Pismont, Karine Perrier Curé, Sebastian La Hausse de Lalouvière, Stéphane Poupinel de Valencé, Nicolas Staub, Pauline Seeyave

Absent from the photo : Géraldine Koenig

Hubert DE RAVEL

Chief Digital Officer

Qualifications: MBA (INSEAD) Master of Engineering in Networks and Telecommunication (INSA Toulouse)

Experience: Hubert joined New Mauritius Hotels Ltd in June 2021 to lead the Group's digital transformation. He has 10 years' experience in digitalising global processes in different international groups including Orange and Nike. He brings a wide array of technology acumen with a spike on data analytics and a strong leadership experience. Previously Consultant Digital & Analytics at McKinsey, Hubert is guiding NMH in articulating and deploying the digitalisation strategy of the Group. convinced of the multidimensional role of business

Jean Louis PISMONT

Chief Operations Officer

Qualifications: Graduated from the Hotel School of Granville and holds a degree from Thonon-les-Bains Hotel Management School, France

Experience: Jean-Louis joined New Mauritius Hotels Ltd in 1996 and managed various Beachcomber hotels. He represents the interests of NMH as owners' representative of the Fairmont Royal Palm Marrakech. He is also a past President of the Association of Hotels and Restaurants of Mauritius (AHRIM)

Karine PERRIER CURÉ

Chief Brand and Communication Officer

Qualifications: Master of Science in Marketing (MSc Hons University of Paris – Dauphine, France), Postgraduate Diploma in Marketing and Communication (ISG Paris, France), Senior Executive Programme (INSEAD): Transition to General Management and Strategy Execution for Business Leaders

Experience: Karine started her career in the field of advertising and communication in Paris. Since returning to Mauritius, she has worked in the tourism, leisure and hotels sectors as well as in the Corporate Marketing & Communication sphere. She was a former Chief Marketing & Communication Executive of Rogers & Co. Ltd. She joined NMH Group in February 2019 to lead the Brand & Communication strategies, CSR and Corporate Affairs. Karine is also the chairperson of Fondation Espoir Développement Ltée

Sebastian LA HAUSSE DE LALOUVIÈRE

Chief People Officer and Group Legal Counsel

Qualifications: Barrister at the Bar of England & Wales in November 2012 and the Mauritian Bar in January 2014

Bar Professional Training Course (BPTC), Bachelor of Law (LLB) from the University of London and Master of Laws (LLM), University of the West of England

Experience: Sebastian is a member of the Honourable Society of the Middle Temple as well as the Mauritius Bar Association. He is also an ADR Group Accredited Mediator specialising in civil and commercial mediation. Sebastian joined New Mauritius Hotels in May 2019 as its Group Legal Counsel, after having occupied similar positions at Omnicane Limited and IBL Ltd. He was appointed Chief People Officer and Group Legal Counsel in March 2022

Stéphane POUPINEL DE VALENCÉ

Chief Executive officer, Executive Director

See under the section Directors' Profiles

Nicolas STAUB

Chief Commercial Officer

Qualifications: Graduated from ICSA in WITTS, University of South Africa

Experience: Nicolas joined New Mauritius Hotels Ltd in 1998 and began his career at Paradis Beachcomber. In 1999, he moved on to the Group's Sales & Marketing Team. During the last 23 years, he has held several positions including that of Head of Sales. He was appointed Chief Commercial Officer in April 2022

Pauline SEEYAVE

Chief Financial Officer

see under the section Directors' Profiles

Géraldine KOENIG

Chief Risk and Compliance Officer

Qualifications: BA Hons Economics/MA, University of Cambridge, UK Diploma in Management, University of Amherst, USA

Experience:
Géraldine joined New Mauritius Hotels Ltd in March 2016 as Chief Officer Operational Excellence. She was appointed Chief Risk & Compliance Officer in March 2022. She previously worked with SGS Group Management Ltd (Geneva) and the Rogers Group

Business unit LEADERS

Mark BOULLÉ
Managing Director of Beachcomber Tours, UK

Isabelle BOUVIER
General Manager of Royal Palm Beachcomber Luxury

Jean-François BRUN
General Manager of Fairmont Royal Palm Marrakech

Annabelle DUPONT
General Manager of Beachcomber Boutiques

Sheila COLLET SERRET
General Manager of Beachcomber Office, Italy

Théodose FLEURIÉ
General Manager of Trou aux Biches Beachcomber Golf Resort & Spa

Lothar GROSS
General Manager of Canonnier Beachcomber Golf Resort & Spa and Mauricia Beachcomber Resort & Spa

Stephan LAGESSE
General Manager of Paradis Beachcomber Golf Resort & Spa and Dinarobin Beachcomber Golf Resort & Spa

Terry MUNRO
Managing Director of Beachcomber Tours, South Africa

Olivier NAIRAC
General Manager of Beachcomber Catering

Rico PAOLETTI
General Manager of Shandrani Beachcomber Resort & Spa

Kervyn RAYEROUX
General Manager of Victoria Beachcomber Resort & Spa

Richard ROBERT
Managing Director of Mautourco

Guy ZEKRI
Managing Director of Beachcomber Tours. France

Board of Directors' STATEMENT

I. OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Mauritian Companies Act 2001 and Section 88 of the Mauritian Securities Act 2005)

Activities

The activities of NMH are disclosed in Note 1 to the Integrated Annual Report 2023.

Directors

A list of Directors of the Company and its subsidiaries is set out on page 87 of the Integrated Annual Report 2023.

Directors' Service Contracts

None of the Directors of the Company or its subsidiaries has service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

Directors' Remuneration and Benefits

The total remuneration and benefits received, or due and receivable:

(i) by each Director of NMH from the Company are found on page 70 of the Integrated Annual Report 2023; and

(ii) by the Directors from NMH and its subsidiaries were as follows:

Directors	From the Company		From the Subsidiaries	
	2023	2022	**2023**	2022
Executive Directors	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Full-time	**40,523**	40,648	**-**	-
Part-time	**-**	-	**-**	-
Non-Executive Directors	**3,000**	2,755	**-**	-
Post-employment benefits – Executive Directors	**3,169**	4,060	**-**	-
	46,692	47,463	**-**	-

Directors' Interests in the Equity of NMH

(i) The interests of the Directors in the shares of NMH as at 30 June 2023 are found on page 68 of the Integrated Annual Report 2023.

(ii) As at 30 June 2023, none of the Directors, except for those detailed below, held any direct interests in the equity of the subsidiaries of the Company:

	Beachcomber Hotel S.A.		Beachcomber Hotel Marrakech S.A.		Beachcomber Hospitality Investments Ltd			
					Restricted-Voting Class A Preference		Restricted-Voting Class B Preference	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Gilbert ESPITALIER-NOËL	1	0.000	1	0.000	700	0.1922	34	0.1033
Hector ESPITALIER-NOËL	1	0.000	-	-	-	-	405	1.2302
Pauline SEEYAVE	1	0.000	1	0.000	500	0.1373	30	0.0911

Interests of Senior Officers (excluding Directors) in the Shares of NMH

As at 30 June 2023, none of the senior officers (excluding Directors), except for those detailed below, held any direct or indirect interests in the equity of the Company:

	Ordinary Shares				Preference Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Annabelle DUPONT	53,067	0.010	-	-	-	-	-	-
Geraldine KOENIG	-	-	69,200	0.013	-	-	-	-
Olivier L. NAIRAC	-	-	124,394	0.024	-	-	4,500	0.013
Laurent PIAT	21,050	0.004	-	-	-	-	-	-

Contracts of Significance

During the year under review, there was no contract of significance to which NMH or one of its subsidiaries was a party and in which a Director of NMH was materially interested either directly or indirectly.

Shareholders

At 29 August 2023, the following shareholders were directly or indirectly interested in more than 5% of the ordinary share capital of the Company:

Name of Shareholder	Interest (%)
Rogers & Company Limited	22.93
ENL Limited	15.25
Swan Life Ltd	10.60
Herbert Couacaud	6.35

Donations

The Company has maintained its policy of channelling all requests for social assistance through its solidarity fund, FED, created in March 1999. During the year under review, the Company contributed Rs 5.8m (30 June 2022: Rs 4.1 m) to the fund.

Political donations are dealt with by the Board. For the year under review, an amount of Rs 1m has been donated to political parties (30 June 2022: Rs Nil).

During the year ended 30 June 2023, Beachcomber Marketing (Pty) Ltd made a total donation of Rs 0.238m (30 June 2022: Rs 0.260m).

Auditors' Remuneration

	The Group		The Company	
	2023	2022	**2023**	2022
Audit fees paid to:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
BDO & Co.	**9,809**	7,895	**8,400**	7,000
Other firms	**4,610**	4,453	**-**	-
Fees paid for other services provided by:				
BDO & Co.	**965**	902	**900**	750
Other firms	**4,886**	3,088	**2,475**	1,470

Other services relate mainly to taxation, consolidation fees and advisory fees.

Name of Company	Country of Incorporation	Fees paid to BDO & Co.	
		Audit Fees	Other Services
		Rs '000	Rs '000
Beachcomber Hospitality Investments Ltd	Mauritius	500	-
Beachcomber Limited	Mauritius	80	-
Beachcomber Training Academy Limited	Mauritius	80	-
Kingfisher Ltd	Mauritius	190	-
Mautourco Ltd	Mauritius	479	65
Santayarea (Mauritius) Limited	Mauritius	80	-

II. Statement of Directors' Responsibilities

In Respect of Financial Statements

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with;
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business; and
- ensure that the Code of Corporate Governance (the "Code") has been adhered to and where any material deviation from any guidance contained within the Code has occurred, explanations have been provided accordingly.

The Directors confirm that they have complied with the above requirements in preparing the Company's financial statements.

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

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is responsible for the system of internal control and risk management of the Company and its subsidiaries. The Board is committed to continuously maintaining a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group. The Board, through its Audit and Risk Committees, affirms that it has monitored the key strategic, financial, operational, people, system risks and controls in line with the current business environment.

The Board believes that the Group's systems of internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

Nothing has come to the Board's attention to indicate any material breakdown in the functioning of the internal controls and systems during the year under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgements and estimates that fairly present the state of affairs of the Group and the Company.

List of Directors of the Company and its subsidiaries

	Beachcomber Holidays Ltd	Beachcomber Holidays (UK) Limited	Beachcomber Hospitality Investments Ltd	Beachcomber Hotel Marrakech S.A.	Beachcomber Hotel S.A.	Beachcomber Limited	Beachcomber Marketing (Pty) Ltd	Beachcomber Tours SAS	Beachcomber Tours Limited	Beachcomber Training Academy Limited	Domaine de l'Harmonie Ltee	Fondation Espoir et Développement Ltée	Kingfisher Ltd	Les Jardins des Salines Ltd	Les Salines Development Ltd	Les Salines Golf & Resort Limited	Mautourco Ltd	Mautourco Holdings Ltd	New Mauritius Hotels - Italia S.R.L.	New Mauritius Hotels Limited	Plaisance Catering Ltd	Royal Gardens Ltd	Santayarea (Mauritius) Limited	Ste Anne Resort Limited	Trans-Maurice Car Rental Ltd	Wild Africa Safaris Limited
Banymandhub Kishore Sunil																				✓						
Betsy Jean Paul David	✓																									
Bissessur Jitendra Nathsingh																				✓						
Boullé Mark David		✓							✓																	✓
Brousse de Laborde Amaury			A																							
Collet Serret Marie Anne Sheila																			✓							
Corbett Bronwyn Anne			R																							
Couacaud Joseph René Herbert Maingard																				✓						
Curé Karine Marie												✓		A												
Descroizilles Frédérique Louise Etiennette												R														
Dr Sperl Klaus-Ulrich Gerhard																		✓								
Dupont Marie Annabelle												✓														
Espitalier-Noël Marie Edouard Gilbert	✓		✓	✓	✓	✓	✓	✓	✓	R	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
Espitalier-Noël Marie Maxime Hector			✓		✓	R					R					R				✓		R		R		
Fayd'herbe de Maudave Louis René Alexandre																	✓	✓							✓	
Fleury Christine Arlette Françoise																							✓			
Jeetun Jyoti																				✓						
La Hausse de Lalouvière Gérard Jacques Sebastian										✓		✓														
Lebègue Frédéric Claude										R																
Montocchio Marie Joseph Jean-Pierre																				✓						
Montocchio François Thierry																	✓	✓							✓	
Munro Terence Leslie Ross							✓																			
Nairac Olivier Laurence																					✓					
Piat Maurice Daniel Laurent Evenor				✓	✓									A												
Pierre Jean Benoît Didier	✓																									
Pismont Jean Louis Fernand André				✓	✓					✓		✓	✓	A	✓	✓							✓			
Polo Silvana-Lida							✓																			
Poupinel de Valencé Stéphane Jean François			A							A				A						A						
Poussin Gilbert Jean-Paul	✓																✓								✓	
Rey Alfred Joseph Gérard Robert Alain																				✓						
Robert François Richard																	✓								✓	
Seechurn Roma Devi										R																
Seeyave Pauline Sybille Cheh			✓	✓	✓	✓	✓		✓		✓		✓	A	✓	✓	✓			✓	✓	✓		✓		
Sharma Sidharth			A																							
Sobarun Marie Karen Sully										✓																
Staub Nicolas Edward Patrick	✓						✓		✓								✓	✓							✓	
Van de Moortele Leon Paul			R																							
Visagie Joanne Mary							✓																			
Vythelingum Koogen	✓																									
Vythelingum Viren												✓														
Wong Wan Khin Jean-Noël				R	R									A/R												

✓ In office

A Appointed

R Resigned

III. STATEMENT OF COMPLIANCE WITH THE CODE
(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity ("PIE"):	New Mauritius Hotels Limited
Reporting Period:	1 July 2022 to 30 June 2023

We, the Directors of New Mauritius Hotels Limited, confirm to the best of our knowledge that the PIE has fully complied with the principles of the Code of Corporate Governance.

Gilbert ESPITALIER-NOËL
Chairman

Jean-Pierre MONTOCCHIO
Chairman of the Corporate Governance Committee

29 September 2023

Independent Auditor's REPORT

TO THE SHAREHOLDERS OF NEW MAURITIUS HOTELS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of New Mauritius Hotels Limited and its subsidiaries (the "Group"), and the Company's separate financial statements (the "Company") on pages 100 to 172 which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss, consolidated and separate statements of other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements on pages 100 to 172 give a true and fair view of the financial position of the Group and Company as at 30 June 2023, and of their financial performance and 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 consolidated and separate financial statements section* of our report. We are independent of the Group and 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 consolidated and separate financial statements for the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Key Audit Matters (cont'd)

1. Valuation of Investment Property

Key Audit Matter

The Group has investment property amounting to Rs 6.2bn (2022: Rs 5.6bn) as at 30 June 2023. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is carried at fair value as determined annually by a valuation carried out by an external independent valuation specialist which is based on the discounted cash flow model, with the corresponding changes in fair values being recognised in the consolidated statement of profit or loss. The fair value gain on the investment property for the year ended 30 June 2023 amounted to Rs 109.3m (2022 (loss): Rs 19.1m).

The valuation of investment property is of a subjective nature and involves the use of judgements, estimates and other assumptions in determining fair values and which materially affect the carrying amounts of the revalued assets. These judgements have a higher estimation uncertainty as a result of the absence of an active property market. The significance of investment property on the consolidated statements of financial position and the significant judgements and assumptions applied in arriving at the fair value resulted in them being identified as an area of focus for our current year audit.

Related Disclosure

Refer to Note 29 to the accompanying financial statements.

Audit Response

- We have assessed the design and implementation of the relevant controls relating to the risks over the valuation of investment property.
- Our procedures in relation to the valuation of investment property are described below:
  - We have discussed and reviewed the work performed by the component auditor and ensured that he has:
    - obtained, read and understood the reports from the external independent valuation specialist;
    - performed tests of data inputs against supporting documentation to ensure it is accurate, reliable and reasonable;
    - tested the mathematical accuracy of the report and evaluated the valuation methodology used by the external independent valuation specialist;
    - assessed the qualifications, competence, capabilities and objectivity of the external independent valuation specialist;
    - verified the appropriateness of the model used by the external independent valuation specialist; and
    - reviewed the scope of work with management to ensure that there were no matters affecting the external independent valuation specialist judgements.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Key Audit Matters (cont'd)

1. Valuation of Investment Property (cont'd)

Audit Response (cont'd)

- We also performed other audit procedures as follows:
  - engaged with our Corporate Finance specialist team to ensure the valuation process, significant judgements and assumptions applied to the valuation model, including yields and capitalisation rates are reasonable;
  - discussed with the external independent valuation specialist and challenged the key assumptions comprising the discount rates and capitalisation rates adopted in the valuations;
  - benchmarked and challenged the key assumptions to external industry data and comparable property valuation; and
  - reviewed and assessed whether disclosures in the financial statements in respect of valuation of investment property are in accordance with the requirements of International Financial Reporting Standards.

2. Assessment of Impairment of Goodwill

Key Audit Matter

The Group has goodwill from past business combinations. The carrying value of goodwill stood at Rs 1.3bn at both 30 June 2023 and 30 June 2022 respectively. No impairment loss was recognised during the year under review (2022: Nil).

The recoverable amount of assets including goodwill for which indicators of impairment exist as at 30 June 2023 was assessed by the Directors using a discounted cash flow model to determine the recoverable amount of the cash-generating unit (CGU) to which the assets relate to. Significant judgement and application of critical accounting estimates are required in forecasting the future cash flows of each CGU, long-term growth rates together with the rate at which they are discounted for the impairment assessment of goodwill.

The impairment assessment of goodwill was identified as a key audit matter for the audit of the consolidated and separate financial statements due to the significance of their carrying value on the consolidated and separate financial statements and the significant use of estimates, assumptions and judgements including:

- forecasted occupancy rates and guest night spending;
- estimated expenditure;
- future increase in direct costs, staff costs and other operating expenses, and
- discount rate used.

2. Assessment of Impairment of Goodwill (cont'd)

Key Audit Matter
Related Disclosures
Refer to Notes 13, 15 and 30 to the accompanying financial statements.

Audit Response
- We obtained an understanding of the methodology applied by management in performing the impairment test for each of the relevant CGUs.
- We obtained management assessment of the recoverable amounts, based on a discounted cash flow model, for the different CGUs.
- We involved our corporate finance team to assist in the following:
  For all CGUs, we performed sensitivity analysis to calculate the degree to which the key inputs and assumptions would need to fluctuate before an impairment was triggered and considered the likelihood of this occurring. We challenged management on the appropriateness of the impairment model and reasonableness of the assumptions used, we performed detailed testing to critically assess and corroborate the key inputs to the valuations, including:
  – comparing the actual results for the prior years with management's forecasts in order to assess the historical accuracy and reliability of the management's forecasting process;
  – corroborating the discount rate used by obtaining the underlying data used in the calculation and benchmarking it against independently derived expectations, which are based on the historical performance of the businesses, as well as expectations for the markets in which the CGUs operate;
  – considering reasonable probable changes in key assumptions, such as occupancy rate and average room rate;
  – confirming the growth rates and terminal growth rates assumed by management with comparable industry data; and
  – verifying the mathematical accuracy of the models.
- Furthermore, we reviewed and assessed the adequacy of the disclosures made by management in the financial statements in line with IFRS requirements.

Other Information
The Directors are responsible for the other information, which comprises the information included in the Annual Report but does not include the consolidated and separate financial statements and our auditor's report thereon. We have obtained prior to the date of this auditor's report, the statement of compliance, the corporate governance report, the other statutory disclosures and the statement of directors' responsibilities in respect of the presentation of the consolidated and separate financial statements and the Company Secretary's Certificate. All other information in the Annual Report will be made available to us after that date.

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

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

When we read the other information which has not been made available to us prior to the date of this auditor's report, if we conclude there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors;
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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 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 consolidated and separate 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 or any of its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business; and
- 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

BDO & Co.
Chartered Accountants

ARamdin

Port Louis
Mauritius
29 September 2023

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

Financial STATEMENTS

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STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Revenue	12/18	**14,083,520**	8,115,487	**10,382,336**	5,658,267
Cost of inventories	35(c)	**(2,227,506)**	(1,233,991)	**(1,722,025)**	(967,343)
Staff costs	19	**(4,074,140)**	(2,724,702)	**(3,202,726)**	(2,032,343)
Other expenses	20	**(3,615,748)**	(2,545,059)	**(2,418,007)**	(1,811,678)
Net impairment losses on financial assets	34/36(i)	**(495)**	(25,772)	**(365)**	(29,787)
Earnings from operating activities		**4,165,631**	1,585,963	**3,039,213**	817,116
Other income	23	**29,216**	46,132	**1,222,777**	24,278
Other gains/(losses)	24	**298,119**	78,745	**197,423**	93,615
Share of results of associates	32	**14,362**	14,767	**-**	-
Change in fair value of investment property	29	**109,271**	(19,063)	**-**	-
Profit on disposal of investment property, property, plant and equipment and right-of-use assets		**16,204**	2,693	**3,366**	1,625
Normalised earnings before interest, tax, depreciation and amortisation		**4,632,803**	1,709,237	**4,462,779**	936,634
Other impairment (losses)/reversal	15	**(128,889)**	326,624	**(42,539)**	-
Reassignment of claim from subsidiary	14	**-**	-	**(180,167)**	-
Gain on disposal of subsidiary	31	**-**	-	**420,685**	-
Gain on disposal of associate	32	**781**	-	**781**	-
Gain on business combination	8	**236,154**	-	**-**	-
Earnings before interest, tax, depreciation and amortisation		**4,740,849**	2,035,861	**4,661,539**	936,634
Finance costs	22	**(1,482,677)**	(1,340,174)	**(1,391,321)**	(1,183,372)
Finance revenue	21	**329,543**	149,331	**438,908**	275,349
Depreciation of property, plant and equipment	27	**(644,763)**	(639,916)	**(423,622)**	(404,551)
Depreciation of right-of-use assets	28(i)	**(127,126)**	(121,249)	**(399,644)**	(349,639)
Amortisation of intangible assets	30	**(6,544)**	(18,273)	**(3,009)**	(12,151)
Profit/(Loss) before tax for the year		**2,809,282**	65,580	**2,882,851**	(737,730)
Income tax (expense)/credit	25(a)	**(527,142)**	(20,218)	**(301,657)**	114,778
Profit/(Loss) for the year		**2,282,140**	45,362	**2,581,194**	(622,952)
Profit/(Loss) attributable to:					
Owners of the parent		**2,118,591**	(64,770)	**2,581,194**	(622,952)
Non-controlling interests		**163,549**	110,132	**-**	-
		2,282,140	45,362	**2,581,194**	(622,952)
Basic earnings/(loss) per share:	26	**3.86**	(0.12)		
Diluted earnings/(loss) per share:	26	**2.42**	(0.12)		

The notes on pages 106 to 172 form an integral part of these financial statements.
Independent Auditor's Report on pages 91 to 97.

STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Profit/(Loss) for the year		**2,282,140**	45,362	**2,581,194**	(622,952)
Other comprehensive income:					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations, net of tax		**(405,179)**	218,789	**-**	-
Share of other comprehensive income of associates, net of tax	32	**3,385**	253	**-**	-
Cash flow hedges released to profit or loss	24	**25,531**	66,142	**103,854**	66,142
(Losses)/Gains on cash flow hedges		**(96,894)**	186,911	**(407,318)**	711,815
Tax effect on gains/(losses) on cash flow hedges	25(b)	**81**	-	**52,854**	(89,234)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		**(473,076)**	472,095	**(250,610)**	688,723
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Gains on revaluation of land and buildings	27	**-**	2,076,015	**-**	1,587,476
Tax effect on revaluation of land and buildings	25(b)	**-**	(318,724)	**-**	(243,500)
Changes in fair value of equity instruments at fair value through other comprehensive income	33	**938**	632	**924**	632
Share of other comprehensive income of associates, net of tax	32	**(6,620)**	69,204	**-**	-
Remeasurement of employee benefit liabilities	45	**(610,185)**	195,932	**(596,339)**	186,314
Tax effect on remeasurement of employee benefit liabilities	25(b)	**103,766**	(33,300)	**101,378**	(31,673)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		**(512,101)**	1,989,759	**(494,037)**	1,499,249
Other comprehensive income for the year, net of tax		**(985,177)**	2,461,854	**(744,647)**	2,187,972
Total comprehensive income for the year, net of tax		**1,296,963**	2,507,216	**1,836,547**	1,565,020
Total comprehensive income attributable to:					
Owners of the parent		**1,308,105**	1,950,157	**1,836,547**	1,565,020
Non-controlling interests		**(11,142)**	557,059	**-**	-
		1,296,963	2,507,216	**1,836,547**	1,565,020

The notes on pages 106 to 172 form an integral part of these financial statements.
Independent Auditor's Report on pages 91 to 97.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTES	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
ASSETS					
Non-current assets					
Property, plant and equipment	27	**25,754,071**	25,691,688	**16,626,088**	16,527,591
Right-of-use assets	28(i)	**2,338,270**	2,309,277	**6,239,812**	4,788,149
Investment property	29	**6,164,287**	5,573,428	**-**	-
Intangible assets	30	**1,267,256**	1,273,592	**1,093,276**	1,096,274
Investment in subsidiaries	31	**-**	-	**8,329,640**	7,214,865
Investment in associates	32	**723,011**	716,716	**18,307**	18,307
Financial assets at fair value through other comprehensive income	33	**10,698**	9,760	**10,498**	9,574
Financial assets at amortised cost	34	**1,312,110**	1,311,431	**3,679,957**	3,481,070
Deferred tax assets	25(b)	**227,203**	222,978	**-**	-
Total non-current assets		**37,796,906**	37,108,870	**35,997,578**	33,135,830
Current assets					
Inventories	35	**500,841**	334,432	**472,022**	310,484
Trade receivables	36	**1,089,616**	888,492	**440,761**	421,877
Financial assets at amortised cost	34	**948,215**	702,005	**304,807**	213,235
Other assets	37	**261,176**	162,788	**194,749**	127,611
Derivative financial instruments	38	**13,894**	243	**13,894**	243
Income tax prepaid	25(a)	**6,503**	10,595	**6,503**	6,174
Cash in hand and at banks	39	**1,582,005**	1,552,050	**140,320**	122,919
Total current assets		**4,402,250**	3,650,605	**1,573,056**	1,202,543
Total assets		**42,199,156**	40,759,475	**37,570,634**	34,338,373
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Ordinary share capital	40	**2,780,301**	2,780,301	**2,780,301**	2,780,301
Redeemable convertible secured bonds	41	**1,832,792**	1,832,792	**1,832,792**	1,832,792
Retained earnings		**2,311,280**	1,198,004	**5,044,112**	2,890,372
Other components of equity	42	**2,068,938**	2,990,345	**998,262**	1,313,773
		8,993,311	8,801,442	**10,655,467**	8,817,238
Preference share capital	43	**1,927,234**	-	**-**	-
Non-controlling interests		**90,214**	476,226	**-**	-
Total equity		**11,010,759**	9,277,668	**10,655,467**	8,817,238
Non-current liabilities					
Redeemable convertible secured bonds	41	**468,632**	536,500	**468,632**	536,500
Redeemable preference shares	44(d)	**448,552**	448,496	**448,552**	448,496
Subordinated loan	44(b)	**-**	1,734,188	**-**	-
Borrowings	44(b, c)	**13,742,269**	11,468,803	**7,362,578**	8,296,444
Lease liabilities	28(ii)	**2,388,617**	2,277,657	**8,543,280**	7,132,372
Deferred tax liabilities	25(b)	**1,985,765**	1,697,050	**745,645**	605,695
Employee benefit liabilities	45	**2,320,753**	1,824,885	**2,286,573**	1,763,177
Total non-current liabilities		**21,354,588**	19,987,579	**19,855,260**	18,782,684
Current liabilities					
Redeemable convertible secured bonds	41	**110,945**	109,015	**110,945**	109,015
Trade and other payables	46	**4,045,936**	3,705,527	**1,992,762**	1,863,464
Contract liabilities	18(b)	**650,244**	532,474	**501,420**	438,151
Borrowings	44(b, c)	**4,860,882**	7,047,403	**4,065,226**	3,884,994
Lease liabilities	28(ii)	**83,776**	80,237	**389,554**	441,439
Derivative financial instruments	38	**-**	1,388	**-**	1,388
Income tax payable	25(a)	**80,248**	18,184	**-**	-
Dividend payable		**1,778**	-	**-**	-
Total current liabilities		**9,833,809**	11,494,228	**7,059,907**	6,738,451
Total liabilities		**31,188,397**	31,481,807	**26,915,167**	25,521,135
Total equity and liabilities		**42,199,156**	40,759,475	**37,570,634**	34,338,373

Approved by the Board of Directors on **29 September 2023** and signed on its behalf by:

GILBERT ESPITALIER-NOËL
CHAIRMAN

ALAIN REY
CHAIRMAN OF THE AUDIT COMMITTEE

The notes on pages 106 to 172 form an integral part of these financial statements.
Independent Auditor's Report on pages 91 to 97.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

THE GROUP

		Attributable to Owners of the Parent Company											
	NOTES	Ordinary Share Capital Rs '000	Redeemable Convertible Secured Bonds Rs '000	Retained Earnings Rs '000	Foreign Exchange Difference Reserves Rs '000	Cash Flow Hedge Reserves Rs '000	Financial Assets at Fair Value through OCI Reserves Rs '000	Revaluation Reserves Rs '000	Other Reserves Rs '000	Total Rs '000	Preference Share Capital Rs '000	Non-Controlling Interests Rs '000	Total Equity Rs '000
As at 1 July 2022		2,780,301	1,832,792	1,198,004	(1,282,452)	(191,997)	(12,291)	3,852,502	624,583	8,801,442	-	476,226	9,277,668
Profit for the year		-	-	2,118,591	-	-	-	-	-	2,118,591	-	163,549	2,282,140
Other comprehensive income for the year		-	-	(508,313)	(227,103)	(71,282)	23,327	(27,115)	-	(810,486)	-	(174,691)	(985,177)
Total comprehensive income for the year		-	-	1,610,278	(227,103)	(71,282)	23,327	(27,115)	-	1,308,105	-	(11,142)	1,296,963
Depreciation transfer for buildings		-	-	80,389	-	-	-	(80,389)	-	-	-	-	-
Tax effect of depreciation transfer for buildings		-	-	(13,666)	-	-	-	13,666	-	-	-	-	-
Transfer on disposal of properties	27	-	-	13,210	-	-	-	(11,528)	-	1,682	-	-	1,682
Issue of preference share capital, net of transaction costs	43	-	-	-	-	-	-	-	-	-	1,927,234	-	1,927,234
Changes in ownership interest in subsidiaries that do not result in a loss of control	50	-	-	(576,935)	(787,353)	-	-	246,370	-	(1,117,918)	-	590,977	(526,941)
Dividends	7/11	-	-	-	-	-	-	-	-	-	-	(965,847)	(965,847)
As at 30 June 2023	42	**2,780,301**	**1,832,792**	**2,311,280**	**(2,296,908)**	**(263,279)**	**11,036**	**3,993,506**	**624,583**	**8,993,311**	**1,927,234**	**90,214**	**11,010,759**
As at 1 July 2021		2,780,301	1,102,617	1,069,652	(1,219,989)	(445,050)	(25,017)	2,234,013	624,583	6,121,110	-	(58,544)	6,062,566
(Loss)/Profit for the year		-	-	(64,770)	-	-	-	-	-	(64,770)	-	110,132	45,362
Other comprehensive income for the year		-	-	158,484	(62,463)	253,053	12,726	1,653,127	-	2,014,927	-	446,927	2,461,854
Total comprehensive income for the year		-	-	93,714	(62,463)	253,053	12,726	1,653,127	-	1,950,157	-	557,059	2,507,216
Depreciation transfer for buildings		-	-	41,732	-	-	-	(41,732)	-	-	-	-	-
Tax effect of depreciation transfer for buildings		-	-	(7,094)	-	-	-	7,094	-	-	-	-	-
Issue of redeemable convertible secured bonds, net of transaction costs	41	-	730,175	-	-	-	-	-	-	730,175	-	-	730,175
Dividends	7/11	-	-	-	-	-	-	-	-	-	-	(22,289)	(22,289)
As at 30 June 2022	42	**2,780,301**	**1,832,792**	**1,198,004**	**(1,282,452)**	**(191,997)**	**(12,291)**	**3,852,502**	**624,583**	**8,801,442**	**-**	**476,226**	**9,277,668**

The notes on pages 106 to 172 form an integral part of these financial statements.
Independent Auditor's Report on pages 91 to 97.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

THE COMPANY

	NOTES	Ordinary Share Capital Rs '000	Redeemable Convertible Secured Bonds Rs '000	Retained Earnings Rs '000	Cash Flow Hedge Reserves Rs '000	Financial Assets at Fair Value through OCI Reserves Rs '000	Revaluation Reserves Rs '000	Total Equity Rs '000
As at 1 July 2022		2,780,301	1,832,792	2,890,372	(820,247)	7,045	2,126,975	8,817,238
Profit for the year		-	-	2,581,194	-	-	-	2,581,194
Other comprehensive income for the year		-	-	(494,961)	(250,610)	924	-	(744,647)
Total comprehensive income for the year		-	-	2,086,233	(250,610)	924	-	1,836,547
Depreciation transfer for buildings		-	-	65,418	-	-	(65,418)	-
Tax effect of depreciation transfer for buildings		-	-	(11,121)	-	-	11,121	-
Transfer on disposal of properties	27	-	-	13,210	-	-	(11,528)	1,682
As at 30 June 2023	42	**2,780,301**	**1,832,792**	**5,044,112**	**(1,070,857)**	**7,969**	**2,061,150**	**10,655,467**
As at 1 July 2021		2,780,301	1,102,617	3,328,329	(1,508,970)	6,413	813,353	6,522,043
Loss for the year		-	-	(622,952)	-	-	-	(622,952)
Other comprehensive income for the year		-	-	154,641	688,723	632	1,343,976	2,187,972
Total comprehensive income for the year		-	-	(468,311)	688,723	632	1,343,976	1,565,020
Issue of redeemable convertible secured bonds, net of transaction costs	41	-	730,175	-	-	-	-	730,175
Depreciation transfer for buildings		-	-	36,571	-	-	(36,571)	-
Tax effect of depreciation transfer for buildings		-	-	(6,217)	-	-	6,217	-
As at 30 June 2022	42	**2,780,301**	**1,832,792**	**2,890,372**	**(820,247)**	**7,045**	**2,126,975**	**8,817,238**

The notes on pages 106 to 172 form an integral part of these financial statements.
Independent Auditor's Report on pages 91 to 97.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Cash flows from operating activities					
Profit/(Loss) before tax		**2,809,282**	65,580	**2,882,851**	(737,730)
Adjustments to reconcile profit/(loss) before tax to net cash flows:					
Depreciation of property, plant and equipment	27	**644,763**	639,916	**423,622**	404,551
Write-off of property, plant and equipment	27	**-**	620	**-**	619
Depreciation of right-of-use assets	28(i)	**127,126**	121,249	**399,644**	349,639
Amortisation of intangible assets	30	**6,544**	18,273	**3,009**	12,151
Profit on disposal of investment property, property, plant and equipment and right-of-use assets		**(16,204)**	(2,693)	**(3,366)**	(1,625)
Change in fair value of investment property	29	**(109,271)**	19,063	**-**	-
Foreign exchange differences		**(68,010)**	192,202	**62,551**	105,224
Impairment losses on intangible assets	30	**-**	171	**-**	-
Net impairment losses on financial assets	34/36(i)	**495**	25,772	**365**	29,787
Other impairment losses/(reversal)	15	**128,889**	(326,624)	**42,539**	-
Reassignment of claim from subsidiary	14	**-**	-	**180,167**	-
Gain on disposal of subsidiary	31	**-**	-	**(420,685)**	-
Gain on disposal of associate	32	**(781)**	-	**(781)**	-
Gain on business combination	8	**(236,154)**	-	**-**	-
Dividend income	23	**(875)**	(360)	**(1,194,805)**	(360)
Interest income	21	**(125,458)**	(13,664)	**(234,823)**	(139,682)
Interest expense	22	**1,327,055**	1,122,337	**1,225,545**	978,140
Fair value (gain)/loss on derivative financial instruments	24	**(13,894)**	1,145	**(13,894)**	1,145
Share of profit of associates	32	**(14,362)**	(14,767)	**-**	-
(Decrease)/Increase in employee benefit liabilities	45	**(112,149)**	23,277	**(72,943)**	(4,094)
Working capital adjustments:					
Increase in inventories		**(166,409)**	(64,600)	**(161,538)**	(62,658)
Increase in trade receivables		**(201,619)**	(700,583)	**(19,249)**	(344,266)
Increase in trade and other payables		**353,034**	1,150,071	**62,302**	815,708
Increase in contract liabilities	18(a)	**117,770**	233,596	**63,269**	218,256
(Increase)/Decrease in financial assets at amortised cost		**(188,478)**	173,000	**(23,059)**	(60,359)
Increase in other assets	37	**(98,388)**	(33,760)	**(67,138)**	(27,050)
Income tax paid	25(a)	**(95,387)**	(55,659)	**(6,122)**	(4,215)
Net cash flows generated from operating activities		**4,067,519**	2,573,562	**3,127,461**	1,533,181
Cash flows from investing activities					
Purchase of property, plant and equipment		**(870,455)**	(588,030)	**(686,169)**	(535,797)
Proceeds from sale of property, plant and equipment		**175,892**	8,720	**141,223**	4,265
Purchase of right-of-use assets		**-**	(1,014)	**-**	(75)
Purchase of investment property		**(108,013)**	(24,522)	**-**	-
Proceeds from sale of investment property		**-**	140	**-**	-
Purchase of intangible assets	30	**(2,501)**	(10,570)	**-**	(8,409)
Acquisition of additional interest in subsidiary	50	**(34,849)**	-	**-**	-
Advances to subsidiaries		**-**	-	**(697,933)**	(355,539)
Repayment of advances from subsidiaries		**-**	-	**712,180**	59,602
Proceeds from disposal of associates	32	**13,700**	-	**13,700**	-
Dividend received		**5,707**	2,776	**366,673**	360
Interest received		**54,128**	20,352	**140,714**	139,445
Net cash flows used in investing activities		**(766,391)**	(592,148)	**(9,612)**	(696,148)
Cash flows from financing activities					
Proceeds from term loans		**8,061,208**	4,933,460	**8,024,137**	4,933,460
Repayment of term loans		**(7,855,505)**	(5,529,458)	**(7,479,931)**	(5,254,151)
Repayment of debentures		**(825,000)**	(991,600)	**(825,000)**	(991,600)
Proceeds from redeemable convertible secured bonds, net of transaction costs		**-**	1,000,000	**-**	1,000,000
Advances from subsidiaries		**-**	-	**148,146**	-
Repayment of advances to subsidiaries		**-**	-	**(137,190)**	-
Proceeds from preference share capital, net of transaction costs		**1,927,234**	-	**-**	-
Compensation paid for business combination	8	**(1,323,491)**	-	**-**	-
Principal paid on lease liabilities		**(100,752)**	(112,197)	**(806,002)**	(336,135)
Interest paid on lease liabilities		**(180,235)**	(174,834)	**(458,343)**	(438,807)
Interest paid		**(1,141,398)**	(971,231)	**(770,652)**	(563,533)
Dividends paid to preference shares holders		**(23,403)**	-	**(23,403)**	-
Dividends paid to non-controlling interests		**(964,069)**	(22,289)	**-**	-
Net cash flows used in financing activities		**(2,425,411)**	(1,868,149)	**(2,328,238)**	(1,650,766)
Net increase/(decrease) in cash and cash equivalents		**875,717**	113,265	**789,611**	(813,733)
Cash and cash equivalents at 1 July		**(692,044)**	(844,856)	**(1,630,190)**	(851,205)
Net foreign exchange differences		**25,749**	39,547	**1,849**	34,748
Cash and cash equivalents at 30 June	39(a)	**209,422**	(692,044)	**(838,730)**	(1,630,190)

The notes on pages 106 to 172 form an integral part of these financial statements.
Independent Auditor's Report on pages 91 to 97.

1. Corporate information
The financial statements of New Mauritius Hotels Limited (the "Company") and consolidated with its subsidiaries (the "Group") for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 29 September 2023. New Mauritius Hotels Limited is a public limited company incorporated in Mauritius and is listed on the Stock Exchange of Mauritius. Its registered office is situated at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

The principal activities of the Group and Company during the year consisted of hotel operations, tour operating, provision of flight & inland catering and rental of hotel property.

2. Group information

Information on subsidiaries:

Name of Corporation	Main Business Activity	Country of Incorporation	Effective % Holding Year ended 30 June 2023	Year ended 30 June 2022
Les Salines Golf & Resort Limited	Hotel project	Mauritius	**100**	100
Beachcomber Training Academy Limited	Hotel training	Mauritius	**100**	100
Santayarea (Mauritius) Limited	Hotel training	Mauritius	**56**	56
Beachcomber Hotel S.A.	Hotel operations	Morocco	**100**	100
Beachcomber Holidays Limited	Tour operating	Mauritius	**100**	100
Mautourco Ltd*	Tour operating	Mauritius	**41**	41
Beachcomber Tours	Tour operating	France	**100**	100
Beachcomber Tours Limited	Tour operating	England	**100**	100
Beachcomber Marketing (Pty) Ltd	Tour operating	South Africa	**62**	51
New Mauritius Hotel - Italia S.R.L.	Tour operating	Italy	**100**	100
Trans-Maurice Car Rental Ltd*	Car rental	Mauritius	**41**	41
Beachcomber Hospitality Investments Ltd**	Real estate	Mauritius	**100**	56
Ste Anne Resort Limited	Real estate	Seychelles	**100**	100
Beachcomber Limited	Investment	Mauritius	**100**	100
Les Salines Development Ltd	Investment	Mauritius	**100**	100
Kingfisher Ltd	Investment	Mauritius	**100**	100
Royal Gardens Ltd	Investment	Mauritius	**100**	100
Société Pur Blanca	Investment	Mauritius	**51**	51
Mautourco Holdings Ltd*	Investment	Mauritius	**41**	41
Domaine de l'Harmonie Limitée	Dormant	Mauritius	**100**	100
Les Jardins des Salines Ltd***	Dormant	Mauritius	**100**	-
Plaisance Catering Ltd	Dormant	Mauritius	**100**	100
Beachcomber Hotel Marrakech S.A.	Dormant	Morocco	**100**	100
Beachcomber Holidays (UK) Limited	Dormant	England	**100**	100
Wild Africa Safari Ltd	Dormant	England	**100**	100

The operations of the subsidiaries are carried out in the countries in which they are incorporated.

There is no restriction on the ability of the above subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans.

* Control is obtained through Société Pur Blanca, a subsidiary of New Mauritius Hotels Limited. The Group considers these entities over which it has effective interest of less than 50% as subsidiaries since it has sufficient dominant voting interest to direct their relevant activities and therefore has control over them.

** Please refer to Note 50 for change in the effective holding in Beachcomber Hospitality Investments Ltd during the year.

*** Les Jardins des Salines Ltd, a wholly-owned subsidiary, was incorporated during the year.

All effective % holding of the subsidiaries are representative of their % voting rights except for Mautourco Group, where the voting rights are 51%.

Information on associates

Name of Corporation	Year End	Class of Shares	Effective Holding Year ended 30 June 2023 %	Year ended 30 June 2022 %
Parure Limitée	30 June	Ordinary shares	**48**	48
South West Tourism Development Company Limited and its subsidiaries	30 June	Ordinary shares	**31**	31
Société Cajeva*	30 June	Parts	**-**	50
Sports-Event Management Operation Co. Ltd**	30 June	Ordinary shares	**10**	10

Investments in associates consist of investments in unquoted shares and are all incorporated in the Republic of Mauritius.

* The shares held in Société Cajeva were disposed of during the year (refer to Note 32).
** Significant influence obtained through Mautourco Ltd, a subsidiary of New Mauritius Hotels Limited.

3. Basis of preparation and statement of compliance

The financial statements have been prepared on a historical cost basis except investment property, financial assets at fair value through other comprehensive income and derivative financial instruments, which are stated at fair value and land and buildings at revalued amounts. The consolidated financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs '000), except when otherwise indicated. Where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

The consolidated financial statements of New Mauritius Hotels Limited (the "Company") and its subsidiaries (the "Group") comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

4. Summary of other significant accounting policies

(a) Foreign currency translation

The Group's and Company's financial statements are presented in Mauritian rupees, which are also the parent company's functional and presentation currency. Each entity within the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded in their respective functional currency using the spot rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange on the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

Group companies
The assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing on the reporting date and their profit or loss items are translated using the average exchange rate for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

(b) Financial assets

The Group and Company classify their financial assets into one of the categories discussed below, based on the Group's and Company's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. Other than financial assets in a qualifying hedging relationship, the Group's and Company's accounting policy for each category is as follows:

(i) Fair value through profit or loss
All financial assets not classified as amortised cost or fair value through other comprehensive income as described below are classified as fair value through profit or loss and held at fair value. On initial recognition, the Group and Company may irrevocably elect to designate a financial asset that otherwise meets the requirements to be measured at amortised cost or fair value through other comprehensive income or as fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This election is made on an individual instrument basis. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. The Group and Company classify their derivative financial instruments not designated as hedging instruments as held for trading which form part of fair value through profit or loss (FVTPL).

(ii) Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. 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 expected credit loss.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. The Group and Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. During this process, the probability of non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within net impairment losses on financial assets in the statements of profit or loss. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4. Summary of other significant accounting policies (cont'd)

(b) Financial assets (cont'd)

(ii) Amortised cost (cont'd)
Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used (general approach) to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12 months' expected credit losses along with gross interest income are recognised. For those in respect of which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit-impaired, lifetime expected credit losses along with interest income on net basis are recognised.

From time to time, the Group and Company elect to renegotiate the terms of trade receivables due from customers with whom they have previously had a good trading history. Such renegotiation will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statements of profit or loss (operating profit).

The Group's and Company's financial assets measured at amortised cost comprise trade receivables, long-term loan receivable, other receivables, financial assets at amortised cost and cash and cash equivalents in the statements of financial position.

Cash and cash equivalents include cash in hand, deposits held at call with banks and for the purpose of the statements of cash flows, bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities in the statements of financial position.

(iii) Fair value through other comprehensive income
A financial asset is measured at FVOCI if it meets both of the following conditions and is not elected to be designated as FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and; selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

On initial recognition of an equity investment that is not held for trading, the Group and Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Debt instruments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairments are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are recycled to profit or loss. Equity investments are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

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

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments' carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(iv) Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group and Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement and have neither transferred nor retained substantially all the risks and rewards of the asset nor have transferred their control, the asset is recognised to the extent of the Group's and Company's continuing involvement in the asset. In that case, the Group and Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and Company could be required to repay.

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4. Summary of other significant accounting policies (cont'd)

(b) Financial assets (cont'd)

(v) Modifications of financial assets
If the terms of a financial asset are modified, then the Group and Company evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iv)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:
- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulty, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group and Company plan to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Group and Company first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. For floating rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulty of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the terms and conditions of the financial asset are not substantially different, the Group recalculates the new gross carrying amount of the financial asset by discounting the modified cash flows of the financial asset using the original effective interest rate (EIR). The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss in profit or loss.

(c) Financial liabilities

Initial recognition
Financial liabilities are measured, at initial recognition, at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. The Group and Company determine the classification of their financial liabilities at initial recognition.

The Group's and Company's financial liabilities include trade and other payables, bank overdrafts, borrowings, lease liabilities, derivatives, subordinated loan, preference shares and redeemable convertible bonds (liability part). Relevant disclosures are provided in related notes.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Interest-bearing loans and borrowings
After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Modification of financial liabilities

The Group and Company derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

4. Summary of other significant accounting policies (cont'd)

(c) Financial liabilities (cont'd)

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by recomputing the effective interest rate on the instrument.

(d) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group and Company designate certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges) and hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

The Group and Company have chosen to continue to apply the hedge accounting requirements of IAS 39 instead of IFRS 9. The Group and Company document at inception of the transaction the relationship between the hedging instruments and the hedging items as well as their risk management objective and strategies for undertaking various hedging transactions. The Group and Company also document their assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of hedge items.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

A hedging relationship exists where at inception of the hedge there is formal documentation of the hedge; the hedge is expected to be highly effective; the effectiveness of the hedge can be reliably measured; the hedge is highly effective throughout the reporting period and for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

(i) Derivatives recorded at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separate embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statements of profit or loss.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IFRS 9 are satisfied.

The Group and Company use derivatives such as forward foreign exchange contracts. Derivatives are recorded at fair value and are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in statements of profit or loss. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets and liabilities.

Derivatives embedded in other financial instruments, such as the conversion option in an acquired convertible bond, are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held for trading or designated at fair value through statements of profit or loss.

(ii) Hedging activities - cash flow hedges
Where a financial instrument hedges the exposure to variability in the cash flows of highly probable transactions or firm commitments, the effective part of any gain or loss on remeasurement of the hedging instrument is recognised directly in other comprehensive income. The ineffective part of any gain or loss is recognised in profit or loss. The cumulative gain or loss recognised in equity is transferred to profit or loss at the same time as the hedged transaction affects net profit or loss and included in the same line item as the hedged transaction. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss recognised in equity remains in equity and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is recognised in profit or loss immediately.

Hedge effectiveness is determined at inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group and Company enter into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed.

4. Summary of other significant accounting policies (cont'd)

(d) Derivative financial instruments (cont'd)

- Borrowings and lease liabilities
The Group and Company have borrowings and lease liabilities which are denominated in euro and part of their revenue is also generated in that same currency. The Group and Company have a cash flow hedge whereby the foreign exchange exposure arising from translation of the borrowings and lease liabilities is hedged against the revenue stream. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statements of profit or loss as operating expenses. The realised gain/loss upon repayment of the borrowings and lease liabilities is released to the statements of profit or loss. When the hedge transaction is terminated or is no longer expected to occur, the cumulative gain or loss previously recognised in the statements of other comprehensive income is immediately released to the statements of profit or loss.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 38. Movements on the hedging reserve in shareholders' equity are shown in Note 42.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(f) Current versus non-current classification

The Group and Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The Group and Company classify all other assets as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group and Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(g) Provisions

Provisions are recognised when the Group and Company have a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and Company expect some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

(h) Other taxes

Value added tax
Revenues, expenses and assets are recognised net of the amount of value added tax except where:

- the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables that are stated with the amount of value added tax included; or
- the net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or payable in the statements of financial position.

Environment fees
Environment fees are calculated based on the applicable regulations and are included in operating expenses.

(i) Impairment of non-financial assets

The Group and Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group and Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

4. Summary of other significant accounting policies (cont'd)

(i) Impairment of non-financial assets (cont'd)

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statements of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and Company make an estimate of the recoverable amount of the cash-generating unit. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets.

Goodwill
Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than the carrying amount of the cash-generating units to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group and Company perform their annual impairment test of goodwill as each year end.

Intangible assets
Intangible assets with indefinite useful lives and those not yet brought into use are tested for impairment annually as at year end, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

(j) Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition
The Group has identified four business segments, namely Hotel Operations, Tour Operating, Catering and Property, which contribute to generating most of its revenue from contracts with customers. Revenue from customers includes both sales of goods and services to customers. The hotel operations segment is highly involved in the provision of room services, food and beverage (F&B) and other services such as spa, laundry and boutique sales. Tour operating consists of operating a fleet of contract hiring vehicles, the organisation of sightseeing tours and rental of cars. Catering consists mostly of the provision of flight & inland catering services to airline companies. Property principally comprises the rental of hotel property.

Revenue generated from the sale of goods and services defined above is recognised at a point in time or over time (room rental, tour operating and rental of properties) when/as the control of the goods or services rendered is transferred to the customer. This is generally when the goods or services are delivered to the customer.

In cases where the Group has received considerations for services not yet provided, this is treated as a contract liability until the performance obligation is met.

(i) Revenue from hotel operations
- Room revenue
Rooms are sold on bed & breakfast, half board, full board or all-inclusive basis and room revenue is recognised upon check-in on a daily basis. F&B revenue is recognised daily upon check-in alongside room revenue. Direct sales are recognised upon consumption. F&B revenue also includes direct sales at the restaurants or bars and is recognised upon consumption. Revenue derived from other services such as spa, laundry and boutique sales, for which the Group and Company act as agents from time to time, represents only the amount of commission earned. These obligations are fulfilled over time when they relate to room rentals, along with the stay in the hotel, and at a point in time, for other goods or services, when they have been delivered or rendered.

(ii) Revenue from flight & inland catering
Revenue is recognised at a point in time when the goods have been passed to the buyers, usually on dispatch of the goods for consumption.

(iii) Revenue from tour operating
Amounts collected by the Group on behalf of the principal are accounted for as a payable in the statements of financial position until they are settled and amounts prepaid by the Group to the principal on behalf of customers are recognised as a receivable until they are recovered while revenue and expenses are not grossed up. Commissions are recognised on completion of the services provided.

Determining transaction price
The transaction price of the Group's and Company's revenue streams is mostly derived from fixed-price contracts and therefore, the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations
Each contract has a fixed price which is correspondingly allocated to performance obligations.

4. Summary of other significant accounting policies (cont'd)

(j) Revenue recognition (cont'd)

(b) Revenue from rental of property

The Group as a lessor
(i) Lease of building under operating lease - Company's owned building
Revenue from the letting of investment property comprises gross rental income and recoveries of operating costs, net of value added tax. 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. Recoveries of costs from lessees are disclosed separately under revenue in the "Recoverable lease expenses" line and the associated costs are disclosed under other expenses.

(i) Lease of building under operating lease - Sub-lease arrangement
The land is leased from Indian Ocean Resort Limited for a lease term of 99 years expiring in June 2100, which is then sub-leased to Club Med SAS for a lease term of 12 years.

(c) Other revenue earned by the Group and Company is recognised on the following bases:
- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income is recognised when the shareholder's right to receive payment is established.
- Commission income for the provision of services where the entity is a principal is recognised based on the gross revenue, with a related expense for payments to third parties.
- Management fee is recognised when key financial metrics are met.

(k) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group and Company receive grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

(l) Redeemable convertible secured bonds

Redeemable convertible secured bonds that are redeemed at the option of the Company and can be converted into stated capital where the fixed-for-fixed criteria of IAS 32 Financial Instruments: Presentation but have a mandatory coupon payment are accounted for as compound financial instruments.

The gross proceeds of the redeemable convertible secured bonds issued (including any directly attributable transaction costs) are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

The fair value of the liability component, presented separately under liabilities, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in redeemable convertible secured bond reserves.

The transaction costs incurred are allocated to the equity and liability components based on the allocation of the proceeds. Transaction costs relating to the liability component are included in the gross carrying amount of the financial liability measured at amortised cost. Transaction costs relating to the equity component are accounted for as a deduction from the equity component to the extent that they are incremental costs directly attributable to the equity transaction.

Subsequent to initial recognition, the liability component of redeemable convertible secured bonds is measured at amortised cost using the effective interest method. The equity component of redeemable convertible secured bonds is not remeasured.

When the conversion option is exercised, the carrying amount of the liability (if any) and equity components will be transferred to stated capital, with any differences being recognised in equity.

If the Company redeems the redeemable convertible secured bonds before maturity through an early redemption in which the original conversion rights are unmodified, the Company allocates the redemption consideration paid (including any transaction costs) to the redeemable convertible secured bonds' liability and equity components at the date of redemption. Any resulting gain or loss is treated in accordance with accounting principles applicable to the related component, as follows:
- the difference between the consideration allocated to the liability component and its carrying amount is recognised in profit or loss; and
- the difference (if any) between the consideration allocated to the equity component and its initially recognised value is recognised in equity.

5. 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 Group's and 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 Group's and 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 Group's and Company's financial statements.

IAS 16 Property, Plant and Equipment
Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Group's and 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 Group's and Company's financial statements.

IAS 41 Agriculture
Annual Improvements to IFRS Standards 2018-2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The amendments have no impact on the Group's and Company's financial statements.

6. 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 the Group's and Company's accounting periods beginning on or after 1 July 2023 or later periods, but which the Group and Company have not early adopted.

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

Effective date 1 January 2023

IFRS 17 Insurance Contracts
IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRSs. 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.

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.

IAS 12 Income Taxes
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.

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

Effective date 1 January 2024

IAS 1 Presentation of Financial Statements
Classification of Liabilities as Current or Non-Current: 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.

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.

Amendment for which effective date 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 Group and Company are 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.

7. Basis of consolidation and financial information on material partly-owned subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
1. derecognises the assets (including goodwill) and liabilities of the subsidiary;
2. derecognises the carrying amount of any non-controlling interests;
3. derecognises the cumulative translation differences recorded in equity;
4. recognises the fair value of the consideration received;
5. recognises the fair value of any investment retained;
6. recognises any surplus or deficit in profit or loss; and
7. reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

7. Basis of consolidation and financial information on material partly-owned subsidiaries (cont'd)

Financial information of subsidiaries that have material non-controlling interest is provided below:

The proportion of equity interest held by material non-controlling interests is:

Name	Country of Incorporation and Operation	2023	2022
Mautourco Ltd and its subsidiary*	Mauritius	**59%**	59%
Beachcomber Marketing (Pty) Ltd**	South Africa	**38%**	49%
Beachcomber Hospitality Investments Ltd**	Mauritius	**-**	44%

*Even though the non-controlling interest has effective interest of more than 50%, control is exercised by the parent. Refer to Note 2.

**Please refer to Note 50 for change in the effective holding in Beachcomber Hospitality Investments Ltd and Beachcomber Marketing (Pty) Ltd during the year.

	2023 Rs '000	2022 Rs '000
Accumulated balances of material non-controlling interest:		
Mautourco Ltd and its subsidiary	**49,468**	33,464
Beachcomber Marketing (Pty) Ltd	**35,585**	4,229
Beachcomber Hospitality Investments Ltd	**-**	449,998

	2023 Rs '000	2022 Rs '000
Profit allocated to material non-controlling interest:		
Mautourco Ltd and its subsidiary	**40,354**	7,810
Beachcomber Marketing (Pty) Ltd	**59,965**	26,251
Beachcomber Hospitality Investments Ltd	**60,092**	75,044

	2023 Rs '000	2022 Rs '000
Other comprehensive income allocated to material non-controlling interest:		
Mautourco Ltd and its subsidiary	**(6,589)**	12,790
Beachcomber Marketing (Pty) Ltd	**(1,914)**	(10,393)
Beachcomber Hospitality Investments Ltd	**(166,189)**	444,679

The summarised financial information below is the amount before intra-group eliminations.

Summarised statements of profit or loss for the year ended 30 June 2023:

	Mautourco Ltd and its Subsidiary Rs '000	**Beachcomber Marketing (Pty) Ltd Rs '000**	**Beachcomber Hospitality Investments Ltd Rs '000**
Revenue	**757,097**	**338,908**	**689,708**
Profit for the year	**68,070**	**157,803**	**470,464**
Other comprehensive income	**(11,130)**	**(5,037)**	**72,930**
Total comprehensive income	**56,940**	**152,766**	**543,394**
Dividends paid to non-controlling interests	**(17,760)**	**(29,138)**	**(917,171)**

Summarised statements of profit or loss for the year ended 30 June 2022:

	Mautourco Ltd and its Subsidiary Rs '000	Beachcomber Marketing (Pty) Ltd Rs '000	Beachcomber Hospitality Investments Ltd Rs '000
Revenue	410,400	182,787	712,068
Profit for the year	13,192	53,573	785,390
Other comprehensive income	21,604	(1,740)	(263,834)
Total comprehensive income	34,796	51,833	521,556
Dividends paid to non-controlling interests	-	22,289	-

7. Basis of consolidation and financial information on material partly-owned subsidiaries (cont'd)

Summarised statements of financial position as at 30 June 2023:

	Mautourco Ltd and its Subsidiary Rs '000	**Beachcomber Marketing (Pty) Ltd Rs '000**	**Beachcomber Hospitality Investments Ltd Rs '000**
Non-current assets	**209,336**	**13,266**	**13,051,932**
Current assets	**204,117**	**700,631**	**88,311**
Current liabilities	**(260,029)**	**(606,990)**	**(319,528)**
Non-current liabilities	**(66,896)**	**(5,250)**	**(6,211,450)**
Total equity	**86,528**	**101,657**	**6,609,265**

Summarised statements of financial position as at 30 June 2022:

	Mautourco Ltd and its Subsidiary Rs '000	Beachcomber Marketing (Pty) Ltd Rs '000	Beachcomber Hospitality Investments Ltd Rs '000
Non-current assets	177,195	15,046	9,933,371
Current assets	187,641	602,712	214,060
Current liabilities	(233,514)	(590,577)	(2,568,469)
Non-current liabilities	(72,457)	(5,626)	(4,367,727)
Total equity	58,865	21,555	3,211,235

Summarised cash flow information for the year ended 30 June 2023:

	Mautourco Ltd and its Subsidiary Rs '000	**Beachcomber Marketing (Pty) Ltd Rs '000**	**Beachcomber Hospitality Investments Ltd Rs '000**
Cash flows generated from/(used in)			
Operating activities	**101,194**	**224,194**	**989,484**
Investing activities	**(55,902)**	**(71,001)**	**234**
Financing activities	**(66,030)**	**(76,680)**	**(1,005,336)**
Net (decrease)/increase in cash and cash equivalents	**(20,738)**	**76,513**	**(15,618)**

Summarised cash flow information for the year ended 30 June 2022:

	Mautourco Ltd and its Subsidiary Rs '000	Beachcomber Marketing (Pty) Ltd Rs '000	Beachcomber Hospitality Investments Ltd Rs '000
Cash flows generated from/(used in)			
Operating activities	136,012	309,708	576,150
Investing activities	(16,933)	(111,922)	-
Financing activities	(58,013)	(45,488)	(454,444)
Net increase in cash and cash equivalents	61,066	152,298	121,706

8. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. In prior reporting periods, the acquirer may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognised in other comprehensive income shall be recognised on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

The acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:
(a) the aggregate of:
(i) the consideration transferred measured in accordance with this IFRS, which generally requires acquisition date fair value;
(ii) the amount of any non-controlling interest in the acquiree measured in accordance with this IFRS; and
(iii) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

8. Business combinations (cont'd)

(b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this IFRS.

Common control transactions:
Transactions in which combining entities are controlled by the same party or parties before and after the transaction and where that control is not transitory are referred to as common control transactions. The Group's accounting policy for the acquiring entity would be to account for the transaction at fair value as reflected in the consolidated financial statements of the selling entity.

The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired in common control transactions will be allocated to the common control reserve in equity.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income.

If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Events during the year:
On 12 May 2023, Leisure Property Northern (Mauritius) Limited (LPN), the minority shareholder in Beachcomber Hospitality Investments Ltd (BHI) was merged with and into the subsidiary, BHI, with the latter being the surviving entity. A cash consideration of Rs 1,323.5m was paid by BHI to the holding company of LPN, Grit Services Limited (GSL), for its exit from the surviving entity following the merger.

The updated strategy of Grit Real Estate Income Group Limited (Grit), the holding company of GSL, did not envisage material increased hospitality sector investment and had, therefore, expressed its wish to exit its interests in BHI. In furtherance of that exit, the Board has approved a scheme of arrangement to merge LPN, through which Grit owns its interests in BHI with and into BHI itself.

The business combination was treated in accordance with IFRS 3 by applying the acquisition method. The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	THE GROUP
	2023
	Rs '000
Assets	
Investment in associate	492,092
Subordinated loan receivable from associate (Note 39 (c))	1,855,500
	2,347,592
Liabilities	
Borrowings (Note 39 (c))	900,627
Exchange differences on retranslation	(112,680)
Fair value of net assets acquired	**1,559,645**
Consideration paid in cash	1,323,491
Gain on business combination	**236,154**

A gain from bargain purchase of Rs 236.2m arose on 12 May 2023 as the fair value of net assets acquired of Rs 1,559.6m was in excess of the aggregate consideration paid of Rs 1,323.5m.

9. Financial risk management objectives and policies

The Group's and Company's principal liabilities comprise bank loans, debentures, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's and Company's operations. The Group and Company have various financial assets, such as trade receivables, financial assets at fair value through other comprehensive income, financial assets at fair value through profit and loss, financial assets at amortised cost and cash and cash equivalents which arise directly from their operations.

The Group's and Company's activities therefore expose them to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and Company's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(i) Credit risk

The Group's and Company's credit risk arises mainly from cash and cash equivalents, financial assets at fair value through profit and loss, financial assets at amortised cost including credit exposures to customers and outstanding receivables.

Credit risk is managed at both Group and Company level. For banks and financial institutions, only independently rated parties are accepted.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group and Company trade only with recognised, creditworthy third parties. They have policies in place to ensure that sales of services are made to customers with an appropriate credit history. Advance payments are requested where necessary until positive credit rating is established. The Group and Company also have insurance covers to reduce the financial losses in case of default by customers.

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9. Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

With respect to credit risk arising from the other financial assets of the Group and Company, which comprise cash and cash equivalents, financial assets at fair value through profit and loss and financial assets at amortised cost, the Group's and Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as presented in the statements of financial position or notes to the financial statements.

The following table shows the maximum exposure to credit risk for the components of the statements of financial position.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash in hand and at banks	**1,582,005**	1,552,050	**140,320**	122,919
Financial assets at fair value through other comprehensive income	**10,698**	9,760	**10,498**	9,574
Financial assets at amortised cost	**2,260,325**	2,013,436	**3,984,764**	3,694,305
Trade receivables	**1,089,616**	888,492	**440,761**	421,877
Derivative financial instruments	**13,894**	243	**13,894**	243
	4,956,538	4,463,981	**4,590,237**	4,248,918

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits and financial assets at fair value through other comprehensive income.

The sensitivity analysis in the following sections relates to the position as at 30 June 2023 and 30 June 2022. The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial statements in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying value of pension and other post-retirement obligations and provisions and on the non-financial assets and liabilities of the Group and Company.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and Company are exposed to foreign currency risk with respect to foreign currency arising from foreign supplies and revenue. The Group and Company mitigate part of the foreign currency risk through trading activities including forward currency contracts.

The following table demonstrates the sensitivity to a reasonable possible change in the euro, US dollar, Pound sterling, Rand, Seychelles rupee, Moroccan dirham and Australian dollar exchange rates, with all other variables held constant, of the Group's and Company's profit/loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's and Company's equity (due to changes in the fair value of net investment in foreign operations):

		THE GROUP	THE COMPANY
	Increase in Rates	**Effect on Profit/ (Loss) before Tax**	**Effect on Profit/ (Loss) before Tax**
	%	**Rs '000**	**Rs '000**
30 June 2023			
Euros	**5%**	**(490,072)**	**(416,041)**
Pounds sterling	**5%**	**16,840**	**4,688**
Rands	**5%**	**(13,622)**	**60**
United States dollars	**5%**	**(23,706)**	**1,362**
Australian dollars	**5%**	**-**	**-**
Seychelles rupees	**5%**	**(682)**	**1**
Moroccan dirhams	**5%**	**(14,694)**	**-**
30 June 2022			
Euros	5%	(575,956)	(361,759)
Pounds sterling	5%	11,836	2,347
Rands	5%	(16,936)	25
United States dollars	5%	(20,118)	1,467
Australian dollars	5%	-	-
Seychelles rupees	5%	1,389	-
Moroccan dirhams	5%	(23,251)	-

A decrease in the rates has an equal and opposite effect on profit/(loss) before tax.

The 5% change in rates used above was derived from the average fluctuation in the respective foreign currencies from the previous years.

9. Financial risk management objectives and policies (cont'd)

(a) Foreign currency risk (cont'd)

Currency profile

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

	THE GROUP				THE COMPANY			
	FINANCIAL ASSETS		FINANCIAL LIABILITIES		FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Euros	**1,423,792**	1,046,308	**11,225,235**	12,565,430	**2,861,564**	2,553,649	**11,182,390**	9,788,834
Pounds sterling	**664,547**	676,743	**327,744**	440,032	**94,506**	52,879	**741**	5,936
Rands	**335,806**	211,952	**608,249**	550,681	**1,194**	506	**-**	-
United States dollars	**61,798**	83,316	**535,927**	485,668	**27,236**	29,475	**-**	136
Australian dollars	**7**	9	**-**	-	**7**	8	**-**	-
Seychelles rupees	**2,812**	43,740	**16,452**	15,955	**14**	-	**-**	-
Mauritian rupees	**1,717,298**	1,696,659	**12,391,508**	12,181,185	**1,605,700**	1,612,384	**12,198,245**	12,919,067
Moroccan dirhams	**750,462**	705,240	**1,044,341**	1,170,263	**-**	-	**-**	-
Others	**16**	14	**153**	-	**16**	17	**153**	139
	4,956,538	4,463,981	**26,149,609**	27,409,214	**4,590,237**	4,248,918	**23,381,529**	22,714,112

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net exposure, excluding Mauritian rupees	**(10,518,861)**	(12,460,707)	**(8,198,747)**	(7,158,511)

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and Company's exposure to the risk of changes in market interest rates relates primarily to their interest-bearing loans and borrowings with floating interest rates.

The Group's and Company's income and operating cash flows are exposed to interest rate risk as they sometimes borrow at variable rates. Their policy is to manage interest cost using a mix of fixed and variable-rate debts. The Group and Company have no significant interest-bearing assets with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before taxation (through the impact of variable rate borrowing). There is no impact on the Group's and Company's equity. The percentage change in interest rates taken is: 0.25% for Rs, EUR, USD and GBP and this represents management's assessment of the likely change based on interest rate fluctuation in previous years.

		THE GROUP	THE COMPANY
	Increase in Rates	**Effect on Profit/Loss before Tax/ Equity**	**Effect on Profit/Loss before Tax/ Equity**
	%	**Rs '000**	**Rs '000**
30 June 2023			
Interest-bearing loans and borrowings in Rs	**0.25%**	**15,119**	**15,119**
Interest-bearing loans and borrowings in EUR	**0.25%**	**18,317**	**8,984**
Interest-bearing loans and borrowings in MAD	**0.25%**	**-**	**-**
Interest-bearing loans and borrowings in USD	**0.25%**	**-**	**-**
Interest-bearing loans and borrowings in GBP	**0.25%**	**2**	**2**
Interest-bearing lease liability in Rs	**0.25%**	**5,280**	**4,931**
Interest-bearing lease liability in EUR	**0.25%**	**242**	**17,402**
	%	Rs '000	Rs '000
30 June 2022			
Interest-bearing loans and borrowings in Rs	0.25%	18,780	17,382
Interest-bearing loans and borrowings in EUR	0.25%	9,080	8,485
Interest-bearing loans and borrowings in MAD	0.25%	1,380	-
Interest-bearing loans and borrowings in USD	0.25%	-	-
Interest-bearing loans and borrowings in GBP	0.25%	-	-
Interest-bearing lease liability in Rs	0.25%	5,693	4,806
Interest-bearing lease liability in EUR	0.25%	392	14,037

A decrease in the rates has an equal and opposite effect on profit/loss before tax.

9. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk

The Group's and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease liabilities.

The ultimate responsibility for liquidity risk management remains with the Board of Directors, which has developed an appropriate liquidity risk management policy for the Group's and Company's funding and liquidity management requirements.

The Group and Company have to ensure adequate cash resources, borrowing arrangements and overdraft facilities to have the necessary level of funds available for the achievement of their business objectives at all times. Cash and debt management of the Group and Company are centralised through the Head Office and receipts from the debtors are monitored on a monthly basis to match the payments of creditors and other Group commitments. Any temporary gap in cash is covered by the overdraft and short-term borrowing facilities in place.

The table below summarises the maturity profile of the Group's and Company's financial liabilities.

The Group	**On Demand Rs '000**	**Less than 3 Months Rs '000**	**3 to 12 Months Rs '000**	**1 to 5 Years Rs '000**	**> 5 Years Rs '000**	**Total Rs '000**
30 June 2023						
Trade and other payables	**-**	**-**	**4,045,936**	**-**	**-**	**4,045,936**
Borrowings*	**2,072,877**	**295,103**	**3,530,500**	**12,241,048**	**4,197,011**	**22,336,539**
Lease liabilities*	**-**	**31,523**	**279,055**	**1,039,439**	**8,431,385**	**9,781,402**
	2,072,877	**326,626**	**7,855,491**	**13,280,487**	**12,628,396**	**36,163,877**
30 June 2022						
Trade and other payables	-	-	3,705,527	-	-	3,705,527
Borrowings*	3,060,739	186,278	4,593,190	10,476,945	6,306,114	24,623,266
Lease liabilities*	-	57,783	207,351	885,411	7,128,027	8,278,572
Derivative financial instruments	-	1,388	-	-	-	1,388
	3,060,739	245,449	8,506,068	11,362,356	13,434,141	36,608,753

*Borrowings and lease liabilities include future interest costs.

The Company	**On Demand Rs '000**	**Less than 3 Months Rs '000**	**3 to 12 Months Rs '000**	**1 to 5 Years Rs '000**	**> 5 Years Rs '000**	**Total Rs '000**
30 June 2023						
Trade and other payables	**-**	**-**	**1,992,762**	**-**	**-**	**1,992,762**
Borrowings*	**1,679,344**	**193,113**	**2,865,724**	**5,556,622**	**4,197,011**	**14,491,814**
Lease liabilities*	**-**	**202,681**	**739,790**	**3,882,527**	**11,507,331**	**16,332,329**
	1,679,344	**395,794**	**5,598,276**	**9,439,149**	**15,704,342**	**32,816,905**
30 June 2022						
Trade and other payables	-	-	1,863,464	-	-	1,863,464
Borrowings*	2,569,753	100,402	1,782,182	6,668,492	4,526,985	15,647,814
Lease liabilities*	-	184,789	678,467	3,529,987	9,219,779	13,613,022
Derivative financial instruments	-	1,388	-	-	-	1,388
	2,569,753	286,579	4,324,113	10,198,479	13,746,764	31,125,688

*Borrowings and lease liabilities include future interest costs.

(d) Equity price risk

The Directors have assessed that the impact of a 5% increase or decrease in the price of financial assets at fair value through other compre-hensive income will not be significant.

10. Capital management

The primary objectives of the Group and Company when managing capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group and Company manage and make adjustments to their capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group and Company monitor capital using a gearing ratio, which is "Net debt excluding lease liabilities" divided by "Total equity" plus "Net debt excluding lease liabilities". The actual gearing is higher than management's target gearing of 50:50 and is principally attributed to (1) the outbreak of the COVID-19 pandemic; and (2) the non-development of Les Salines' assets so far. The gearing ratio will improve with the restart of operations post-COVID-19 coupled with cash to be generated from the assets under redevelopment.

The Group and Company include, within "Net debt excluding lease liabilities": redeemable convertible secured bonds, redeemable preference shares and borrowings as shown in the liability section of the statements of financial position less cash in hand and at banks. "Total equity" and "Cash in hand and at banks" are also as shown in the statements of financial position. The gearing ratios at 30 June 2023 and 30 June 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Redeemable convertible secured bonds	**579,577**	645,515	**579,577**	645,515
Redeemable preference shares	**448,552**	448,496	**448,552**	448,496
Borrowings	**18,603,151**	18,516,206	**11,427,804**	12,181,438
Less cash in hand and at banks	**(1,582,005)**	(1,552,050)	**(140,320)**	(122,919)
Net debt excluding lease liabilities	**18,049,275**	18,058,167	**12,315,613**	13,152,530
Total equity	**11,010,759**	9,277,668	**10,655,467**	8,817,238
Gearing ratio	**62%**	66%	**54%**	60%

11. Distributions

Accounting Policy
Cash dividend to equity holders
The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised by the Board.

No dividend was declared or paid during the year (2022: Nil).

12. Segmental reporting

The Group presents segmental information using business segments and geographical segments. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For the years ended 30 June 2023 and 30 June 2022, the Group was composed of four business segments, which were as follows: hotel operations, tour operations, catering and property as described below. Each business segment provides products and services that are subject to risks and returns that are different from those of other business segments.

- Hotel operations - carried out in Mauritius and Morocco.
- Tour operating - carried out in Mauritius, France, United Kingdom, Italy and South Africa.
- Catering - provision of flight & inland catering in Mauritius.
- Property - rental of hotel property in Seychelles.

12. Segmental reporting (cont'd)

The below figures are net of intra-group transactions.

Business segments

	Hotel Operations	**Tour Operating**	**Catering**	**Property**	**Group**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
For the year ended 30 June 2023					
Revenue	**11,178,531**	**2,136,962**	**374,182**	**393,845**	**14,083,520**
Profit/(Loss) for the year	**1,703,197**	**399,881**	**(39,744)**	**218,806**	**2,282,140**
Segment assets	**32,395,223**	**2,337,878**	**523,224**	**6,219,820**	**41,476,145**
Investment in associates				**723,011**	**723,011**
Total assets					**42,199,156**
Segment liabilities	**25,231,656**	**2,039,130**	**213,980**	**3,703,631**	**31,188,397**
Other segment information:					
Other impairment losses	**128,889**	**-**	**-**	**-**	**128,889**
Finance revenue	**278,427**	**51,116**	**-**	**-**	**329,543**
Finance costs	**1,299,891**	**5,911**	**-**	**176,875**	**1,482,677**
Income tax expense	**294,814**	**103,027**	**-**	**129,301**	**527,142**
Capital expenditure	**775,566**	**88,969**	**21,964**	**81,845**	**968,344**
Depreciation of property, plant and equipment	**591,872**	**34,641**	**16,672**	**1,578**	**644,763**
Depreciation of right-of-use assets	**99,268**	**27,858**	**-**	**-**	**127,126**
Amortisation of intangible assets	**2,265**	**3,528**	**751**	**-**	**6,544**

	Hotel Operations	Tour Operating	Catering	Property	Group
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
For the year ended 30 June 2022					
Revenue	6,263,769	1,260,994	179,059	411,665	8,115,487
(Loss)/Profit for the year	(118,685)	140,167	(157,205)	181,085	45,362
Segment assets	31,948,238	2,007,754	496,710	5,590,057	40,042,759
Investment in associates	-	-	-	716,716	716,716
Total assets					40,759,475
Segment liabilities	25,603,444	2,033,602	213,605	3,631,156	31,481,807
Other segment information:					
Other impairment losses reversal	325,550	1,074	-	-	326,624
Finance revenue	132,858	16,473	-	-	149,331
Finance costs	1,142,822	26,155	-	171,197	1,340,174
Income tax credit/(expense)	43,306	(31,773)	-	(31,751)	(20,218)
Capital expenditure	568,358	22,960	18,611	64,485	674,414
Depreciation of property, plant and equipment	594,381	28,673	15,229	1,633	639,916
Depreciation of right-of-use assets	92,273	28,976	-	-	121,249
Amortisation of intangible assets	12,139	6,114	20	-	18,273

Geographical segments	**Mauritius**	**Europe**	**Morocco**	**Other Countries**	**Group**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
For the year ended 30 June 2023					
Segment revenue	**11,167,439**	**1,027,550**	**1,155,779**	**732,752**	**14,083,520**
Segment assets	**29,345,597**	**1,541,413**	**4,762,665**	**6,549,481**	**42,199,156**
Segment liabilities	**26,629,101**	**1,102,797**	**1,129,599**	**2,326,900**	**31,188,397**
Capital expenditure	**812,051**	**4,468**	**63,979**	**87,846**	**968,344**

Geographical segments	Mauritius	Europe	Morocco	Other Countries	Group
For the year ended 30 June 2022					
Segment revenue	6,082,514	661,017	777,504	594,452	8,115,487
Segment assets	28,877,484	1,452,133	4,661,685	5,768,173	40,759,475
Segment liabilities	26,636,755	1,176,716	1,228,244	2,440,092	31,481,807
Capital expenditure	579,884	3,487	26,558	64,485	674,414

Revenue is based on the country in which services are rendered. Segment assets and capital expenditure are where the assets are located.

13. Significant accounting judgements and estimates

The preparation of the Group's and Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's and Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Derivative financial instrument
Hedging activities - cash flow hedges
The Group and Company are exposed to foreign currency risk, mainly to the euro on the Group's and Company's sales denominated in euro. The Group and Company enter into euro currency borrowings ("hedging instruments") with future principal payments that will match future sales ("hedged item") in euro to hedge against this exposure and for hedge accounting to be applicable, the forecast transaction must be "highly probable". The Group and Company have applied judgement in assessing whether the forecasted revenue denominated in euro is highly expected to happen, will happen or will not happen. In making this assessment, the Group and Company have considered the most recent budgets. All exchange differences arising on the conversion of foreign currency loans are deferred in equity, under the cash flow hedge reserves to the extent that the hedge is effective. On recognition of the hedged sales, the foreign currency gain/loss is netted off by releasing a portion of the cash flow hedge reserve. In 2023, no amount for both the Group and Company was recognised in profit or loss as ineffectiveness (2022: Nil except for an amount of Rs 58m that was included in the release to profit and loss due to IFRS 9 derecognition criteria).

Sale and leaseback under IHS Scheme
The Company has obtained approval for an Invest Hotel Scheme ("IHS") during the year and has identified 27 villas to be part of the IHS. The arrangement could be considered in the scope of a sale and leaseback transaction and accounted for under IFRS 16 Leases and IFRS 15 Revenue from Contracts with Customers if the transaction is concluded to be a true sale. However, the arrangement could also be considered in the scope of financial instruments and accounted for under IFRS 9 Financial Instruments if the transaction is considered not to be a true sale. The Directors have applied judgement in determining transfer of control of the villas to the IHS owners and believe that control is transferred to the IHS owners only upon disposal of the villas.

Functional currency
The choice of the functional currency of the Group and each of its foreign subsidiaries has been made based on factors such as the primary economic environment in which each entity operates, the currency that mainly influences sales prices for goods and services, costs of providing goods and services and labour costs.

Going concern
The Group and Company both posted exceptional results for the year under review.

Tourism activities have been back to normal with occupancy rates nearly reaching pre-COVID-19 levels but with a much better average guest night spending.

On 30 June 2023, the Group and Company had net current liabilities of Rs 5.4bn (30 June 2022: Rs 7.8bn) and Rs 5.5bn (30 June 2022: Rs 5.5bn) respectively.

The net cash position of the Group and Company improved significantly by Rs 875.7m and Rs 789.6m respectively (2022: a net increase of Rs 113.3m for the Group and a net decrease of Rs 813.7m for the Company).

The strong operational cash flows have enabled the Group and Company to accelerate the hotel renovations programme, especially at Paradis Beachcomber, Cannonier Beachcomber and Shandrani Beachcomber, clearing up of all arrears relating to rental of properties to BHI as well as on cumulative preference dividends. The Company and its subsidiaries have also met all applicable financial covenants on their borrowings.

Outlook
This positive trend in the operational level should continue, despite some booking cancellations registered in Royal Palm Marrakech post-earthquake. Booking cancellations are estimated to be around Rs 65m in terms of revenue at the time of writing, and are not expected to have any material impact on the Group's cash flows. Insurance claims will be made for the damages, though not material, incurred by the hotel property.

Hence, the Company will continue to generate strong operating cash flows, thus enabling it to service its interest and capital repayments on borrowings and to pursue the hotel renovations programme. Loans with bullet repayments falling due in FY24 have successfully been refinanced, all of them on an amortised basis.

Based on latest Company and Group cash flows, the Board of Directors is of the view that the Company and its subsidiaries will have sufficient cash flows to continue business for the next 12-month period from the date of approval of these financial statements and therefore it is appropriate for the financial statements to be prepared on a going concern basis.

Estimates and assumptions
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. The Group and Company based their assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market developments or circumstances arising beyond the control of the Group and Company. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13. Significant accounting judgements and estimates (cont'd)

Impairment of financial assets
The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company use judgement in making these assumptions and selecting the inputs for impairment calculations, based on the Group's and Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for the disposal of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five to ten years and do not include restructuring activities that the Group and Company are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The growth in revenue is based on management's best estimates of the occupancy rates and the average daily room rates of the Group and Company for the year taking into consideration historical entity-specific data and future sales strategies. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Notes 15, 27 and 30.

Limitation of sensitivity analysis
Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's and Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's and Company's view of possible near-term market changes that cannot be predicted with any certainty.

Redeemable convertible secured bonds
During the financial year ended 2021 and 2022, the Company issued redeemable convertible secured bonds ("bonds") to the Mauritius Investment Corporation Ltd ("MIC"), a wholly-owned subsidiary of the Bank of Mauritius for a total amount of Rs 2.5bn.

The valuation and classification of the bonds are dependent on the respective contractual terms and conditions as stated in the underlying agreements.

Based on management expert's advice and legal interpretation obtained on the accounting treatment for the bond, the Company accounted for the bond as a compound instrument, comprising both an equity and a liability component. Management has made the assumption that the capital and interest components of the bond be regarded as separate units of account. Hence the amount received has been split between financial liability and equity based on the workings performed by management.

Provision for additional taxes
The French representation office has received a tax assessment from the French Tax Authorities on the basis that no withholding tax and/or corporate tax has been retained or paid on the representation fees sent by the Company to the French representation office for years 2012 to 2014. The French representation office has lodged an appeal before the Administrative Court of Appeal in April 2022. In parallel, its legal representatives have engaged formal discussions with the French Tax Authorities so as to reach a settlement. In 2022, an amount of Rs 60m has been provided for on a prudence basis in the financial statements following discussions with our tax advisers. In 2023, the case has been settled with the tax authorities with no tax liability. Thus, the provision of Rs 60m has been reversed during the year (refer to Note 20).

14. Significant transactions and events

Net investment in foreign operations

The Company has receivable balances from its overseas subsidiaries. The Directors reviewed those balances and concluded that, effective 1 October 2015, they partly qualified as "Net investment in foreign operations". These amounts are regarded as monetary items that are receivable from foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future and are included under investment in subsidiaries (Note 31).

Accordingly, the foreign exchange differences arising in the individual financial statements of the Company and its subsidiaries have been reclassified from profit or loss to other comprehensive income (foreign exchange reserves) on consolidation in accordance with paragraph 32 of IAS 21 - The Effects of Changes in Foreign Exchange Rates.

Reassignment of claim from subsidiary
During the year, New Mauritius Hotels Limited ("NMH") as the ultimate holding company had agreed to indemnify and hold Ste Anne Resort Limited ("SARL") harmless against all losses, liabilities, costs (including legal fees, experts', and consultants' fees), charges, expenses, actions, proceedings, claims and demands in respect of all claims made by the building contractor ("Builder") against SARL that are finally determined in favour of the Builder. This has resulted in recognition of an expense and payable (Note 46) to SARL amounting to Rs 180.2m. A respective amount of Rs 180.2m has also been recognised in other income and receivable in SARL. The amount of Rs 180.2m represents existing accruals in the books of SARL in respect of the respective costs.The reassignment of claim has no impact at Group level.

15. Other impairment (losses)/reversals

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Land earmarked for creation of new wetland at Les Salines (Note (a))	**(56,949)**	-	**(42,539)**	-
Write-off on Les Salines hotel project (Note (b))	**(71,940)**	-	**-**	-
Reversal of impairment losses on buildings (Note (c))	**-**	326,624	**-**	-
	(128,889)	326,624	**(42,539)**	-

Management has used judgements in its assumptions on business operations. These judgements are based on current market conditions as at date.

(a) In 2023, Rs 42.5m and Rs 56.9m have been written off in the Company and Group respectively. These relate to the write-off of some 12 arpents of land earmarked for the creation of a new wetland at Les Salines including professional fees incurred for the project. The wetland was written off as it was not appropriate for the project initially earmarked. This relates to the segment, Hotel operations (Note 12).

(b) In 2023, an amount of Rs 71.9m has also been written off in one of the wholly-owned subsidiary of the Company, Les Salines Golf and Resort Limited. This amount represents professional fees and other preliminary costs incurred for the hotel project at Les Salines which are now considered as abortive costs since the hotel project will be redesigned. This relates to the segment, hotel operations (Note 12).

(c) In 2022, a reversal of impairment in buildings of Rs 325.6m and Rs 1.1m was recognised through profit or loss for Beachcomber Hotel S.A. and New Mauritius Hotel - Italia S.R.L. (subsidiaries of the Company) respectively following revaluation performed during the year on their respective buildings. The reversal arises from an increase in the recoverable amount of the underlying investments following improvement in market conditions. Impairment losses were recognised on these buildings in prior years' profit or loss due to prevailing market conditions including the effects of COVID-19 which led to the fall in the recoverable amount of the two subsidiaries. The impairment was determined with reference to the value in use which takes into account the recoverable amount of the underlying investments. The Rs 326.6m has been accounted through profit or loss and the remaining balance of Rs 2.1bn has been accounted through other comprehensive income in the revaluation reserves. Refer to Note 27 for more details on the fair value of buildings. These relate to the segments, hotel operations and tour operating (Note 12).

16. Events after the reporting date

Accounting Policy

If the Group and Company receive information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group and Company will assess if the information affects the amounts recognised in the Group's and Company's financial statements. The Group and Company will adjust the amounts recognised in their financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group and Company will not change the amounts recognised in their financial statements but will disclose the nature of the non-adjusting events and an estimate of their financial effect, or a statement that such an estimate cannot be made, if applicable.

Events which occurred after the reporting date and which required disclosure in the financial statements for the year ended 30 June 2023 are as follows:

(i) On 5 July 2023, New Mauritius Hotels Limited declared a dividend of Rs 1.65 per Preference Share to the Preference Shareholders registered at the close of business on 25 July 2023. The dividend represents arrears for the six-month period ended 30 June 2021, 31 December 2021, 30 June 2022 and 31 December 2022, as well as the amount due for the current period ended 30 June 2023. The Preference dividend of Rs 58.5m was paid on 24 August 2023.

(ii) On 8 September 2023, a severe earthquake hit Morocco. The epicentre was about 70 km in the south of Marrakech. There has been no material damage to Royal Palm Marrakech hotel, which has remained operational post-earthquake. Experts have been hired to conduct a thorough assessment of the damage, overseeing the repair works and facilitating the process of insurance claims. No material financial losses are expected since the hotel is adequately covered for structural damage and business profits. There have been booking cancellations of an estimated revenue of Rs 65m immediately after the earthquake. On the other hand, bookings for December's prime have started to pick up. As at Board date, Management is still monitoring and assessing the potential impact.

17. Related party transactions and disclosures

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

17. Related party transactions and disclosures (cont'd)

The following transactions have been entered into with related parties:

(i) Included in revenue are:

	Nature of Goods or Services	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Hotel packages	**-**	-	**1,004,691**	465,920
Beachcomber Tours	Hotel packages	**-**	-	**612,054**	344,510
Beachcomber Tours Limited	Hotel packages	**-**	-	**700,775**	451,430
Beachcomber Holidays Limited	Hotel packages	**-**	-	**230,393**	81,582
Santayarea (Mauritius) Limited	Rental	**-**	-	**258**	111
Associate:					
Parure Limitée	Space rental	**1,890**	1,890	**1,890**	1,890
Other related party:					
Domaine Palm Marrakech S.A.	Other services	**92**	98	**-**	-

(ii) Included in other income are:

	Nature of Goods or Services	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Management fees	**-**	-	**2,749**	3,163
Santayarea (Mauritius) Limited	Management fees	**-**	-	**1,179**	807
Beachcomber Training Academy Limited	Management fees	**-**	-	**923**	1,221
Kingfisher Ltd	Management fees	**-**	-	**466**	483
Ste Anne Resort Limited	Management fees	**-**	-	**2,761**	-
Beachcomber Holidays Limited	Management fees	**-**	-	**7,973**	6,324
Beachcomber Tours Limited	Dividend income	-	-	**48,285**	-
Société Pur Blanca	Dividend income	-	-	**12,300**	-
Santayarea (Mauritius) Limited	Dividend income	-	-	**2,222**	-
Beachcomber Hospitality Investments Ltd	Dividend income	**-**	-	**1,131,131**	-
Associate:					
Parure Limitée	Dividend income	**4,832**	2,416	**-**	-
Other related parties:					
New Mauritius Hotels Superannuation Fund	Management fees	**1,920**	1,920	**1,920**	1,920
Semaris Ltd	Management fees	**10,000**	10,000	**10,000**	10,000

(iii) Included in other expenses are:

	Nature of Goods or Services	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiaries:					
Beachcomber Holidays Limited	Incentive commission	-	-	**3,596**	337
Beachcomber Holidays Limited	Promotion fees	-	-	**3,961**	-
Mautourco Ltd	Transport & carriage	-	-	**98**	53
Other related parties:					
ENL Property Ltd	Consultancy fees	**2,670**	-	**2,670**	-
ENL Secretarial Services Ltd	Secretarial fees	**1,623**	-	**1,623**	-
ENL Limited	Secretarial fees	**-**	2,324	**-**	2,324
Domaine Palm Marrakech S.A.	Other expenses	**98,022**	78,138	**-**	-

(iv) Included in staff costs are:

	Nature of Goods or Services	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiaries:					
Santayarea (Mauritius) Limited	Training courses	-	-	**6,190**	2,105
Beachcomber Training Academy Limited	Training courses	**-**	-	**115**	1,362

(v) Included in direct expenses are:

	Nature of Goods or Services	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiary:					
Santayarea (Mauritius) Limited	Cost of sales	**-**	-	**11,555**	6,878

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

17. Related party transactions and disclosures (cont'd)

(vi) Included in finance costs are:

	Nature of Goods or Services	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Interest on call account with subsidiaries:					
Beachcomber Holidays Limited	Interest expense	**-**	-	**1,331**	-
Beachcomber Marketing (Pty) Ltd	Interest expense	**-**	-	**18,062**	18,474
Included in interest on lease liability:					
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Interest expense	**-**	-	**302,887**	289,390
Beachcomber Limited	Interest expense	**-**	-	**316**	422
Other related parties:					
New Mauritius Hotels Superannuation Fund	Interest expense	**28,789**	27,451	**28,789**	27,451
Monda Building (Pty) Ltd	Interest expense	**480**	1,061	**-**	-
Included in interest on loans and overdrafts:					
Subsidiaries:					
Royal Gardens Ltd	Interest expense	**-**	-	**7,467**	-
Beachcomber Limited	Interest expense	**-**	-	**13,824**	8,456
Other related parties:					
Leisure Property Northern (Mauritius) Ltd	Interest expense	**83,417**	115,929	**-**	-

(vii) Included in finance revenue:

		THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiary:					
Beachcomber Hospitality Investments Ltd	Interest on loan receivable	**-**	-	**160,942**	143,040
Other related party:					
Semaris Ltd	Modification (loss)/gain on loan receivable	**-**	(64,257)	**-**	(64,257)
Semaris Ltd	Interest on loan receivable	**71,329**	60,899	**71,329**	60,899

(viii) Included in financial assets at amortised cost balances are:

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiaries:				
Beachcomber Tours	**-**	-	**48,362**	28,658
Beachcomber Tours Limited	**-**	-	**36,408**	33,069
Beachcomber Marketing (Pty) Ltd	**-**	-	**-**	43,067
Mautourco Ltd	**-**	-	**2,236**	2,708
Trans-Maurice Car Rental Ltd	**-**	-	**104**	-
Beachcomber Training Academy Limited	**-**	-	**128**	468
Kingfisher Ltd	**-**	-	**4,329**	55
Les Salines Development Ltd	**-**	-	**1,700**	1,683
Les Salines Golf & Resort Limited	**-**	-	**42,657**	9,890
Plaisance Catering Limited	**-**	-	**89**	76
Beachcomber Holidays Limited	**-**	-	**12,942**	8,053
Société Pur Blanca	**-**	-	**5**	115
Beachcomber Hospitality Investments Ltd	**-**	-	**23,487**	954
Ste Anne Resort Limited	**-**	-	**2,935**	-
Beachcomber Limited	**-**	-	**9,822**	-
Santayarea (Mauritius) Limited	**-**	-	**90**	576
Domaine de l'Harmonie Ltd	**-**	-	**26**	2

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

17. Related party transactions and disclosures (cont'd)

(viii) Included in financial assets at amortised cost balances are: (cont'd)

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Associates :				
Parure Limitée	**427**	181	**427**	181
Société Cajeva	**-**	12,919	**-**	12,919
Other related parties:				
Semaris Ltd	**76,351**	48,969	**76,351**	48,969
Praslin Resort Limited	**6,277**	6,405	**-**	-
Les Salines IHS Ltd	**301**	33,750	**301**	-
Les Salines PDS Ltd	**202**	76	**202**	76
ENL Agri Ltd	**-**	8	**-**	8
Fondation Espoir Développement	**814**	104	**814**	104
Kingfisher 3 Ltd	**1**	27	**1**	1
New Mauritius Hotels Superannuation Fund	**184**	184	**184**	184
Domaine Palm Marrakech S.A.	**97**	94	**-**	-

(ix) Included in the loan at call payable to subsidiary balance is:

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiary:				
Beachcomber Marketing (Pty) Ltd	**-**	-	**366,197**	417,954
Other related party:				
Semaris Ltd	**38,736**	-	**38,736**	-

(x) Long-term loan receivable from related party included under financial assets at amortised cost

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiary:				
Beachcomber Hospitality Investments Ltd	**-**	-	**2,367,847**	2,169,639
Other related party:				
Semaris Ltd	**1,312,110**	1,311,431	**1,312,110**	1,311,431

(xi) Long-term receivables included in investment in subsidiaries

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Ste Anne Resort Limited	**-**	-	**-**	1,368,227
Beachcomber Hotel S.A.	**-**	-	**340,827**	340,827
Kingfisher Ltd	**-**	-	**-**	124,037
Les Salines Golf & Resort Ltd	**-**	-	**230,861**	230,861
New Mauritius Hotel - Italia S.R.L.	**-**	-	**30,940**	30,940

(xii) Included in trade and other payable balances are:

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Subsidiaries:				
Beachcomber Tours	**-**	-	**105**	24
Beachcomber Tours Limited	**-**	-	**-**	5,819
Mautourco Ltd	**-**	-	**1,097**	1,946
Beachcomber Training Academy Limited	**-**	-	**2,926**	1,315
Beachcomber Hospitality Investments Ltd	**-**	-	**-**	1,660
Royal Gardens Ltd	**-**	-	**24,653**	20,153
Beachcomber Holidays Limited	**-**	-	**2,300**	1,250
Ste Anne Resorts Limited	**-**	-	**-**	116,238
New Mauritius Hotel - Italia S.R.L.	**-**	-	**2,108**	3
Beachcomber Limited	**-**	-	**-**	118,801
Santayarea (Mauritius) Limited	**-**	-	**3,930**	1,697
Other related parties:				
Fondation Espoir Développement (not for profit organisation)	**2,379**	4,263	**2,379**	4,263
Semaris Ltd	**10**	-	**10**	-
ENL Corporate Services Ltd	**-**	60	**-**	60
ENL Property Ltd	**-**	48	**-**	48
NMH Group Superannuation Fund	**26,119**	2,918	**26,119**	2,918
Gold Coast Resort Limited	**-**	317	**-**	-
Domaine Palm Marrakech S.A.	**348,230**	349,201	**-**	-

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

17. Related party transactions and disclosures (cont'd)

(xiii) Interest-bearing loans and borrowings from related parties included in "Term loans":

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary:				
Loans payable to Beachcomber Limited	**-**	-	**255,399**	177,769
Other related party:				
Loan payable to Leisure Property Northern (Mauritius) Ltd (minority shareholder of Beachcomber Hospitality Investments Ltd)	**-**	1,734,188	**-**	-

(xiv) Included in "Lease liabilities":

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiaries:				
Beachcomber Hospitality Investments Ltd	**-**	-	**6,916,254**	5,651,283
Beachcomber Limited	**-**	-	**6,195**	5,879
Other related parties:				
Monda Building (Pty) Ltd	**7,370**	15,639	**-**	-
New Mauritius Hotels Superannuation Fund	**336,507**	344,199	**336,507**	344,199

Terms and conditions of transactions with related parties
Outstanding balances at period end are unsecured and settlement occurred in cash. For the financial year, the Group and Company assessed recoverability of amounts owed by related parties and no impairment loss was recorded (2022: Nil). The Group and Company assessed provision for impairment from associates and no impairment was noted. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which it operates. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 30.

Loans from related parties
Loan payable at call to Beachcomber Marketing (Pty) Ltd bears an interest rate of 4.10% per annum (2022: 4.10%) (Note 46).

Loan payable at call to Semaris Ltd interest-free (2022: Nil) (Note 46).

Loans payable to Beachcomber Limited amounting to Rs 131.3m, Rs 15.4m and Rs 108.8m bear an interest rate of PLR - 1.25%, a fixed rate of 1.5% and PLR - 0.65% respectively with maturity dates on 31 May 2029, 25 September 2024 and 30 May 2030 respectively (Note 44).

Loans to related party
Loan receivable from Beachcomber Hospitality Investments Ltd bears a fixed interest rate of 7.00% per annum (2022: 6.25%) (Note 34).

Loans to other related party
Loan receivable from Les Salines PDS Ltd bears a fixed interest rate of 5.00% per annum (2022: 5.00%) (Note 34).

The above transactions have been made on normal commercial terms and in the normal course of business.

(xv) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Short-term employee benefits and termination settlements	**256,582**	193,294	**188,843**	148,639
Post-employment benefits	**24,856**	21,129	**21,104**	18,847
	281,438	214,423	**209,947**	167,486

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

18. Revenue

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Revenue from contracts with customers (Note (a))	**13,689,675**	7,703,822	**10,382,336**	5,658,267
Rental income and recoverable lease expenses (Note (c))	**393,845**	411,665	**-**	-
	14,083,520	8,115,487	**10,382,336**	5,658,267

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

18. Revenue (cont'd)

(a) Revenue from contracts with customers

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Timing of revenue recognition:				
At a point in time	**4,824,092**	2,396,913	**4,349,916**	2,079,039
Over time	**8,865,583**	5,306,909	**6,032,420**	3,579,228
	13,689,675	7,703,822	**10,382,336**	5,658,267

(b) Liabilities related to contracts with customers

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July	**532,474**	298,878	**438,151**	219,895
Amounts included in contract liabilities that were recognised as revenue during the year	**(468,322)**	(412,398)	**(375,561)**	(335,541)
Cash received in advance of performance and not recognised as revenue during the year	**581,748**	720,498	**438,830**	623,900
Deposits received in advance of performance that were refunded during the year*	**-**	(70,103)	**-**	(70,103)
Exchange differences	**4,344**	(4,401)	**-**	-
At 30 June	**650,244**	532,474	**501,420**	438,151

Contract liabilities arise from the Group's and Company's collection of future deposits for stays in hotels and tour activities after the year end. The contract liabilities are expected to be realised within 12 months.

* The deposits that were refunded during the year represent advance bookings made by customers for which there were no mutual agreement for future stays in the hotels.

(c) Rental income and recoverable lease expenses

	THE GROUP	
	2023	2022
	Rs '000	Rs '000
Rental income	**377,544**	383,003
Recoverable lease expenses	**16,301**	28,662
	393,845	411,665

The recoverable property expenses relate to expenditure that is directly recoverable from tenants.

19. Staff costs

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Wages, salaries, fees and bonuses	**2,738,343**	2,180,023	**2,043,280**	1,601,772
Social costs	**282,198**	289,488	**187,644**	231,257
Other employee benefits and related expenses	**1,053,599**	705,047	**971,802**	621,758
	4,074,140	3,174,558	**3,202,726**	2,454,787
Government Wage Assistance Scheme (Note 4(k))	**-**	(449,856)	**-**	(422,444)
	4,074,140	2,724,702	**3,202,726**	2,032,343

20. Other expenses

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Operating supplies and cleaning expenses	**491,025**	325,332	**452,652**	272,022
Repairs and maintenance	**443,163**	369,696	**397,898**	320,101
Utility costs	**483,006**	401,881	**433,199**	339,261
Marketing expenses*	**1,192,455**	736,594	**429,180**	352,496
Guest entertainment	**189,001**	117,908	**139,001**	95,010
Administrative expenses**	**652,676**	465,525	**410,053**	321,760
Licences, patents, insurance and taxes	**164,422**	128,123	**156,024**	111,028
	3,615,748	2,545,059	**2,418,007**	1,811,678

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

20. Other expenses (cont'd)

* Marketing expenses included a provision of Rs 60m for both Group and Company in 2022 arising from potential tax liabilities claimed by the French Tax Authorities to our representation office in Paris. The tax assessment relates to the non-payment of withholding tax and/or corporate tax on the representation fees transferred by the Company to its French representation office. In 2023, this provision has been reversed in marketing expenses following clearance of the case with the tax authorities. Please refer to Note 13 for further details.
** Administrative expenses mainly include legal and professional fees, credit card commissions, security contracts and bank charges.

21. Finance revenue

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Exchange gain on retranslation of receivable from subsidiary	**204,085**	-	**204,085**	-
Exchange gain on currency borrowings	**-**	135,667	**-**	135,667
Interest income	**125,458**	13,664	**234,823**	139,682
	329,543	149,331	**438,908**	275,349

Included in interest income of the Company is an amount of Rs 160.9m (2022: Rs 143m) pertaining to interest on shareholder's loan to BHI and interest of Rs 71.3m (2021: Rs 60.9m) on loan to Les Salines PDS Ltd, an entity under common control.

In 2022, a modification loss of Rs 64.3m was included in interest income representing the difference between the new and original gross carrying amount of the loan to Semaris Ltd, following modification of its contractual cash flows as at 30 June 2022. There was no modication gain/loss in 2023.

22. Finance costs

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Exchange loss on loan at call account	**-**	12,605	**-**	-
Exchange loss on currency borrowings	**155,622**	-	**165,776**	-
Exchange loss on retranslation of receivable from subsidiary	**-**	205,232	**-**	205,232
	155,622	217,837	**165,776**	205,232
Dividends on preference shares	**23,459**	24,457	**23,459**	24,457
Interest costs on:				
Bank overdrafts	**97,707**	74,371	**82,028**	49,735
Loans	**836,240**	629,041	**552,789**	338,056
Debentures and fixed-rate secured notes	**188,236**	211,129	**88,354**	108,594
Lease liabilities (Note 28(ii))	**180,235**	174,834	**458,343**	438,807
Call account with subsidiaries (Note 17(vi))	**-**	-	**20,571**	18,474
Others	**1,178**	8,505	**1**	17
	1,327,055	1,122,337	**1,225,545**	978,140
	1,482,677	1,340,174	**1,391,321**	1,183,372

Accounting Policy
Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised as expenses when incurred.

No borrowing costs were capitalised during the year (2022: Nil).

23. Other income

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Other operating income	**28,341**	45,772	**27,972**	23,918
Investment income - quoted	**867**	349	**867**	349
- unquoted*	**8**	11	**1,193,938**	11
	29,216	46,132	**1,222,777**	24,278

* During the year, the Company received dividend income of Rs 828.1m through new shares in the subsidiary, Beachcomber Hospitality Investments Ltd, in lieu of cash (Note 31).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

24. Other gains/(losses)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net fair value loss on derivatives	**13,894**	(1,145)	**13,894**	(1,145)
Cash flow hedges released to profit or loss	**(25,531)**	(66,142)	**(103,854)**	(66,142)
Net foreign exchange gain	**309,756**	146,032	**287,383**	160,902
	298,119	78,745	**197,423**	93,615

25. Income tax

Accounting Policy

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and Company operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiary companies and associated companies where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:
- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies and associated companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the statement of profit or loss and other comprehensive income and the income tax liability on the statements of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

25. Income tax (cont'd)

Significant accounting judgements and estimates

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could require future adjustments to tax income and expense already recorded. The Group and Company establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which they operate. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group and Company. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

(a) Current income tax

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
The major components of income tax for the years ended 30 June 2023 and 30 June 2022 are:				
Statements of profit or loss:				
Income tax on the adjusted profit for the year at 15% to 30% (2022: 15% to 30%)	**(145,916)**	(75,081)	**-**	-
Corporate Social Responsibility (CSR)	**(12,898)**	(7,860)	**(5,793)**	(4,080)
Deferred tax movement (Note 25 (b))	**(323,213)**	62,723	**(249,012)**	118,858
Under-provision of income and deferred tax	**(45,115)**	-	**(46,852)**	-
Income tax (expense)/credit	**(527,142)**	(20,218)	**(301,657)**	114,778

	THE GROUP		THE COMPANY	
Statements of other comprehensive income:	**2023**	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Deferred tax relating to items recognised in other comprehensive income				
Gains/(Losses) on cash flow hedges	**81**	-	**52,854**	(89,234)
Revaluation of land and buildings	**-**	(318,724)	**-**	(243,500)
Remeasurement of employee benefit liabilities	**103,766**	(33,300)	**101,378**	(31,673)
	103,847	(352,024)	**154,232**	(364,407)

	THE GROUP		THE COMPANY	
Statements of financial position:	**2023**	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July	**(7,589)**	22,082	**6,174**	6,039
Income tax on the adjusted profit for the year at 15% to 31% (2022: 15% to 31%)	**(157,077)**	(82,941)	**(5,793)**	(4,080)
Exchange differences	**(4,466)**	(2,389)	**-**	-
Payment during the year	**95,387**	55,659	**6,122**	4,215
At 30 June	**(73,745)**	(7,589)	**6,503**	6,174
Analysis of tax position at year end:				
Income tax prepaid	**6,503**	10,595	**6,503**	6,174
Income tax payable	**(80,248)**	(18,184)	**-**	-
	(73,745)	(7,589)	**6,503**	6,174

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

25. Income tax (cont'd)

A reconciliation between tax expense and the product of accounting profit multiplied by the respective jurisdiction's tax rate in the years ended 30 June 2023 and 30 June 2022 is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Profit/(Loss) before tax	**2,809,282**	65,580	**2,882,851**	(737,730)
Tax calculated at a tax rate of 15% to 31% (2022: 15% to 31%)	**(533,361)**	(61,364)	**(432,428)**	110,660
Corporate Social Responsibility (CSR)	**(12,898)**	(7,860)	**(5,793)**	(4,080)
Effect of temporary difference on CSR	**(24,501)**	14,755	**(57,657)**	14,755
Expenses not deductible for tax purposes	**(46,355)**	(50,369)	**(50,356)**	(30,380)
Deferred tax asset not recognised	**(1,089)**	(940)	**-**	-
Utilisation of previous tax losses	**45,273**	8,317	**-**	-
Underprovision of income and deferred tax	**(45,115)**	-	**(46,852)**	-
Effect of disposal of properties	**18,380**	-	**18,380**	-
Income not subject to tax	**72,524**	77,243	**273,049**	23,823
Tax (expense)/credit	**(527,142)**	(20,218)	**(301,657)**	114,778

(b) Deferred tax

The Group has determined that deferred tax assets cannot be recognised on tax losses of Rs 1,988m (2022: Rs 2,887m) carried forward since there is uncertainty and no convincing other evidence whether future taxable profit will be available against which the unused tax losses can be utilised. Out of the Rs 1,988m (2022: Rs 2,887m) for unrecognised deferred tax assets, an amount of Rs 1,967m (2022: Rs 2,874m) can be utilised indefinitely.

Tax losses for which no deferred tax asset was recognised expire as follows:

	THE GROUP	
	2023	2022
	Rs '000	Rs '000
Tax year of assessment		
Year 1 - 2024/2025	**18**	-
Year 2 - 2025/2026	**2,574**	17
Year 3 - 2026/2027	**4,853**	2,406
Year 4 - 2027/2028	**6,409**	4,537
Year 5 - 2028/2029	**7,632**	5,991
	21,486	12,951

THE GROUP

Deferred taxes as at 30 June 2023 and 30 June 2022 relate to the following:

	Statements of Financial Position		Statements of Profit or Loss		Statements of Other Comprehensive Income	
	2023	2022	**2023**	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Deferred tax liabilities						
Accelerated capital allowances	**2,003,450**	1,802,052	**(201,398)**	40,994	**-**	-
Asset revaluation	**1,245,280**	1,246,962	**-**	-	**-**	(318,724)
Right-of-use assets	**255,192**	249,314	**(5,878)**	11,266	**-**	-
Exchange differences	**62,485**	29,488	**-**	-	**(32,997)**	9,830
	3,566,407	3,327,816				
Deferred tax assets						
Losses available for offsetting against future taxable income	**(964,240)**	(1,166,117)	**(201,877)**	5,185	**-**	-
Employee benefit liabilities	**(402,897)**	(311,845)	**(12,714)**	4,941	**103,766**	(33,300)
Provision & others	**(33,200)**	(18,060)	**15,140**	4,359	**-**	-
Lease liabilities	**(340,591)**	(303,848)	**36,662**	(4,022)	**81**	-
Exchange differences	**(66,917)**	(53,874)	**-**	-	**13,043**	(3,398)
	(1,807,845)	(1,853,744)				
Deferred tax liabilities (net)	**1,758,562**	1,474,072				
Disclosed as follows:						
Deferred tax assets	**(227,203)**	(222,978)				
Deferred tax liabilities	**1,985,765**	1,697,050				
	1,758,562	1,474,072				
Deferred tax (charged)/credited to profit or loss			**(370,065)**	62,723		
Deferred tax credited/(charged) to other comprehensive income					**83,893**	(345,592)

The tax losses due to operation expire on a rolling basis over 3-5 years whereas capital allowances can be utilised indefinitely for the Group.

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

25. Income tax (cont'd)

(b) Deferred tax (cont'd)

THE COMPANY	Statements of Financial Position		Statements of Profit or Loss		Statements of other Comprehensive Income	
	2023	2022	**2023**	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Deferred tax liabilities						
Accelerated capital allowances	**1,294,872**	1,290,684	**(4,188)**	90,153	**-**	-
Asset revaluation	**770,568**	772,250	**-**	-	**-**	(243,500)
Right-of-use assets	**1,240,821**	1,020,820	**(220,001)**	11,973	**-**	-
Deferred tax assets						
Losses available for offsetting against future taxable income	**(640,949)**	(889,790)	**(248,841)**	(1,037)	**-**	-
Provision & others	**(30,199)**	(15,900)	**14,299**	2,850	**-**	-
Employee benefit liabilities	**(388,718)**	(299,740)	**(12,400)**	(696)	**101,378**	(31,673)
Lease liabilities	**(1,500,750)**	(1,272,629)	**175,267**	15,615	**52,854**	(89,234)
Net deferred tax liabilities	**745,645**	605,695				
Deferred tax (charged)/credited to profit or loss			**(295,864)**	118,858		
Deferred tax credited/(charged) to other comprehensive income					**154,232**	(364,407)

The tax losses due to operation expire on a rolling basis over 5 years whereas capital allowances can be utilised indefinitely for the Company.

26. Earnings/(Loss) per share

Accounting Policy
Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. On 14 March 2019, 2,354,503 preference shares of the Company were converted into 1,311,929 new ordinary shares ranking pari passu with the existing ordinary shares. The number of ordinary shares of the Company after the conversion is 548,982,130.

There is no more conversion window which can be exercised at the option of preference shareholders. The Company may, at its absolute discretion, from 28 July 2022, redeem or buy back the remaining preference shares in whole or in part.

Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise issued redeemable convertible secured bonds.

The following table reflects the income and share data used in the basic and diluted EPS computations:

		THE GROUP	
		2023	2022
		Rs '000	Rs '000
Profit/(Loss) attributable to ordinary equity holders of the parent:		**2,118,591**	(64,770)
Weighted average number of ordinary shares for basic EPS ('000)		**548,982**	548,982
Basic earnings/(loss) per share:	Rs	**3.86**	(0.12)
Profit/(Loss) attributable to ordinary equity holders of the parent:		**2,118,591**	(64,770)
Interest costs on redeemable convertible secured bonds		**23,693**	23,536
		2,142,284	(41,234)
Weighted average number of ordinary shares for diluted EPS ('000)		**884,422**	884,422
Diluted earnings/(loss) per share:	Rs	**2.42**	(0.12)

In 2022, the redeemable convertible secured bonds did not have an impact on Diluted Earnings per Share as they were found to be anti-dilutive.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS

27. Property, plant and equipment

Accounting Policy

Plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at revalued amount less accumulated depreciation on buildings and any impairment losses are recognised after the date of the revaluation. Following initial recognition at cost, freehold land and buildings are revalued every 3 years.

Any revaluation surplus is recognised in other comprehensive income and accumulated in the revaluation reserve included in the equity section of the statements of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation loss is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may not be recoverable.

An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on the straight-line basis over the useful life as follows:

Office buildings	50 years
Plant and equipment	Between 3 and 26 years
Furniture, fittings, office equipment and electrical appliances	Between 3 and 15 years
Computers and electronic equipment	Between 3 and 10 years
Motor vehicles	5 years

Land is not depreciated.

Buildings and motor vehicles are depreciated up to their respective residual values.

For hotel buildings, depreciation is calculated using the straight-line method over the lease term of the leasehold land on which the buildings are found.

Other fixed assets include plant and equipment, furniture and fittings, office equipment and electrical appliances and computers and electronic equipment.

Work in progress pertains mainly to costs incurred for renovation work at Paradis Beachcomber Golf Resort & Spa and Shandrani Beachcomber Resort & Spa.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate.

Significant accounting judgements and estimates

Revaluation and impairment of freehold land and hotel buildings
The Group and Company measure freehold land and hotel buildings at revalued amounts with changes in fair value being recognised in other comprehensive income and accumulated in equity. As at 30 June 2022, the Group and Company engaged an independent valuation specialist to determine fair value based on prevailing market data. As at 30 June 2022, the Group and Company also performed an impairment assessment of the carrying value of freehold land and buildings per cash-generating unit through the value in use methodology. Impairment losses were recognised where the value in use was lower than the carrying value. Further details in respect of the freehold land and buildings are contained in Note 27. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Notes 15 and 30.

Property, plant and equipment: Estimations of the useful lives and residual value of the assets
The depreciation charge calculation requires an estimation of the economic useful life of the property, plant and equipment of the Group and Company analysed by component as well as their residual values. In estimating residual values, the Group and Company have assessed the value of the buildings at today's rates assuming the buildings are in the condition in which they are expected to be at the end of the lease terms of the leasehold land on which the buildings are found.

The Directors therefore made estimates based on historical experience and used best judgement to assess the useful life and assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

27. Property, plant and equipment (cont'd)

Property, plant and equipment: Estimations of the useful lives and residual value of the assets (cont'd)

Other items of property, plant and equipment are depreciated over their useful lives. The carrying amount of property, plant and equipment is disclosed below.

THE GROUP	Freehold Land Rs '000	Buildings Rs '000	Other Fixed Assets Rs '000	Motor Vehicles Rs '000	Work in Progress Rs '000	Total Rs '000
Cost and valuation						
At 1 July 2021	2,497,603	19,216,371	6,724,382	229,976	500,046	29,168,378
Additions	-	154,916	206,907	13,484	224,052	599,359
Transfer	-	433,767	58,108	-	(491,875)	-
Disposals	-	-	(3,068)	(20,976)	-	(24,044)
Scrapped	-	-	(33,025)	(1,573)	(95)	(34,693)
Reclassifications	(30,474)	30,474	-	-	-	-
Transfer from right-of-use assets (Note 28)	-	-	-	16,057	-	16,057
Transfer to inventories (Note 35)	-	-	-	-	(1,184)	(1,184)
Revaluation adjustment	194,173	1,619,313	-	-	-	1,813,486
Exchange differences	(34,059)	(197,549)	(129,514)	(1,440)	(7,946)	(370,508)
At 30 June 2022	2,627,243	21,257,292	6,823,790	235,528	222,998	31,166,851
Additions	-	54,813	323,910	40,236	465,039	883,998
Transfer	2,031	178,470	77,692	-	(258,193)	-
Disposals (Note (d))	(29,749)	(102,087)	(125,322)	(53,393)	-	(310,551)
Reclassifications	-	-	(12,941)	12,941	-	-
Write-off (Note 15)	(42,539)	-	-	-	(86,350)	(128,889)
Transfer from right-of-use assets (Note 28)	-	-	515	3,678	-	4,193
Exchange differences	14,211	93,257	52,931	525	(244)	160,680
At 30 June 2023	**2,571,197**	**21,481,745**	**7,140,575**	**239,515**	**343,250**	**31,776,282**
Depreciation						
At 1 July 2021	-	431,462	4,968,218	152,838	-	5,552,518
Charge for the year	-	226,784	395,334	17,798	-	639,916
Disposals	-	-	(3,104)	(15,391)	-	(18,495)
Scrapped	-	-	(32,654)	(1,419)	-	(34,073)
Transfer from right-of-use assets (Note 28)	-	-	-	12,865	-	12,865
Reclassifications	-	334	(334)	-	-	-
Revaluation adjustment	-	(589,153)	-	-	-	(589,153)
Exchange differences	-	(3,388)	(83,974)	(1,053)	-	(88,415)
At 30 June 2022	-	66,039	5,243,486	165,638	-	5,475,163
Charge for the year	-	270,890	355,770	18,103	-	644,763
Disposals (Note (d))	-	(800)	(101,846)	(49,236)	-	(151,882)
Transfer from right-of-use assets (Note 28)	-	-	505	1,904	-	2,409
Exchange differences	-	14,054	37,320	384	-	51,758
At 30 June 2023	**-**	**350,183**	**5,535,235**	**136,793**	**-**	**6,022,211**
Net Book Values						
At 30 June 2023	**2,571,197**	**21,131,562**	**1,605,340**	**102,722**	**343,250**	**25,754,071**
At 30 June 2022	2,627,243	21,191,253	1,580,304	69,890	222,998	25,691,688

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

27. Property, plant and equipment (cont'd)

THE COMPANY Cost and valuation	Freehold Land Rs '000	Buildings Rs '000	Other Fixed Assets Rs '000	Motor Vehicles Rs '000	Work in Progress Rs '000	Total Rs '000
At 1 July 2021	1,658,478	12,123,284	4,903,656	89,161	213,025	18,987,604
Additions	-	18,530	86,668	240	441,688	547,126
Transfer	-	433,767	58,107	-	(491,874)	-
Transfer from right-of-use assets (Note 28)	-	-	-	16,057	-	16,057
Transfer to inventories (Note 35)	-	-	-	-	(1,184)	(1,184)
Disposals	-	-	(3,068)	(15,967)	-	(19,035)
Scrapped	-	-	(13,896)	(362)	(95)	(14,353)
Revaluation adjustment	155,123	1,118,149	-	-	-	1,273,272
At 30 June 2022	1,813,601	13,693,730	5,031,467	89,129	161,560	20,789,487
Additions	-	22,373	243,720	-	433,619	699,712
Transfer	-	178,470	74,809	-	(253,279)	-
Transfer from right-of-use assets (Note 28)	-	-	515	3,678	-	4,193
Write-off (Note 15)	(42,539)	-	-	-	-	(42,539)
Disposals (Note (d))	(29,749)	(102,087)	(1,844)	(29,189)	-	(162,869)
At 30 June 2023	**1,741,313**	**13,792,486**	**5,348,667**	**63,618**	**341,900**	**21,287,984**
Depreciation						
At 1 July 2021	-	319,423	3,800,762	68,084	-	4,188,269
Charge for the year	-	134,361	267,409	2,781	-	404,551
Transfer from right-of-use assets (Note 28)	-	-	-	12,865	-	12,865
Disposals	-	-	(3,052)	(12,799)	-	(15,851)
Scrapped	-	334	(13,862)	(206)	-	(13,734)
Revaluation adjustment	-	(314,204)	-	-	-	(314,204)
At 30 June 2022	-	139,914	4,051,257	70,725	-	4,261,896
Charge for the year	-	166,697	255,181	1,744	-	423,622
Transfer from right-of-use assets (Note 28)	-	-	505	1,904	-	2,409
Disposals (Note (d))	-	(776)	(1,838)	(23,417)	-	(26,031)
At 30 June 2023	**-**	**305,835**	**4,305,105**	**50,956**	**-**	**4,661,896**
Net Book Values						
At 30 June 2023	**1,741,313**	**13,486,651**	**1,043,562**	**12,662**	**341,900**	**16,626,088**
At 30 June 2022	1,813,601	13,553,816	980,210	18,404	161,560	16,527,591

(a) Revaluation of freehold land and buildings

The Group and Company have a policy of revaluating their freehold land and buildings every three years. These assets were revalued at 30 June 2022 by Noor Dilmohamed and Associates (Mauritius operations), Cabinet Lazrak (Morocco operations), Vail Williams LLP (UK operations) and Eynard Immobiliare (Italy operations), accredited independent valuers with recognised professional qualifications and relevant experience. Revaluation adjustment was accounted for those properties where there is no indication of impairment of the cash-generating units (refer to Note 15(b) for revaluation adjustment in profit and loss and revaluation reserves).

The Group and Company have assessed that the highest and best use of their properties do not differ from their current use.

The revalued land and buildings consist of hotel properties. Management determined that these constitute two classes of assets - namely land and buildings - under IFRS 13, based on the nature, characteristics and risks of the property.

Land and buildings were valued based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property, with the exception of the buildings for Beachcomber Hotel S.A. (a subsidiary of the Company), which were valued on a discounted cash flow basis. The most significant input into this valuation approach is price per square metre. The basis of valuation in estimating the market value has been undertaken in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with Valuation for Financial Reporting and which is to be used in the context of International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB).

The buildings of Beachcomber Hotel S.A. have been valued on a discounted cash flow basis. This method of valuation is based on the theory of substitution and is used in situations where it is difficult to estimate inputs to be used to calculate value. The most significant input into this method of valuation is the discount rate and the growth rate.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

27. Property, plant and equipment (cont'd)

(a) Revaluation of freehold land and buildings (cont'd)

The freehold land and buildings have been classified as level 3 and there were no transfers from one level to another during the year.

		Year ended 30 June 2023	Year ended 30 June 2022
Significant unobservable valuation input		Range	Range
Open Market Value basis			
Price per square metre:	- Freehold land	**Rs 1,024 - Rs 7,900**	Rs 1,024 - Rs 7,900
	- Building	**Rs 8,000 - Rs 90,000**	Rs 8,000 - Rs 90,000
Discounted Cash Flow basis - Building			
Discount rate		**12.0%**	12.0%
Growth rate		**2.5%**	2.5%

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

(b) If freehold land and buildings were measured using the cost model, the carrying amount would have been as follows:

	THE GROUP		THE COMPANY	
	Year ended 30 June 2023	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cost	**18,546,572**	18,617,182	**10,039,691**	10,013,223
Accumulated depreciation	**(2,071,392)**	(1,882,321)	**(1,355,397)**	(1,254,408)
Net book values	**16,475,180**	16,734,861	**8,684,294**	8,758,815

(c) Property, plant and equipment given as collateral for bank borrowings are included in assets.

(d) During the year, 3 villas were sold by the Company under the Invest Hotel Scheme ("IHS") and same was accounted for as a sale and leaseback transaction. Corresponding right-of-use assets and lease liabilities were then recognised following the sale of the 3 villas (Note 28).

28. Right-of-use assets and lease liabilities

Accounting Policy

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- leases of low-value assets (below Rs 200k); and
- leases with a duration of 12 months or less.

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

(a) there is an identified asset;
(b) the Group and Company obtain substantially all the economic benefits from use of the asset; and
(c) the Group and Company have the right to direct use of the asset.

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

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

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

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

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Right-of-use assets and lease liabilities (cont'd)

Identifying leases (cont'd)

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

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

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

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group and Company are contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. While the Group and Company revalue their land and buildings that are presented within property, plant and equipment, they have chosen not to do so for the right-of-use land and buildings held by the Group and Company.

When the Group and Company revise their estimate of the term of any lease (because, for example, they reassess the probability of a lessee extension or termination option being exercised), they adjust the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at a revised discount. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group and Company renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:
- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, the carrying amount of both the lease liability and right-of-use asset is reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

As a lessee
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.

Sale and leaseback transactions
If the Group or Company transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, they determine whether the transfer of the asset is a sale in accordance with IFRS 15 or not. If the transfer of an asset satisfies the requirements of IFRS 15, it is accounted for as a sale of the asset. If the transfer of the asset is not a sale, the Group and Company continue to recognise the transferred asset and recognise a financial liability equal to the transfer proceeds. They account for the financial liability applying IFRS 9.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Right-of-use assets and lease liabilities (cont'd)

Significant accounting judgements and estimates
The Group and Company were not able to readily determine the interest rate implicit in the lease; therefore, they used their incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Judgement is applied in determining the components of the IBR used for each lease including risk-free rates, the Group's and Company's credit risk and any lease-specific adjustments. The IBR is determined based on a series of inputs including: the risk-free rate based on Government bond rates; a country-specific risk adjustment; and a credit risk adjustment.

Judgement was also applied by the Company in respect of the lease term with one of its subsidiaries, which included renewal options by the Company as the lessee, after expiry of the initial lease term of 18 years. It was considered appropriate to not include the renewal options for the lease liability and right-of-use calculation due to the various unforeseen events which could arise in the distant future.

(i) **RIGHT-OF-USE-ASSETS**

GROUP	Land and Buildings Rs '000	Leasehold Rights Rs '000	Plant, Machinery and Motor Vehicles Rs '000	Total Rs '000
At 1 July 2021	1,881,448	291,042	188,817	2,361,307
Additions	-	-	54,370	54,370
Depreciation	(63,783)	(6,356)	(51,110)	(121,249)
Transfer to property, plant and equipment (Note 27)	-	-	(3,192)	(3,192)
Variable lease payment adjustment	27,364	-	-	27,364
Disposals	-	-	(1,433)	(1,433)
Exchange differences	(1,309)	-	(6,581)	(7,890)
At 30 June 2022	1,843,720	284,686	180,871	2,309,277
Additions (Note 27(d))	44,091	-	66,950	111,041
Depreciation	(65,155)	(6,634)	(55,337)	(127,126)
Transfer to property, plant and equipment (Note 27)	-	-	(1,784)	(1,784)
Variable lease payment adjustment	22,781	-	-	22,781
Disposals	-	-	(7,265)	(7,265)
Exchange differences	24,771	-	6,575	31,346
At 30 June 2023	**1,870,208**	**278,052**	**190,010**	**2,338,270**

COMPANY	Land and Buildings * Rs '000	Leasehold Rights Rs '000	Plant, Machinery and Motor Vehicles Rs '000	Total Rs '000
At 1 July 2021	4,514,750	113,221	89,056	4,717,027
Additions	-	-	24,477	24,477
Depreciation	(319,923)	(2,342)	(27,374)	(349,639)
Transfer to property, plant and equipment (Note 27)	-	-	(3,192)	(3,192)
Variable lease payment adjustment	399,747	-	-	399,747
Write-off	-	-	(271)	(271)
At 30 June 2022	4,594,574	110,879	82,696	4,788,149
Additions (Note 27(d))	44,091	-	53,882	97,973
Depreciation	(365,021)	(2,342)	(32,281)	(399,644)
Transfer to property, plant and equipment (Note 27)	-	-	(1,784)	(1,784)
Remeasurement of right-of-use assets	1,732,337	-	-	1,732,337
Variable lease payment adjustment	22,781	-	-	22,781
At 30 June 2023	**6,028,762**	**108,537**	**102,513**	**6,239,812**

* Included in land and buildings is a profit on a sale and leaseback transaction netted off as per IFRS 16 (refer to Note 48).

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Right-of-use assets and lease liabilities (cont'd)

(ii). **LEASE LIABILITIES**

GROUP	Land and Buildings Rs '000	Plant, Machinery and Motor Vehicles Rs '000	Total Rs '000
At 1 July 2021	2,209,289	197,358	2,406,647
Additions	-	53,356	53,356
Interest expense	166,767	8,067	174,834
Lease payments	(213,843)	(73,188)	(287,031)
Variable lease payments adjustment	27,364	-	27,364
Write-off	-	(815)	(815)
Exchange differences	(9,754)	(6,707)	(16,461)
At 30 June 2022	2,179,823	178,071	2,357,894
Additions (Note 27(d))	45,121	66,950	112,071
Interest expense	170,440	9,795	180,235
Lease payments	(215,146)	(65,841)	(280,987)
Variable lease payments adjustment	22,781	-	22,781
Disposals	-	(7,265)	(7,265)
Exchange differences	79,737	7,927	87,664
At 30 June 2023	**2,282,756**	**189,637**	**2,472,393**

Disclosed as:	**2023 Rs '000**	2022 Rs '000
Non-current	**2,388,617**	2,277,657
Current	**83,776**	80,237
	2,472,393	2,357,894

COMPANY	Land and Buildings Rs '000	Plant, Machinery and Motor Vehicles Rs '000	Total Rs '000
At 1 July 2021	7,918,345	93,170	8,011,515
Additions	-	24,402	24,402
Interest expense	433,644	5,163	438,807
Lease payments	(740,782)	(34,160)	(774,942)
Variable lease payments adjustment	399,747	-	399,747
Write-off	-	(815)	(815)
Exchange differences	(524,903)	-	(524,903)
At 30 June 2022	7,486,051	87,760	7,573,811
Additions (Note 27(d))	45,121	53,882	99,003
Interest expense	451,184	7,159	458,343
Lease payments	(1,220,440)	(43,905)	(1,264,345)
Remeasurement of lease liabilities	1,732,337	-	1,732,337
Variable lease payments adjustment	22,781	-	22,781
Exchange differences	310,904	-	310,904
At 30 June 2023	**8,827,938**	**104,896**	**8,932,834**

Disclosed as:	**2023 Rs '000**	2022 Rs '000
Non-current	**8,543,280**	7,132,372
Current	**389,554**	441,439
	8,932,834	7,573,811

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Right-of-use assets and lease liabilities (cont'd)

(ii) **LEASE LIABILITIES (CONT'D)**

Maturity analysis of lease liabilities	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Minimum lease payments:				
-Within one year	**310,578**	265,134	**942,471**	863,256
-After one year and before two years	**293,875**	251,697	**946,414**	864,919
-After two years and before five years	**745,564**	633,714	**2,936,113**	2,665,068
-After five years	**8,431,385**	7,128,027	**11,507,331**	9,219,779
	9,781,402	8,278,572	**16,332,329**	13,613,022
Less: Future finance charges on obligations under lease liabilities	**(7,309,009)**	(5,920,678)	**(7,399,495)**	(6,039,211)
Present value of obligations under lease liabilities	**2,472,393**	2,357,894	**8,932,834**	7,573,811
Present value analysed as follows:				
Current				
-Within one year	**83,776**	80,237	**389,554**	441,439
Non-current				
-After one year and before two years	**86,156**	84,170	**416,807**	466,210
-After two years and before five years	**154,117**	146,555	**1,513,007**	1,621,629
-After five years	**2,148,344**	2,046,932	**6,613,466**	5,044,533
	2,388,617	2,277,657	**8,543,280**	7,132,372
	2,472,393	2,357,894	**8,932,834**	7,573,811

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

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

The Group and Company lease a number of properties in the jurisdictions from which they operate. In some jurisdictions, it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions' property leases, the periodic rent is fixed over the lease term. The leases arise mainly on hotel properties.

The Group and Company also lease certain items of plant and equipment. Some contracts for services with distributors contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms.

(b) **Variable lease payments**

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 10% on the balance sheet date to lease payments that are variable.

30 June 2023

	Lease Contracts Number	***Fixed Payments %***	***Variable Payments %***	***Sensitivity Rs***
Group				
Property leases with payments linked to inflation	15	93%	-	-
Property leases with variable payments	3	-	2%	4,436
Leases of plant, machinery and motor vehicles	222	5%	-	-
	240	**98%**	**2%**	**4,436**

	Lease Contracts Number	***Fixed Payments %***	***Variable Payments %***	***Sensitivity Rs***
Company				
Property leases with payments linked to inflation	12	98%	-	-
Property leases with variable payments	3	-	1%	4,436
Leases of plant, machinery and motor vehicles	197	1%	-	-
	212	**99%**	**1%**	**4,436**

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Right-of-use assets and lease liabilities (cont'd)

(ii) **LEASE LIABILITIES (CONT'D)**

(b) **Variable lease payments (cont'd)**

30 June 2022

	Lease Contracts Number	*Fixed Payments %*	*Variable Payments %*	*Sensitivity Rs*
Group				
Property leases with payments linked to inflation	12	92%	-	-
Property leases with fixed payments	1	-	-	-
Leases of plant, machinery and motor vehicles	161	8%	-	-
	174	100%	-	-

	Lease Contracts Number	*Fixed Payments %*	*Variable Payments %*	*Sensitivity Rs*
Company				
Property leases with payments linked to inflation	10	99%	-	-
Property leases with fixed payments	1	-	-	-
Leases of plant, machinery and motor vehicles	87	1%	-	-
	98	100%	-	-

(c) **Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across the Group and Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group's and Company's operations. The majority of extension and termination options held are exercisable only by the Group and Company and not by the respective lessor.

(d) **Lease term**

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

The lease term is revised if an option is actually exercised (or not exercised) or the Group and Company become obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee. During the current financial year, there has been no effect of exercising any extension or termination options with respect to the existing leases and right-of-use assets.

	2023	2022
	Rs '000	Rs '000
Group		
Interest expense (included in finance cost)	**180,235**	174,834
Company		
Interest expense (included in finance cost)	**458,343**	438,807

The total cash outflow for leases in 2023 was Rs 281m for the Group and Rs 1,264.3m for the Company (2022: Rs 287m for the Group and Rs 774.9m for the Company).

29. Investment property

Accounting Policy

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise. Fair values are determined based on an annual valuation performed by an accredited external independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised when either it has been disposed of or the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to investment property only when there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

29. Investment property (cont'd)

Accounting Policy
For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is its fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

	THE GROUP	
	2023	2022
	Rs '000	Rs '000
At 1 July	**5,573,428**	6,044,214
Additions	**81,845**	64,485
Change in fair value	**109,271**	(19,063)
Exchange differences	**399,743**	(516,208)
At 30 June	**6,164,287**	5,573,428
Analysed as follows:		
Investment property	**5,916,612**	5,335,263
Right-of-use assets	**247,675**	238,165
	6,164,287	5,573,428

No borrowing costs were capitalised during the financial year ended 30 June 2023 (2022: Nil).

(i) Measuring investment property at fair value
Investment property was valued as at 30 June 2023 by Knight Frank Gauteng (Pty) Ltd, South Africa (2022: Noor Dilmohamed and Associates, Mauritius), external independent certified practising valuers with relevant experience. The valuation was performed in accordance with the International Valuation Standards Committee requirements, and the valuation model is consistent with principles of IFRS 13. The fair value is determined using the discounted cash flow (DCF) method by discounting the rental income based on expected net cash flows of the underlying hotel. The DCF is also the approach by which investors analyse property for investment purposes to estimate the market value. This methodology takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

The property valuation includes the right of use of land, lease incentives and plant, equipment, furniture and fittings which are an integral part of the building.

The discounted fair value of investment property as estimated by the valuer was adjusted with right-of-use assets recognised separately.

(ii) Fair value hierarchy
The fair value measurement hierarchy for investment property as at 30 June 2023 was Level 3 – Significant unobservable inputs (2022: Level 3). There was no transfer between Levels 1, 2 and 3 during the year.

Description of valuation techniques used and key inputs to valuation is as follows:

Nature & Location: Hotel built on Ste Anne Island, Seychelles.
Valuation technique: DCF method.
Significant unobservable inputs:
Rent growth p.a.: 1.41% to 2.00% (2022: 2.00%)
Discount rate: 8.75% (2022: 9.00%)
Terminal yield: 7.00% (2022: 6.75%)

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

(iii) Amounts of investment property recognised in Statements of Profit or Loss

	2023	2022
	Rs '000	Rs '000
Rental income from operating leases	**377,544**	383,003
Recoverable lease expenses	**16,301**	28,662
Direct operating expenses that generated rental income	**-**	-
Direct operating expenses that did not generate rental income	**(1,364)**	(477)
Net change from fair value remeasurement	**109,271**	(19,063)

(iv) Restrictions on the realisability of investment property
The only restriction on the realisability of investment property is obtaining bank approval on disposal of bonded property.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

29. Investment property (cont'd)

(v) Investment property pledged as security
Refer to Note 43 for information on non-current assets pledged as security by the Company.

(vi) Leasing arrangements
The investment property is leased to Club Med SAS (Club Med) for a period of 12 years beginning 1 February 2021 under operating leases with rentals payable quarterly. Lease rental escalations linked to the Harmonised Index of Consumer Prices (HICP) annual average inflation rate are reviewed each year, on the annual anniversary date subject to some maximum escalation rates. Credit risk is minimised by mandating rental collection at the beginning of each quarter.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

30. Intangible assets

Accounting Policy

Goodwill
Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When a subsidiary is disposed of, the difference between the disposal proceeds and the share of net assets disposed of, as adjusted for translation differences and net amount of goodwill, is recognised in profit or loss.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Other intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statements of profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life remains bearable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

30. Intangible assets (cont'd)

Accounting Policy (cont'd)

Other intangible assets (cont'd)
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statements of profit or loss when the asset is derecognised.

Computer software
Computer software is amortised over a period of five years.

Patents
Patents have an indefinite useful life and are assessed for impairment on an annual basis.

Licences
Licences are amortised over a period of five years.

THE GROUP

Cost	Goodwill arising on Acquisition Rs '000	Patents Rs '000	Computer Software Rs '000	Total Rs '000
At 1 July 2021	1,253,117	2,066	127,629	1,382,812
Additions	-	-	10,570	10,570
Write-off	-	-	(171)	(171)
Exchange differences	-	-	(163)	(163)
At 30 June 2022	1,253,117	2,066	137,865	1,393,048
Additions	-	-	2,501	2,501
Exchange differences	-	-	(330)	(330)
At 30 June 2023	**1,253,117**	**2,066**	**140,036**	**1,395,219**
Amortisation				
At 1 July 2021	-	-	100,935	100,935
Amortisation charge	-	-	18,273	18,273
Exchange differences	-	-	248	248
At 30 June 2022	-	-	119,456	119,456
Amortisation charge	-	-	6,544	6,544
Write-off	-	-	(11)	(11)
Exchange differences	-	-	1,974	1,974
At 30 June 2023	**-**	**-**	**127,963**	**127,963**
Net book values				
At 30 June 2023	**1,253,117**	**2,066**	**12,073**	**1,267,256**
At 30 June 2022	1,253,117	2,066	18,409	1,273,592

THE COMPANY

Cost	Goodwill arising on Acquisition Rs '000	Computer Software Rs '000	Total Rs '000
At 1 July 2021	1,089,892	58,173	1,148,065
Additions	-	8,409	8,409
At 30 June 2022	1,089,892	66,582	1,156,474
Additions	-	-	-
At 30 June 2023	**1,089,892**	**66,582**	**1,156,474**
Amortisation			
At 1 July 2021	-	48,049	48,049
Amortisation charge	-	12,151	12,151
At 30 June 2022	-	60,200	60,200
Amortisation charge	-	3,009	3,009
Write-off	-	(11)	(11)
At 30 June 2023	**-**	**63,198**	**63,198**
Net book values			
At 30 June 2023	**1,089,892**	**3,384**	**1,093,276**
At 30 June 2022	1,089,892	6,382	1,096,274

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

30. Intangible assets (cont'd)

(a) Cash-generating units	**Allocation of Goodwill**	
	2023	2022
	Rs '000	Rs '000
Tour operating cash-generating unit		
Beachcomber Limited and its tour operating subsidiaries	**818,221**	818,221
Hotel operations cash-generating units		
Hotel boutiques	**4,101**	4,101
Royal Palm Beachcomber Luxury	**168,685**	168,685
Canonnier Beachcomber Golf Resort & Spa	**98,885**	98,885
The Company	**1,089,892**	1,089,892
Hotel operations cash-generating unit		
Ste Anne Resort Limited	**89,745**	89,745
Tour operating cash-generating units		
Beachcomber Tours	**1,184**	1,184
Beachcomber Tours Limited	**72,296**	72,296
The Group	**1,253,117**	1,253,117

Each cash-generating unit represents a business operation and is the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount for the different CGUs has been determined as follows:

- Hotel operations: The recoverable amount has been determined based on a value in use-discounted cash flow (DCF) approach using management's forecasts and a discount rate ranging from 13.1% to 13.2% (pre-tax) and 13.4% (pre-tax) for the Mauritius and Marrakech operations respectively.
- Ste Anne Resort Limited: The recoverable amount for the investment has been determined based on a discounted cash flow (DCF) approach using future rental income and a discount rate of 8.75%. The significant assumptions as follows are deemed conservative: the lease agreement shall last for 12 years and rental income will increase between 1.41% and 2.00% on a yearly basis.
- Tour operating: The recoverable amount has been determined based on a value in use-discounted cash flow (DCF) approach using management's forecasts and a discount rate of 11.8% (pre-tax) for both France and UK operations.
- Forecasted revenue and costs are calculated referring to the CGU's latest budget and business plan, which are subject to a rigorous review and challenge process. Management prepares the budgets through an assessment of historic revenue from existing operations, new projects, historic pricing and resources required to service new and existing operations, knowledge of industry trends and the current economic environment. Cash flows are projected over 5 years and a final terminal value is applied. Forecasted revenue and costs are calculated using the prior periods' actual results and compounding these results by the budgeted numbers.

Terminal growth rates:
A growth rate range of 1.00% to 2.75% was applied in Mauritian entities whereas a growth rate range of 1.00% to 2.20% was applied in foreign entities. The terminal value was determined at the end of year 5 of the cash flow forecasts.

Sensitivity to changes in assumptions:
Given the significant headroom calculated, no further sensitivity analysis has been performed.

Management believes that any reasonably possible change in the key assumptions, on which the recoverable amount per CGU is based, would not cause the aggregate carrying amount to materially exceed the recoverable amount of the CGU.

31. Investment in subsidiaries

Accounting Policy
Investment in subsidiaries
Subsidiaries are those entities controlled by the Company. Control is achieved when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Financial statements of the Company
Investment in subsidiaries is carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is recognised in profit or loss.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

31. Investment in subsidiaries (cont'd)

(a) Cost (Unquoted)	THE COMPANY	
	2023	2022
	Rs '000	Rs '000
At 1 July	**7,214,865**	6,933,974
Additions during the year (Notes (ii) and (iii))	**3,507,039**	-
Transfer from amount due/from subsidiaries (Note (i))	**(134,042)**	280,891
Disposals during the year (Note (iii))	**(2,258,222)**	-
At 30 June	**8,329,640**	7,214,865
Analysed as follows:		
Unquoted equity instruments	**7,833,113**	5,226,074
Interest-free loans	**496,527**	1,988,791
	8,329,640	7,214,865

(i) During the year, the Company had a current account payable balance of Rs 134m towards Ste Anne Resort Limited that was settled by way of a reduction in the existing long-term receivables included in investment in subsidiaries. This was considered to be a non-cash transaction.

There were no additional balances which were accounted as part of "investment in subsidiaries" and regarded as receivable from foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future during the year (2022: additional balances of Rs 133.4m for Ste Anne Resort Limited and Rs 147.5m for Beachcomber Hotel S.A. were accounted as part of "investment in subsidiaries").

(ii) In December 2022, the Company received dividend income from its subsidiary, Beachcomber Hospitality Investments Ltd ("BHI") through the issue of new shares in lieu of cash for an amount of Rs 828.1m (Note 23).

(iii) In May 2023, the Company disposed of its investments in subsidiaries, Ste Anne Resort Limited and Kingfisher Ltd, to BHI for a consideration of Rs 2,678.9m received through issue of new shares in BHI. The Company realised a profit on disposal of Rs 420.7m as a result of same.

(iv) Both additions and disposals during the year were non-cash transactions.

32. Investment in associates

Accounting Policy

An associate is an entity over which the Group and Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investors but without control or joint control over its policies.

Financial statements of the Company
Investments in associates are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Consolidated financial statements
The Group's investments in its associates are accounted using the equity method.

Under the equity method, the investment in the associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate from the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of an associate is shown on the face of the statements of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value; it then recognises the loss as "Share of results of associates" in the statements of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

32. Investment in associates (cont'd)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
(a) At 1 July	**716,716**	634,908	**18,307**	18,307
Share of results of associates recognised in profit or loss	**14,362**	14,767	**-**	-
Share of results of associates recognised in other comprehensive income	**(3,235)**	69,457	**-**	-
Dividends	**(4,832)**	(2,416)	**-**	-
At 30 June	**723,011**	716,716	**18,307**	18,307

(b) Summarised financial information
Summarised financial information in respect of each of the material associates is set out below:

30 June 2023	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Non-Controlling Interests	Revenue	Profit/(Loss) for the Year	Other Comprehensive Income	Total Comprehensive Income	Dividend Received
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
South West Tourism Development Ltd and its subsidiaries	**833,186**	**4,810,150**	**728,950**	**852,060**	**1,906,926**	**818,195**	**25,177**	**(10,766)**	**14,411**	**-**
30 June 2022										
South West Tourism Development Ltd and its subsidiaries	989,093	4,653,655	710,193	639,332	2,152,234	577,564	34,665	223,558	258,223	-

The summarised financial information above represents amounts shown in the associates' financial statements prepared in accordance with IFRSs.

(c) Reconciliation of summarised financial information
Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

30 June 2023	Opening Net Assets	Profit/(Loss) for the Year	Other Comprehensive Income	Total Comprehensive Income	Dividends	Closing Net Assets	Ownership Interest	Interest in Associates	Carrying Value
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	%	Rs '000	Rs '000
South West Tourism Development Ltd and its subsidiaries	**2,140,989**	**25,177**	**(10,766)**	**14,411**	**-**	**2,155,400**	**31.15%**	**671,407**	**671,407**
30 June 2022									
South West Tourism Development Ltd and its subsidiaries	1,882,766	34,665	223,558	258,223	-	2,140,989	31.15%	666,918	666,918

(d) Aggregate information of associates that are not individually material	THE GROUP	
	2023	2022
	Rs '000	Rs '000
Carrying amount of interests	**51,604**	49,798
Share of loss	**6,520**	3,968
Share of other comprehensive income	**119**	(182)
Share of total comprehensive income	**6,639**	3,786
Share of dividends	**4,832**	-

(e) Share of loss not recognised amounted to Rs 176k (2022: Nil) for Sports-Event Management Operation Co. Ltd. The accumulated share of loss not recognised amounts to Rs 1,032k. (2022: Rs 856k).

(f) None of the associates is listed on a primary market and therefore no quoted price is available for the shares.

(g) The shares held in Société Cajeva were disposed of during the year for a consideration of Rs 13.7m resulting in a gain of Rs 0.8m from the disposal of the associate.

33. Financial assets at fair value through other comprehensive income

(i) Equity investments at fair value through other comprehensive income

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July	**9,760**	9,128	**9,574**	8,942
Change in fair value recognised in other comprehensive income	**938**	632	**924**	632
At 30 June	**10,698**	9,760	**10,498**	9,574

(ii) Fair value through other comprehensive income-financial assets include the following:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Quoted*	**10,688**	9,750	**10,488**	9,564
Unquoted**	**10**	10	**10**	10
	10,698	9,760	**10,498**	9,574

*Includes investments in Compagnie des Villages de Vacances de l'Isle de France Limitée and SBM Holdings Ltd.

**Includes investment in Fondation Espoir Développement Beachcomber (FED).

(iii) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments (Note 46).

(iv) The fair value of quoted securities is based on published market prices.

(v) Fair value through other comprehensive income-financial assets is denominated in Mauritian rupees.

34. Financial assets at amortised cost

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Non-Current				
Long-term loan receivable (Note a)	**1,312,110**	1,311,431	**3,679,957**	3,481,070
	1,312,110	1,311,431	**3,679,957**	3,481,070
Current				
Other receivables (Note b)	**863,561**	599,098	**41,207**	21,419
Amount due from other related parties* (Note 17 (viii))	**84,227**	96,212	**77,853**	49,342
Amount due from associates (Note 17 (viii))	**427**	13,100	**427**	13,100
Amount due from subsidiaries** (Note 17 (viii))	**-**	-	**185,320**	129,374
	948,215	702,005	**304,807**	213,235
Total financial assets at amortised cost	**2,260,325**	2,013,436	**3,984,764**	3,694,305

*During the financial year ended 2023, the Company provided a loan to Grit Services Limited (GSL) for an amount of EUR 5m at an interest rate of 9.00%. The tenure was less than 3 months and was fully repaid during the year itself (refer to Note 8).

**During the financial year ended 2023, the Company did not incur any impairment loss in respect of amount due from subsidiaries (2022: Nil).

(a) Long-term loan receivable

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Receivable from subsidiary (Note (i))	**-**	-	**2,367,847**	2,169,639
Receivable from other related party (Note (ii))	**1,312,110**	1,311,431	**1,312,110**	1,311,431
	1,312,110	1,311,431	**3,679,957**	3,481,070

(i) In December 2016, the Company entered into a shareholder loan agreement with its subsidiary, Beachcomber Hospitality Investments Ltd (BHI), for an amount of EUR 46.9m. In December 2022, an additional shareholder's loan of EUR 14.5m was granted by the Company to BHI of which EUR 13.6m were repaid in May 2023. As at 30 June 2023, the shareholder's loan capital balance stood at EUR 47.9m.

Terms and conditions of the loan:
- The loan bears an interest rate of 7.00% per annum.
- The loan is unsecured and subordinated to bank loans and preference shares in BHI.
- The loan is repayable in full or in part on demand. However it has been classified as non-current as it is subordinated to preference shares which can only be redeemed from their 4th anniversary date.

34. Financial assets at amortised cost (cont'd)

(ii) On 30 August 2019, the Company sold 174 arpents of land to Semaris Ltd for a consideration of Rs 2bn, out of which Rs 800m were repaid at the time of disposal.

In April 2022, Semaris Ltd, following approval from SBM (Mauritius) Ltd and NMH, proceeded with the disposal of the land to Les Salines PDS Ltd (LSPL), where the property development will be undertaken.

As part of the disposal exercise, it was agreed that the "solde de prix" and all interest accrued thereon will be delegated to LSPL.

In view of the debt restructuring by LSPL, a request was made to NMH for a revision of the terms of repayment of capital and interest to match the revised project feasibility following delay in implementation. As at 30 June 2022, the Company recognised a remeasurement loss of Rs 64.3m owing to the impact of time value of money (Note 21).

Terms and conditions:
- The loan bears an interest rate of 5% per annum.
- The loan is unsecured and subordinated to Semaris Ltd's bank loans.
- Half-yearly interest repayment as from 31 December 2023.
- Bullet capital repayment as from December 2025.

(b) Other receivables
These amounts generally arise from transactions outside the usual trading activities of the Group and Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. Due to the short-term nature of the other receivables, their carrying amount is considered to be the same as their fair value.

(c) The Group and Company have made an impairment assessment by considering the previous repayment behaviours and assessing the future cash flow forecasts covering the contractual period of the loan. The Group and Company are certain of their ability to pay their debts as they become due in the normal course of business and/or in any adverse economic and business conditions. The Group and Company have also considered the fact that their debtor holds land which exceeds the amount receivable and therefore have not accounted for any impairment loss on the assumption that the likelihood of loss given default is negligible.

(d) A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(e) The carrying amounts of the financial assets at amortised cost are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Euros	**69,202**	16,818	**2,434,902**	2,199,251
Pounds sterling	**3,792**	31,508	**36,408**	33,069
Rands	**52,878**	3,077	**-**	-
United States dollars	**22,949**	34,588	**-**	-
Seychelles rupees	**1,037**	43,740	**-**	-
Moroccan dirhams	**513,158**	465,364	**-**	-
Mauritian rupees	**1,597,309**	1,418,341	**1,513,454**	1,461,985
	2,260,325	2,013,436	**3,984,764**	3,694,305

35. Inventories

Accounting Policy
Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:
- Food and beverages are valued at purchase cost on a weighted average basis.
- Operating equipment, operating supplies, sales products and others are recognised at purchase cost. Cumulative provision for write-downs as at 30 June 2023 amounted to Group and Company: Rs 337m (2022: Rs 351m) and Rs 231.9m (2022: Rs 249.2m) respectively for operating equipment.
- Spare parts are valued at purchase cost on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Food and beverages	**154,691**	112,126	**143,249**	103,772
Operating equipment	**120,868**	60,814	**120,868**	60,814
Operating supplies, sales products and others	**161,609**	107,052	**146,356**	93,067
Spare parts	**63,673**	45,500	**61,549**	43,891
Goods in transit	**-**	8,940	**-**	8,940
	500,841	334,432	**472,022**	310,484

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

35. Inventories (cont'd)

(a) Inventories are included in assets given as collaterals for bank borrowings.

(b) No interest cost was capitalised during the year in inventories for the Group and Company (2022: Nil).

(c) Cost of inventories expensed amounts to Rs 2,228m (2022: Rs 1,234m) and Rs 1,722m (2022: Rs 967m) for the Group and Company respectively.

36. Trade receivables

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade receivables	**1,141,135**	932,065	**475,250**	456,001
Less: Loss allowance (Note (i))	**(51,519)**	(43,573)	**(34,489)**	(34,124)
Trade receivables - net	**1,089,616**	888,492	**440,761**	421,877

Trade receivables are unsecured, non-interest-bearing and are generally on 30 to 60 days' term.

(i) *Impairment of trade receivables*
The Group and Company are applying the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and thus the Group and Company recognise a loss allowance based on lifetime ECLs at the end of the reporting period. A provision matrix has been established by the Group and Company that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment such as gross domestic product (GDP).

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables have been divided into insured and uninsured. For insured receivables, the Group and Company exercised the policy choice of considering insurance cover as an integral part of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by insurance. The uninsured receivables are the balances where the Group and Company have no collateral.

The expected loss rates are based on the payment profiles of sales over a period of 45 months prior to 30 June 2023 or 01 July 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and Company have accordingly adjusted the historical loss rates based on expected changes in these factors.

In specific cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

On that basis, the loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade receivables:

THE GROUP

	0-30 Days Rs '000	**30-60 Days Rs '000**	**60-90 Days Rs '000**	**90-120 Days Rs '000**	**More than 120 Days Rs '000**	**Total Rs '000**
At 30 June 2023						
Expected loss rate	10.87% - 19.35%	10.87% - 19.35%	10.87% - 17.77%	10.87% - 17.77%	10.87% - 17.77%	**10.87% - 19.35%**
Gross carrying amount						
- trade receivables	1,046,434	24,069	18,074	32,256	20,302	**1,141,135**
Less: guest in-house receivables	(117,191)	-	-	-	-	**(117,191)**
Less: receivables identified for specific provision	(63,956)	(12,279)	(4,852)	(6,988)	(4,384)	**(92,459)**
Net carrying amount	865,287	11,790	13,222	25,268	15,918	**931,485**
Loss allowance	40,101	1,213	720	2,104	2,212	**46,350**
Specific provision	-	-	-	-	5,169	**5,169**
Total impairment	40,101	1,213	720	2,104	7,381	**51,519**

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

36. Trade receivables (cont'd)

(i) *Impairment of trade receivables (cont'd)*

THE GROUP (cont'd)

	0-30 Days Rs '000	30-60 Days Rs '000	60-90 Days Rs '000	90-120 Days Rs '000	More than 120 Days Rs '000	Total Rs '000
At 30 June 2022						
Expected loss rate	9.05% - 23.26%	9.05% - 18.54%	9.05% - 18.54%	9.05% - 23.26%	18.54% - 23.26%	9.05% - 23.26%
Gross carrying amount						
- trade receivables	832,705	29,277	10,451	36,138	23,494	932,065
Less: guest in-house receivables	(110,289)	-	-	-	-	(110,289)
Less: receivables identified for specific provision	(42,006)	(11,298)	(2,612)	(8,615)	(10,412)	(74,943)
Net carrying amount	680,410	17,979	7,839	27,523	13,082	746,833
Loss allowance	28,369	1,159	545	2,328	3,015	35,416
Specific provision	-	-	-	-	8,157	8,157
Total impairment	28,369	1,159	545	2,328	11,172	43,573

THE COMPANY

	0-30 Days Rs '000	**30-60 Days Rs '000**	**60-90 Days Rs '000**	**90-120 Days Rs '000**	**More than 120 Days Rs '000**	**Total Rs '000**
At 30 June 2023						
Expected loss rate	10.87% - 19.35%	10.87% - 19.35%	10.87% - 17.77%	10.87% - 17.77%	10.87% - 17.77%	**10.87% - 19.35%**
Gross carrying amount						
- trade receivables	390,235	22,809	10,602	31,302	20,302	**475,250**
Less: guest in-house receivables	(117,191)	-	-	-	-	**(117,191)**
Less: receivables identified for specific provision	(63,956)	(12,279)	(4,852)	(6,988)	(4,384)	**(92,459)**
Net carrying amount	209,088	10,530	5,750	24,314	15,918	**265,600**
Loss allowance	23,071	1,213	720	2,104	2,212	**29,320**
Specific provision	-	-	-	-	5,169	**5,169**
Total impairment	23,071	1,213	720	2,104	7,381	**34,489**

	0-30 Days Rs '000	30-60 Days Rs '000	60-90 Days Rs '000	90-120 Days Rs '000	More than 120 Days Rs '000	Total Rs '000
At 30 June 2022						
Expected loss rate	9.05% - 23.26%	9.05% - 18.54%	9.05% - 18.54%	9.05% - 23.26%	18.54% - 23.26%	9.05% - 23.26%
Gross carrying amount						
- trade receivables	380,509	16,246	6,942	28,810	23,494	456,001
Less: guest in-house receivables	(110,289)	-	-	-	-	(110,289)
Less: receivables identified for specific provision	(42,006)	(11,298)	(2,612)	(8,615)	(10,412)	(74,943)
Net carrying amount	228,214	4,948	4,330	20,195	13,082	270,769
Loss allowance	18,921	1,159	545	2,328	3,014	25,967
Specific provision	-	-	-	-	8,157	8,157
Total impairment	18,921	1,159	545	2,328	11,171	34,124

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

36. Trade receivables (cont'd)

(i) *Impairment of trade receivables (cont'd)*

The closing loss allowances for trade receivables as at 30 June 2023 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Loss allowance as at 1 July	**43,573**	59,531	**34,124**	54,308
Loss allowance recognised in profit or loss during the year for contracts with customers	**5,750**	18,337	**5,620**	18,957
Receivables written off during the year as uncollectible	**-**	(28,100)	**-**	(28,050)
Unused amount reversed	**(5,255)**	(14,486)	**(5,255)**	(11,091)
Exchange differences	**7,451**	8,291	**-**	-
At 30 June	**51,519**	43,573	**34,489**	34,124

Loss allowances recognised in profit or loss during the year:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Loss allowance recognised in profit or loss during the year for contracts with customers	**5,750**	18,337	**5,620**	18,957
Unused amount reversed	**(5,255)**	(14,486)	**(5,255)**	(11,091)
Trade receivable written off during the year for which no loss allowance was recognised	**-**	21,921	**-**	21,921
At 30 June	**495**	25,772	**365**	29,787

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.

37. Other assets

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	**2022**
	Rs '000	Rs '000	**Rs '000**	**Rs '000**
Prepaid expenses	**261,176**	162,788	**194,749**	127,611

38. Derivative financial instruments

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
(i) **Derivatives at fair value through profit or loss:**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Derivatives not designated as hedges:				
Foreign exchange currency contracts - Forwards	**13,894**	(1,145)	**13,894**	(1,145)
Total derivatives at fair value through profit or loss (Notes 9 and 46)	**13,894**	(1,145)	**13,894**	(1,145)

The notional amounts of the outstanding forward foreign exchange contracts not designated as hedges at 30 June 2023 were EUR 16.8m and GBP 2.2m (2022: EUR 4.8m and GBP 0.4m) for the Group and Company.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
(ii) **Derivatives designated as hedges:**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Total derivatives designated as hedges	**-**	-	**-**	-
Total derivative financial instruments	**13,894**	(1,145)	**13,894**	(1,145)

The notional amounts of the outstanding forward foreign exchange contracts designated as hedges at 30 June 2023 were Nil (2022: Nil).

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Disclosed as follows:				
Current assets	**13,894**	243	**13,894**	243
Current liabilities	**-**	(1,388)	**-**	(1,388)
	13,894	(1,145)	**13,894**	(1,145)

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

39. Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash in hand and at bank, net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortised cost.

(a) For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash in hand and at banks	**1,582,005**	1,552,050	**140,320**	122,919
Bank overdrafts (Note 44)	**(1,372,583)**	(2,244,094)	**(979,050)**	(1,753,109)
	209,422	(692,044)	**(838,730)**	(1,630,190)

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

The fair value of cash is Rs 1,582m (2022: Rs 1,552m) for the Group and Rs 140m (2022: Rs 123m) for the Company.

Refer to Note 9 on foreign currency risk for interest rates on bank overdrafts.

At 30 June 2023, there was no undrawn loan facility for the Company and Group (2022: undrawn loan facility of Rs 500m for the Company and none for other members of the Group). Undrawn overdraft facilities amounted to Rs 1,368m and Rs 1,259m for the Group and Company respectively (2022: Rs 650m and Rs 547m for Group and Company respectively).

(b) Non-cash transactions

The major non-cash transactions during the financial year ended 2023 were as follows:

(i) The Company had a current account payable balance of Rs 134m towards Ste Anne Resort Limited that was settled by way of a reduction in the existing long-term receivables included in investment in subsidiaries (Note 31).

(ii) The Company received dividend income from its subsidiary, Beachcomber Hospitality Investments Ltd ("BHI"), through issue of new shares in lieu of cash for an amount of Rs 828.1m (Notes 23 and 31).

(iii) The Company disposed of its investments in subsidiaries, Ste Anne Resort Limited and Kingfisher Ltd, to BHI for a consideration of Rs 2,678.9m received through the issue of new shares in BHI. The Company realised a profit on disposal of Rs 420.7m as a result of same (Note 31).

(iv) Other non-cash changes are as per Note 39(c).

During the financial year ended 2022, an additional balance of Rs 133.4m for Ste Anne Resort Limited was accounted as part of "investment in subsidiaries" and regarded as receivable from foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future.

(c) Reconciliation of liabilities arising from financing activities:

(i) **THE GROUP**

			Non-Cash Changes						
	1 July 2022	**Cash Flows***	**Additions**	**Business Combination (Note 8)**	**Variable Lease Payment Adjustment**	**Disposal**	**Interest Expense**	**Foreign Exchange Movement**	**30 June 2023**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Term loans (Note 44(b))	12,214,061	(486,403)	-	900,627	-	-	729,130	504,754	13,862,169
Lease liabilities (28(ii))	2,357,894	(280,987)	112,071	-	22,781	(7,265)	180,235	87,664	2,472,393
Redeemable convertible secured bonds (Note 41)	2,478,307	(89,631)	-	-	-	-	23,693	-	2,412,369
Preference shares (Note 44(d))	448,496	(23,403)	-	-	-	-	23,459	-	448,552
Debentures (Note 44(c))	4,058,051	(1,002,359)	-	-	-	-	188,236	124,471	3,368,399
Loan from related party (Note 44(b))	1,734,188	(83,417)	-	(1,855,500)	-	-	83,417	121,312	-
	23,290,997	**(1,966,200)**	**112,071**	**(954,873)**	**22,781**	**(7,265)**	**1,228,170**	**838,201**	**22,563,882**

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

39. Cash and cash equivalents (cont'd)

(c) Reconciliation of liabilities arising from financing activities : (cont'd)

(i) **THE GROUP (cont'd)**

			Non-Cash Changes					
	1 July 2021 Rs '000	Cash Flows* Rs '000	Additions Rs '000	Write-off Rs '000	Variable Lease Payment Adjustment Rs '000	Interest Expense Rs '000	Foreign Exchange Movement Rs '000	30 June 2022 Rs '000
Term loans (Note 44(b))	13,525,477	(1,146,523)	-	-	-	509,171	(674,064)	12,214,061
Lease liabilities (28(ii))	2,406,647	(287,031)	53,356	(815)	27,364	174,834	(16,461)	2,357,894
Redeemable convertible secured bonds (Note 41)	1,490,500	964,271	-	-	-	23,536	-	2,478,307
Preference shares (Note 44(d))	424,039	-	-	-	-	24,457	-	448,496
Debentures (Note 44(c))	5,235,458	(1,192,668)	-	-	-	206,430	(191,169)	4,058,051
Loan from related party (Note 44(b))	1,895,438	(115,943)	-	-	-	115,943	(161,250)	1,734,188
	24,977,559	(1,777,894)	53,356	(815)	27,364	1,054,371	(1,042,944)	23,290,997

(ii) **THE COMPANY**

			Non-Cash Changes					
	1 July 2022 Rs '000	Cash Flows* Rs '000	Additions Rs '000	Variable Lease Payment Adjustment Rs '000	Remeasurement Rs '000	Interest Expense Rs '000	Foreign Exchange Movement Rs '000	30 June 2023 Rs '000
Term loans (Note 44(b))	8,221,518	53,734	-	-	-	529,096	262,190	9,066,538
Lease liabilities (Note 28(ii))	7,573,811	(1,264,345)	99,003	22,781	1,732,337	458,343	310,904	8,932,834
Redeemable convertible secured bonds (Note 41)	2,478,307	(89,631)	-	-	-	23,693	-	2,412,369
Preference shares (Note 44(d))	448,496	(23,403)	-	-	-	23,459	-	448,552
Debentures (Note 44(c))	2,206,811	(912,949)	-	-	-	88,354	-	1,382,216
	20,928,943	**(2,236,594)**	**99,003**	**22,781**	**1,732,337**	**1,122,945**	**573,094**	**22,242,509**

			Non-Cash Changes					
	1 July 2021 Rs '000	Cash Flows* Rs '000	Additions Rs '000	Write-off Rs '000	Variable Lease Payment Adjustment Rs '000	Interest Expense Rs '000	Foreign Exchange Movement Rs '000	30 June 2022 Rs '000
Term loans (Note 44(b))	8,881,707	(671,506)	-	-	-	314,812	(303,495)	8,221,518
Lease liabilities (Note 28(ii)	8,011,515	(774,942)	24,402	(815)	399,747	438,807	(524,903)	7,573,811
Redeemable convertible secured bonds (Note 41)	1,490,500	964,271	-	-	-	23,536	-	2,478,307
Preference shares (Note 44(d))	424,039	-	-	-	-	24,457	-	448,496
Debentures (Note 44(c))	3,218,172	(1,100,655)	-	-	-	108,594	(19,300)	2,206,811
	22,025,933	(1,582,832)	24,402	(815)	399,747	910,206	(847,698)	20,928,943

*Cash flows differ from the statement of cash flows due to interest paid on bank overdrafts not disclosed above.

40. Ordinary share capital

	Authorised and Issued Number of Shares		Issued and Fully Paid	
	2023	2022	**2023**	2022
Authorised issued and fully paid share capital			**Rs '000**	Rs '000
At 1 July and 30 June	**548,982,130**	548,982,130	**2,780,301**	2,780,301

Each ordinary share confer the shareholder the right to vote, equal share of dividends and distribution of surplus assets and is at no par value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

41. Redeemable convertible secured bonds

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs '000	Rs '000
At 1 July	**2,478,307**	1,490,500
Amount subscribed during the year	**-**	1,000,000
Less cost attributed to the redeemable convertible secured bonds	**-**	-
Interest accrued during the year	**23,693**	23,536
Interest paid during the year	**(89,631)**	(35,729)
As at 30 June	**2,412,369**	2,478,307

The redeemable convertible secured bonds ("bonds") have an equity and a liability component (i.e. a compound financial instrument). Refer to the accounting policy in Note 4(l). The components of the bonds, net of transaction costs, are analysed as follows:

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs '000	Rs '000
Equity conversion component on initial recognition	**1,832,792**	1,832,792
Liability component on initial recognition:	**579,577**	645,515
Non-current liability	**468,632**	536,500
Current liability	**110,945**	109,015
	2,412,369	2,478,307

During the financial year ended 30 June 2021, the Company has contracted with the MIC, a wholly-owned subsidiary of the Bank of Mauritius, to issue bonds for a total amount of Rs 2.5bn comprising 250 bonds of Rs 10m each.

One of the main objectives of the MIC is to provide financial support to companies impacted by the COVID-19 pandemic and in particular to the tourism sector, which experienced the worst impact due to the full border closure. The MIC's support is in the form of bonds to companies which required urgent working capital to sustain their viability.

On 29 June 2021, the Company issued the first tranche of the bonds with an interest rate of 3.5% p.a. for a total amount of Rs 1.5bn, secured by a floating charge on the assets of the Company.

The second and third tranches of Rs 500m each were issued subsequent to year end on 26 August 2021 and 8 November 2021 respectively.

Key terms and conditions of the funding arrangements are as follows:

- The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds being on 14 December 2029.
- The conversion rate has been predetermined prior to the subscription at the average listed price between 1 January 2020 and 30 June 2020.
- All outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.
- The number of ordinary shares to be delivered to the MIC will be determined in accordance with the following formula: [(A+B)/C], where 'A' is the Nominal Amount of all bonds held by the MIC, 'B' is equal to the amount of outstanding and unpaid interest in relation to bonds held by the MIC and 'C' is the conversion price. Any fraction of ordinary shares to be issued on the maturity date will be settled in cash.
- The interest rate is 3.5% p.a. over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). On maturity, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.
- The conversion price is subject to certain adjustments, such as capitalisation of profit or reserves, capital distribution, rights issues or share split.
- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all of the bonds any time prior to the maturity date. The option price shall be determined as follows:

a) if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount; or

b) if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

42. Other components of equity

Nature and purpose of reserves	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Other reserves These reserves are principally used to record the fair value adjustments relating to shares issued by the Company to acquire non-controlling interests in local subsidiaries.	**624,583**	624,583	**-**	-
Financial assets at fair value through OCI reserves Fair value reserves are principally used to record the fair value adjustment relating to financial assets at FVOCI	**11,036**	(12,291)	**7,969**	7,045
Revaluation reserves Revaluation reserves are principally used to record changes in fair value of freehold land and buildings following revaluation exercises performed by an independent surveyor. They are also used to record impairment losses to the extent that such losses relate to decreases on the same asset previously recognised in revaluation reserves.	**3,993,506**	3,852,502	**2,061,150**	2,126,975
Cash flow hedge reserves Cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments relating to highly probable hedged transactions that have not yet occurred.	**(263,279)**	(191,997)	**(1,070,857)**	(820,247)
Foreign exchange difference reserves Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operations.	**(2,296,908)**	(1,282,452)	**-**	-
Total other components of equity	**2,068,938**	2,990,345	**998,262**	1,313,773

43. Preference share capital

Accounting Policy
Preference shares are classified as debt or equity based on their contractual terms. The preference shares were classified as equity as there was no contractual obligation to either pay dividend or redeem the preference shares. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

	THE GROUP	
	2023	2022
	Rs '000	Rs '000
Preference shares (Class A)	**365,063**	-
Preference shares (Class B)	**1,628,981**	-
Gross preference shares amount	**1,994,044**	-
Transaction costs on issue of preference shares	**(66,810)**	-
Preference shares net of transaction costs	**1,927,234**	-

	THE GROUP Authorised Issued Number of Shares		THE GROUP Issued and Fully Paid	
	2023	2022	**2023**	2022
			Rs '000	Rs '000
Preference shares (Class A)	**364,251**	-	**365,063**	-
Preference shares (Class B)	**32,922**	-	**1,628,981**	-
	397,173	-	**1,994,044**	-

On 12 May 2023, (i) 364,251 Class A Preference Shares at MUR 1,000 each and (ii) 32,922 Class B Preference Shares at EUR 1,000 each were issued and listed on the Official Market of the Stock Exchange of Mauritius Ltd by the subsidiary, Beachcomber Hospitality Investments Ltd ("BHI").

The preference shares have no par value and rank junior to all secured and unsecured creditors of BHI and in priority to the ordinary shares and shareholder's loan in BHI.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

43. Preference share capital (cont'd)

The preference shares would have restricted voting rights in the occurrence of the following events as defined in the prospectus issued:

(i) any amendment or revocation of the constitution and the adoption of a new constitution by the issuer;
(ii) a change in the dividend policy of the BHI and its subsidiaries ("BHI Group");
(iii) a change of control of the issuer;
(iv) any issue of new shares in the share capital of the issuer;
(v) the acquisition or disposal of assets by a company within the BHI Group with a value exceeding 20% of the total asset value of the BHI Group;
(vi) the acquisition of assets by a company within the BHI Group which are not yielding assets;
(vii) the acquisition of interests by a company within the BHI Group in an entity owning assets that are not yielding assets;
(viii) the acquisition of interests in an entity that owns yielding assets but has a dividend policy that is less favourable than that of the issuer;
(ix) entering into a new lease agreement that would have the effect of decreasing the average rental yield of the issuer;
(x) incurring any capital expenditure representing more than 20% of the total asset value of the BHI Group;
(xi) effecting any change in any agreement witnessing transactions or arrangements with parties affiliated or related to the issuer or agreeing to any rental deferment; and
(xii) incurring any indebtedness in the form of new shareholder loans that would rank in priority to the preference shares or change the rank of any indebtedness owed to any company within the BHI Group that would result in such indebtedness ranking in priority to the preference shares.

The preference shares shall also rank in priority to the ordinary shares and the shareholder's loan in BHI in the event of the liquidation of the issuer. The issuer has the option to redeem the preference shares as from the 4th anniversary of the issue date.

44. Borrowings	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Current portion				
Bank overdrafts (Note (a)/Note 39)	**1,372,583**	2,244,094	**979,050**	1,753,109
Bank loans (Note (b))	**3,460,854**	3,951,752	**3,075,416**	1,296,252
Debentures and fixed-rate secured notes (Note (c))	**27,445**	851,557	**10,760**	835,633
	4,860,882	7,047,403	**4,065,226**	3,884,994
Non-current portion				
Bank loans (Note (b))	**10,401,315**	8,262,309	**5,991,122**	6,925,266
Subordinated loan (Note (b)/Note 17(xiii))	**-**	1,734,188	**-**	-
	10,401,315	9,996,497	**5,991,122**	6,925,266
Debentures and fixed-rate secured notes (Note (c))	**3,340,954**	3,206,494	**1,371,456**	1,371,178
	13,742,269	13,202,991	**7,362,578**	8,296,444
Preference shares (Note (d))	**448,552**	448,496	**448,552**	448,496
	14,190,821	13,651,487	**7,811,130**	8,744,940
Total borrowings	**19,051,703**	20,698,890	**11,876,356**	12,629,934

(a) Bank overdrafts
Bank overdrafts are secured by floating charges on the assets of the individual companies of the Group and a first-line charge on properties for the subsidiary, Ste Anne Resort Limited. The rates of interest vary between 6.08% and 9.00% per annum.

(b) Term loans	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Term loans can be analysed as follows:				
Current				
- Within one year	**3,460,854**	3,951,752	**3,075,416**	1,296,252
Non-current				
- After one year and before two years	**4,408,147**	2,095,154	**786,252**	1,800,396
- After two years and before five years	**3,188,744**	4,658,651	**2,400,446**	1,882,176
- After five years	**2,804,424**	3,242,692	**2,804,424**	3,242,694
	10,401,315	9,996,497	**5,991,122**	6,925,266
Total term loans	**13,862,169**	13,948,249	**9,066,538**	8,221,518

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

44. Borrowings (cont'd)

(b) Term loans (cont'd)

Terms loans are denominated as follows:

			THE GROUP		THE COMPANY	
	Effective Interest Rate	Maturity	Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2023	Year ended 30 June 2022
Denominated in:	%		Rs '000	Rs '000	Rs '000	Rs '000
Mauritian rupees	5.50% to 6.90%	On demand	**694,458**	664,843	**694,458**	664,843
Mauritian rupees	1.50%	2025	**15,377**	40,575	**15,377**	40,575
Mauritian rupees	PLR - 1.25% to PLR + 0.65%	2026-2033	**4,402,684**	4,046,111	**4,402,684**	4,007,012
Euros	2.85%	On demand	**-**	144,775	**-**	144,775
Euros	0.31% - 4.00%	2024-2025	**1,408,786**	5,503,277	**448,053**	419,493
Euros	EURIBOR + (3.25% to 4.50%)	2024-2031	**6,845,147**	2,156,791	**3,505,966**	2,131,865
Euros	EURO LIBOR + (3.25% to 3.95%)	2024-2031	**-**	812,955	**-**	812,955
GBP	3.50%	2023	**-**	26,821	**-**	-
MAD	3.50 - 6.50%	2024-2027	**495,717**	552,101	**-**	-
			13,862,169	13,948,249	**9,066,538**	8,221,518

The term loans are secured by fixed and floating charges over the Group's and Company's assets.

The term loans include loans amounting to Rs 255.4m (2022: Rs 178m) from Beachcomber Limited (Note 17).

(c) Debentures and fixed-rate secured notes

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Term debentures and fixed-rate secured notes can be analysed as follows:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Current				
- Within one year	**27,445**	851,557	**10,760**	835,633

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Non-current				
- After one year and before two years	**3,340,954**	1,371,178	**1,371,456**	1,371,178
- After two years and before five years	**-**	1,835,316	**-**	-
- After five years	**-**	-	**-**	-
	3,340,954	3,206,494	**1,371,456**	1,371,178
	3,368,399	4,058,051	**1,382,216**	2,206,811

These are denominated as follows:

			THE GROUP		THE COMPANY	
	Interest Rate	Maturity	**2023**	2022	**2023**	2022
	%		**Rs '000**	Rs '000	**Rs '000**	Rs '000
<u>Debentures</u>						
Mauritian rupees						
FLRNMUR5Y	Repo rate + 0.85%	15 November 2022	**-**	225,324	**-**	225,324
FRNMUR5Y	Fixed rate 4.75%	15 November 2022	**-**	602,154	**-**	602,154
FLRNMUR7Y	Repo rate + 1.40%	15 November 2024	**754,151**	751,588	**754,151**	751,588
FRNMUR7Y	Fixed rate 5.40%	15 November 2024	**628,065**	627,745	**628,065**	627,745
			1,382,216	2,206,811	**1,382,216**	2,206,811
<u>Fixed-rate secured notes</u>						
FRNEUR5Y - TA	4.00%	31 October 2024	**988,269**	921,132	**-**	-
FRNEURSY - TB	4.75%	31 October 2024	**500,320**	466,328	**-**	-
FRNEURSY - TC	6.00%	31 October 2024	**497,594**	463,780	**-**	-
			1,986,183	1,851,240	**-**	-
Total debentures and fixed-rate secured notes			**3,368,399**	4,058,051	**1,382,216**	2,206,811

As part of the project financing of Ste Anne, fixed-rate secured notes totalling EUR 40m have been raised in December 2019 through Kingfisher Limited, the holding company of Ste Anne Resort Limited.

The fixed-rate secured notes are secured by the following:
(a) a floating charge over all assets of Kingfisher Ltd;
(b) a pledge of all bank accounts of Kingfisher Ltd; and
(c) any other Security Interest as may be agreed between the Security Agent, the Bank and the Company from time to time.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

44. Borrowings (cont'd)

(d) Preference shares

Redeemable convertible non-voting preference shares
In the financial year 2015, the Company issued 161,423,536 redeemable convertible non-voting preference shares at a price of Rs 11 each, totalling Rs 1,775,658,896. The purpose of same was to reduce the level of bank borrowings of the Company as part of the Financial Re-engineering Programme.

The preference shares have been classified as financial liabilities as even though the shares are redeemable at the option of the Company, there is a contractual obligation to pay dividends to the holder and this is non-discretionary compared to ordinary shares.

The preference shares were initially measured at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

The preference shares yield a cumulative preferred dividend of 6% per financial year; preferred dividends are declared twice per financial year and are paid in priority over ordinary dividends.

Salient features of the preference shares are as follows:
- The preference shares were convertible into ordinary shares at the shareholder's option in January 2018 and January 2019. The conversion was effected at a factor equal to Rs 11 divided by the average market value of the ordinary shares during a 90-day period prior to the date of conversion less a 10% discount.

- During the first conversion window in January 2018, 123,610,046 preference shares of the Company were converted into 63,399,593 new ordinary shares ranking pari passu with existing ordinary shares. The remaining number of preference shares of the Company after the first conversion was 37,813,490.

- In March 2019, i.e. during the second and final conversion window, 2,354,503 preference shares of the Company were converted into 1,311,929 new ordinary shares ranking pari passu with existing ordinary shares. The remaining number of preference shares of the Company after the conversion was 35,458,987.

- The Company may, at its absolute discretion, from 28 July 2022, redeem or buy back the preference shares (in whole or in part) at their nominal value together with a sum equal to the prorated preferred dividend payable in respect of the relevant financial year, plus any preferred dividend accrued but not paid from previous financial years.

- The shares constitute unsecured and subordinated obligations of the Company and accordingly rank junior to all secured and unsubordinated creditors of the Company but ahead of ordinary shareholders.

The preference shares were classified as a liability even though the shares are redeemable at the option of the Company (as from 28 July 2022) since there is a contractual obligation to pay dividend (in priority over ordinary dividends) and the shares do not convert into a fixed number of shares.

(e) Bank covenants
For the financial year 2023, the Group and Company have met all applicable financial covenants on their borrowings.

For the financial year 2022, the Group and Company had obtained an extension of the waiver of financial covenants from all their lenders on account of the restart of tourism operations only on 1 October 2021 coupled with the emergence of the Omicron variant in November 2021. Hence, all the borrowings have been classified according to their contractual repayment terms with no reclassification of any long-term portion into current liabilities.

45. Employee benefit liabilities

Accounting Policy
(i) Defined benefit plans
The Group and Company operate a multi-employer defined benefit plan, the assets of which are held in a separately administered fund. The pension plan is funded by payments from employees and by the employer, taking into account the recommendations of independent qualified actuaries who carry out a full valuation of the plan every three years.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- the date of the plan amendment or curtailment; and
- the date that the Company recognises restructuring-related costs.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

45. Employee benefit liabilities (cont'd)

Accounting Policy (cont'd)
(i) Defined benefit plans (cont'd)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group and Company recognise the following changes in the net defined benefit obligation under 'Staff costs' in the statements of profit or loss:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

The liability relates to employees who are entitled to statutory benefits prescribed under parts VIII and IX of the Workers' Rights Act 2019. The latter provides for a lump sum on withdrawal, at retirement or death, whichever occurs earlier, based on final salary and years of service.

The sponsoring employer, New Mauritius Hotels Ltd has agreed to make payments to the fund with employee contributions to restore the funding ratio assuming that all the assumptions used for the valuation are now in practice. The method used is known as the Attained Age method and is an accrued benefits funding method as defined in the technical funding requirement rules.

(ii) Defined contribution plans
The Group and Company operate a defined contribution scheme set up in October 2014, the assets of which are held and administered by an independent fund administrator. All new employees of the Group and Company from that date become members of the defined contribution plan. Payments by the Group and Company to the defined contribution retirement plan are charged as an expense as they fall due.

(iii) Severance allowance
The Group and Company are liable to pay severance allowance to employees at the date of their retirement under the Mauritian Workers' Rights Act 2019. These benefits are unfunded. The cost of providing these benefits is determined using the projected unit credit method. Actuarial gains and losses in determining the present value of the unfunded obligations are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested (i.e. when the employee retires). If the benefits have already vested, following changes in legislation, past service costs are recognised immediately.

Significant accounting judgements and estimates
Employee benefit liabilities
The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group and Company have both funded and unfunded obligations. For the funded obligations, the Group and Company participate in the New Mauritius Hotels Group Superannuation Fund, a multi-employer pension plan registered under the Private Pension Fund Act, the assets of which are held independently. The pension plans are funded through payments from the employees and the Group and Company, taking into account the recommendations of an independent actuary, namely Swan Life Ltd. For the unfunded obligations, the Group and Company participate in the Rogers Money Purchase Retirement Fund. The unfunded liability relates to employees who are entitled to retirement gratuities payable under the Workers' Rights Act 2019. The pension scheme is a defined benefit scheme.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs'000
Funded obligation (Note (a))	**2,291,386**	1,800,568	**2,276,376**	1,760,404
Unfunded obligation (Note (b))	**29,367**	24,317	**10,197**	2,773
	2,320,753	1,824,885	**2,286,573**	1,763,177

(a) Funded obligation

(i) The amounts recognised in the statements of financial position in respect of funded obligation are as follows:

	2023	2022	**2023**	2022
Defined benefit obligation	**6,114,639**	5,743,127	**6,049,622**	5,645,313
Fair value of plan assets	**(3,823,253)**	(3,942,559)	**(3,773,246)**	(3,884,909)
Employee benefit liabilities	**2,291,386**	1,800,568	**2,276,376**	1,760,404

(ii) Movement in the liabilities recognised in the statements of financial position:

	2023	2022	**2023**	2022
At 1 July	**1,800,568**	1,964,784	**1,760,404**	1,951,333
Amount recognised in profit or loss	**205,890**	265,800	**234,283**	228,419
Amount recognised in other comprehensive income	**605,700**	(190,050)	**591,855**	(184,658)
Employer's contributions	**(320,772)**	(239,966)	**(310,166)**	(234,690)
At 30 June	**2,291,386**	1,800,568	**2,276,376**	1,760,404

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

45. Employee benefit liabilities (cont'd)

(a) Funded obligation (cont'd)

(iii) The amounts recognised in the statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs'000
Current service cost	**106,505**	171,705	**135,549**	120,236
Scheme expenses	**18,752**	20,205	**18,596**	20,316
Interest cost on defined benefit obligation	**279,112**	252,781	**276,631**	248,550
Return on plan assets	**(198,479)**	(178,891)	**(196,493)**	(160,683)
Net benefit expense	**205,890**	265,800	**234,283**	228,419

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
(iv) The amounts recognised in the statements of other comprehensive income are as follows:	**Rs '000**	Rs '000	**Rs'000**	Rs'000
Losses/(Gains) on pension scheme assets	**400,998**	(421,173)	**399,148**	(415,380)
Experience losses on the liabilities	**302,343**	178,682	**289,349**	177,653
Changes in assumptions underlying the present value of the scheme	**(97,641)**	52,441	**(96,642)**	53,069
	605,700	(190,050)	**591,855**	(184,658)
(v) Cumulative actuarial losses recognised:				
Cumulative actuarial losses at 1 July	**1,487,886**	1,677,936	**1,470,276**	1,654,934
Actuarial losses/(gains) recognised in current year	**605,700**	(190,050)	**591,855**	(184,658)
Cumulative actuarial losses at 30 June	**2,093,586**	1,487,886	**2,062,131**	1,470,276
(vi) Reconciliation of the present value of defined benefit obligation:				
Present value of obligation at 1 July	**5,743,127**	5,390,004	**5,645,313**	5,336,716
Current service cost	**106,505**	171,705	**135,549**	120,236
Interest cost on defined benefit obligation	**279,112**	252,781	**276,631**	248,550
Employees' contribution	**28,097**	30,567	**27,594**	30,026
Actuarial losses	**204,702**	231,123	**192,707**	230,722
Benefits paid	**(246,904)**	(333,053)	**(228,172)**	(320,937)
Present value of obligation at 30 June	**6,114,639**	5,743,127	**6,049,622**	5,645,313
(vii) Reconciliation of fair value of plan assets:				
Fair value of plan assets at 1 July	**3,942,559**	3,425,220	**3,884,909**	3,385,383
Return on plan assets	**198,479**	178,891	**196,493**	160,683
Employer's contributions	**320,772**	239,966	**310,166**	234,690
Scheme expenses	**(18,752)**	(20,205)	**(18,596)**	(20,316)
Employees' contribution	**28,097**	30,567	**27,594**	30,026
Actuarial (losses)/gains	**(400,998)**	421,173	**(399,148)**	415,380
Benefits paid	**(246,904)**	(333,053)	**(228,172)**	(320,937)
Fair value of plan assets at 30 June	**3,823,253**	3,942,559	**3,773,246**	3,884,909

(viii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Discount rate	**5.10**	4.10 - 5.00	**5.10**	5.00
Future salary increase	**1.00**	1.00 - 3.00	**1.00**	1.00
Post-retirement mortality tables	**PNMA00/PNFA00**	PNMA00/PNFA00	**PNMA00/PNFA00**	PNMA00/PNFA00

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

45. Employee benefit liabilities (cont'd)

(a) Funded obligation (cont'd)

(ix) A quantitative sensitivity analysis for significant assumptions as at 30 June 2023 and 30 June 2022 is shown below:

	Discount Rate			
Assumptions	THE GROUP		THE COMPANY	
Sensitivity	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs '000	Rs '000	Rs '000	Rs '000
30 June 2023				
Impact on defined benefit obligation	**841,449**	**(1,024,050)**	**832,474**	**(1,013,280)**
30 June 2022				
Impact on defined benefit obligation	890,390	(827,568)	875,473	(812,112)

	Future Salary Increase			
	THE GROUP		THE COMPANY	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs '000	Rs '000	Rs '000	Rs '000
30 June 2023				
Impact on defined benefit obligation	**267,992**	**(238,567)**	**(264,988)**	**235,924**
30 June 2022				
Impact on defined benefit obligation	238,574	(242,465)	230,174	(234,812)

The sensitivity analyses above have been determined based on reasonably possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

(b) Unfunded obligation

(i) The amounts recognised in the statements of financial position in respect of unfunded obligation are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs '000	Rs '000	Rs '000	Rs '000
Employee benefit liabilities	**29,367**	24,317	**10,197**	2,773
Defined benefit obligation	**35,333**	24,317	**16,163**	2,773
Fair value of plan assets	**(5,966)**	-	**(5,966)**	-
Employee benefit liabilities	**29,367**	24,317	**10,197**	2,773

(ii) Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
At 1 July	**24,317**	33,245	**2,773**	2,252
Amount recognised in profit or loss	**9,164**	17,447	**9,370**	2,177
Benefits paid	**(6,431)**	(20,004)	**(6,430)**	-
Amount recognised in other comprehensive income	**4,485**	(5,882)	**4,484**	(1,656)
Exchange differences	**(2,168)**	(489)	**-**	-
At 30 June	**29,367**	24,317	**10,197**	2,773

(iii) The amounts recognised in the statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
Current service cost	**8,027**	16,697	**8,233**	2,100
Past service cost	**1,158**	-	**1,158**	-
Interest cost on defined benefit obligation	**138**	750	**138**	77
Return on plan assets	**(159)**	-	**(159)**	-
Net benefit expenses	**9,164**	17,447	**9,370**	2,177

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

45. Employee benefit liabilities (cont'd)

(b) Unfunded obligation (cont'd)

(iv) The amounts recognised in the statements of other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs '000	Rs '000	Rs '000	Rs '000
Liabilities experience loss	**6,723**	(3,741)	**6,722**	129
Losses on pension scheme assets	**159**	-	**159**	-
Changes in assumptions underlying the present value of the scheme	**(2,397)**	(2,141)	**(2,397)**	(1,785)
Actuarial gains recognised in other comprehensive income	**4,485**	(5,882)	**4,484**	(1,656)

(v) Reconciliation of the present value of defined benefit obligation:

	THE GROUP		THE COMPANY	
Present value of obligation at 1 July	**24,317**	33,245	**2,773**	2,252
Current service cost	**8,027**	16,697	**8,233**	2,100
Past service cost	**1,158**	-	**1,158**	-
Interest cost	**138**	750	**138**	77
Actuarial gains	**4,326**	(5,882)	**4,325**	(1,656)
Benefits paid	**(465)**	(20,004)	**(464)**	-
Exchange differences	**(2,168)**	(489)	**-**	-
Present value of obligation at 30 June	**35,333**	24,317	**16,163**	2,773

(vi) Reconciliation of fair value of plan assets:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs '000	Rs '000	Rs '000	Rs '000
Fair value of plan assets at 1 July	**-**	-	**-**	-
Return on plan assets	**159**	-	**159**	-
Employer's contributions	**6,431**	-	**6,430**	-
Actuarial gains	**(159)**	-	**(159)**	-
Benefits paid	**(465)**	-	**(464)**	-
Fair value of plan assets at 30 June	**5,966**	-	**5,966**	-

(vii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	%	%	%	%
Discount rate	**6.1**	1.3 - 5.4	**6.1**	5.4
Future salary increase	**1.0**	1.0 - 3.0	**1.0**	1.0
Post-retirement mortality tables	**Swan Annuity Rates 2023**	Swan Annuity Rates 2022	**Swan Annuity Rates 2023**	Swan Annuity Rates 2022

(viii) A quantitative sensitivity analysis for significant assumptions as at 30 June is shown below:

	Discount Rate			
Assumptions	THE GROUP		THE COMPANY	
Sensitivity	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs '000	Rs '000	Rs '000	Rs '000
30 June 2023				
Impact on defined benefit obligation	**828**	**(1,322)**	**828**	**(1,322)**
30 June 2022				
Impact on defined benefit obligation	2,222	(2,906)	210	(519)

	Future Salary Increase			
	THE GROUP		THE COMPANY	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs '000	Rs '000	Rs '000	Rs '000
30 June 2023				
Impact on defined benefit obligation	**1,734**	**(1,138)**	**1,734**	**(1,138)**
30 June 2022				
Impact on defined benefit obligation	2,948	(2,279)	542	(217)

The sensitivity analyses above have been determined based on reasonably possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

45. Employee benefit liabilities (cont'd)

	THE GROUP AND THE COMPANY	
	2023	2022
(c) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	**%**	%
Local equities	**44**	43
Overseas bonds and equities	**22**	20
Fixed interest	**30**	19
Property and others	**4**	18
	100	100

The overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yield difference on other types of assets held.

(d) Maturity profile of the defined benefit obligation

The weighted average duration of the liabilities as at 30 June 2023 is 9 years.

(e) Expected contribution for next year

The Group is expected to contribute Rs 171m (2022: Rs 175m), including employees' contribution to its defined benefit pension plan in the next financial year.

(f) Plan assets

Included in the plan assets is a property, estimated at an open market value of Rs 437m (2022: Rs 437m). The property is rented to the Company by the New Mauritius Hotels Group Superannuation Fund.

(g) Risk associated with the plans

The Group and Company are exposed to actuarial risks such as longevity risk, interest rate risk, market (investment) risk, and salary risk:

Longevity risk: The liabilities disclosed are based on the mortality table PNA00/current Swan buyout rate. The liabilities will increase if the experience of the pension plans is less favourable than the standard mortality tables; and there is an improvement in mortality and the buyout rate is reviewed.

Interest risk: If the yields on Government bonds and Treasury bills decrease, the liabilities would be calculated using a lower discount rate and would therefore increase.

Investment risk: The present value of the liabilities of the plan is calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk: If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

46. Trade and other payables

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade payables	**2,275,939**	2,334,935	**606,914**	636,539
Other payables	**1,354,523**	1,013,785	**915,288**	532,776
Loan at call payable to subsidiary (Note 17(ix))	**-**	-	**366,197**	417,954
Loan at call payable to other related party (Note 17(ix))	**38,736**	-	**38,736**	-
Amount due to subsidiaries (Note 17(xii))/Note (d)	**-**	-	**37,119**	268,906
Amount due to other related parties (Note 17(xii))	**376,738**	356,807	**28,508**	7,289
	4,045,936	3,705,527	**1,992,762**	1,863,464

During the current financial year, no advances were provided to subsidiaries (2022: Rs 144.8m).

(a) Trade payables are non-interest-bearing and are generally on 30 to 90 days' term.
(b) The loan at call to subsidiary bears and interest rate of 4.10% per annum (2022: 4.10%).
(c) The loan at call to other related party is interest-free (2022: Nil).
(d) For terms and conditions pertaining to related party payables, refer to Note 17(ix) and (xii).

During the year, the Company had a current account payable balance of Rs 134m towards Ste Anne Resort Limited that was settled by way of a reduction in the existing long-term receivables included in investment in subsidiaries (Note 31).

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

47. Fair value of assets and liabilities

Accounting Policy

Fair value measurement

The Group and Company measure their financial instruments and non-financial assets such as investment property and properties at fair value at each reporting date. The Group and Company have a policy of revaluing their freehold land and buildings every three years. The fair value of the freehold land and buildings is also assessed by the Directors at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group and Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group's and Company's management determines the policies and procedures for both recurring fair value measurement, namely unquoted financial assets at FVOCI, and non-recurring fair value measurement, such as assets held for sale. Financial assets that are unquoted are fair valued by management at least annually at the reporting date. The use of external valuers is decided by management when the situation dictates it, taking into consideration the relevant factors.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

47. Fair value of assets and liabilities (cont'd)

Accounting Policy (cont'd)

Fair value measurement (cont'd)

Financial instruments by category and fair values

The following table shows the carrying amounts and fair values of assets and liabilities, including their levels in the fair value hierarchy.

			THE GROUP				THE COMPANY			
			2023		2022		**2023**		2022	
	IFRS 9 Classification	**Fair Value Hierarchy**	**Carrying Amount Rs '000**	**Fair Value Rs '000**	Carrying Amount Rs '000	Fair Value Rs '000	**Carrying Amount Rs '000**	**Fair Value Rs '000**	Carrying Amount Rs '000	Fair Value Rs '000
Financial Assets										
Financial assets at fair value through other comprehensive income	Fair value	Levels 1 & 3	**10,698**	**10,698**	9,760	9,760	**10,498**	**10,498**	9,574	9,574
Financial assets at amortised cost - non-current	Amortised cost	Level 3	**1,312,110**	**1,238,390**	1,311,431	1,411,556	**3,679,957**	**3,579,529**	3,481,070	3,698,408
Financial assets at amortised cost - current	Amortised cost	Level 3	**948,215**	**948,215**	702,005	702,005	**304,807**	**304,807**	213,235	213,235
Trade receivables	Amortised cost	Level 3	**1,089,616**	**1,089,616**	888,492	888,492	**440,761**	**440,761**	421,877	421,877
Derivative financial instruments	Fair value	Level 2	**13,894**	**13,894**	243	243	**13,894**	**13,894**	243	243
Cash in hand and at banks	Amortised cost	Level 3	**1,582,005**	**1,582,005**	1,552,050	1,552,050	**140,320**	**140,320**	122,919	122,919
			4,956,538	**4,882,818**	4,463,981	4,564,106	**4,590,237**	**4,489,809**	4,248,918	4,466,256
Financial Liabilities										
Redeemable convertible secured bonds	Amortised cost	Level 3	**579,577**	**579,577**	645,515	645,515	**579,577**	**579,577**	645,515	645,515
Convertible preference shares	Amortised cost	Level 1	**448,552**	**448,552**	448,496	340,406	**448,552**	**448,552**	448,496	340,406
Subordinated loan	Amortised cost	Level 3	**-**	**-**	1,734,188	1,827,876	**-**	**-**	-	-
Borrowings	Amortised cost	Level 3	**18,603,151**	**18,511,590**	18,516,206	18,534,172	**11,427,804**	**11,413,235**	12,181,438	12,198,255
Trade and other payables	Amortised cost	Level 3	**4,045,936**	**4,045,936**	3,705,527	3,705,527	**1,992,762**	**1,992,762**	1,863,464	1,863,464
Derivative financial instruments	Fair value	Level 2	**-**	**-**	1,388	1,388	**-**	**-**	1,388	1,388
			23,677,216	**23,585,655**	25,051,320	25,054,884	**14,448,695**	**14,434,126**	15,140,301	15,049,028

All of the above assets/liabilities disclosed exclude property, plant and equipment, investment property, right-of-use assets, intangible assets, investment in subsidiaries, investment in associates, deferred tax assets/liabilities, inventories, other assets, income tax prepaid/payable, employee benefit liabilities, lease liabilities and contract liabilities.

The fair value of financial assets at amortised cost (non-current), subordinated loan and borrowings for disclosure purposes are estimated by discounting the future contracted cash flows at the current market interest rate that is available to the Group and Company for similar financial instruments.

Involvement of external valuers for the valuation of properties is decided upon by management after discussion with and approval of the Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's and Company's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

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

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

The fair values of the Group's and Company's unquoted financial assets at FVOCI are determined by management at least annually at the reporting date through the income approach. Inputs and assumptions used in the determination of the fair value are verified and validated to their respective sources and documents.

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

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

47. Fair value of assets and liabilities (cont'd)

Significant accounting judgements and estimates

Fair value measurements of financial instruments
When the fair values of financial instruments recorded in the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to those models are derived from observable market data where possible, but where observable market data is not available, a degree of judgement is required to establish fair values. The judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Fair value of financial assets at FVOCI is derived from quoted market prices in active markets.

Unquoted financial assets at FVOCI represent investments in equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured.

The fair value of foreign exchange forward and swap contracts is determined by using the foreign exchange spot and forward rates, interest rate curves and forward rate curves of each currency.

For valuation techniques regarding properties classified under "Property, plant and equipment" and "Investment property", refer to Notes 27 and 29 respectively.

During the year ended 30 June 2023, there was no transfer between Level 1 and Level 2 fair value measurements.

48. Sale and leaseback transaction between the Company and Beachcomber Hospitality Investments Ltd

Accounting Policy
A sale and leaseback transaction is where the Company sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer. A sale occurs when control of the underlying asset passes to the buyer. A lease liability is recognised, the associated property, plant and equipment asset is derecognised and a right-of-use asset is recognised at the proportion of the carrying value relating to the right retained. Any gain on the sale is deferred and recognised as income over the lease term. Any loss on the sale is immediately recognised as an impairment loss when the sale occurs.

The Company signed a number of agreements with Leisure Property Northern (Mauritius) Limited (LPNM), a wholly-owned subsidiary of Grit Real Estate Income Group Limited (previously known as Mara Delta Property Holdings Limited), with respect to Beachcomber Hospitality Investments Ltd ("BHI") on 17 November 2016. The agreements entailed that:
- NMH would transfer the hotel properties known as Victoria Beachcomber, Canonnier Beachcomber and Mauricia Beachcomber together with the attached leasehold land to BHI for a total consideration of EUR 155m (Rs 6bn) but would continue to manage the hotels.
- NMH would hold 55.58% of BHI's share capital, the remaining 44.42% being held by LPNM.
- NMH will have a call option to buy back the shares held by LPNM, such option being exercisable between the 7th and 10th anniversary of the Subscription and Shareholders' Agreement.
- NMH would pay BHI an annual rental equivalent to 7.5% of the value of the assets, increasing annually. The lease agreement had an initial duration of 15 years commencing 2 December 2016 with 3 successive ten-year renewal periods at the option of the Company. During financial year 2023, the initial lease duration of 15 years was further extended to 18 years (Note 28).

The profit realised on the sale of the three hotels and the attached leasehold land to BHI amounted to EUR 62m (Rs 2.2bn) and was netted off against the respective right-of-use asset (Note 28) as per IFRS 16.

The sale and leaseback transaction was accounted for as a sale and operating lease applying IAS 17 pre-adoption of IFRS 16. On adoption of IFRS 16, NMH accounted for:
(a) the leaseback in the same way as it accounts for any other operating lease that exists at the date of initial application; and
(b) adjustment of the leaseback right-of-use asset for any deferred gains or losses that relate to off-market terms recognised in the statement of financial position immediately before the date of initial application (refer to Notes 28(ii) and 49).

49. Commitments and contingencies

(a) Capital commitments

Capital commitments for both the Group and Company as at 30 June 2023 amounted to Rs 965.9m, relating mainly to renovation of Paradis Beachcomber, Shandrani Beachcomber and Cannonier Beachcomber (30 June 2022: None for both Group and Company).

(b) Contingencies

Sub-leasing of Sainte Anne Island
Ste Anne Resort Limited ("SARL") was served with a Restriction Order for a period of 6 months as of 6 May 2022 by the Land Registrar in Seychelles following the proposed registration of its lease agreement with Club Med (the "Order"). The Order had been applied for by the lessor (a third-party private company) of the property on which SARL has refurbished, extended and subsequently sub-sub-leased the property to Club Med in February 2021. However, by way of a letter addressed to SARL on 7 June 2023, the Land Registrar informed SARL that it removed the Order given that the period of 6 months lapsed which follows that there is no case against SARL. The latter has since proceeded with the registration of the lease before the Land Registrar.

Guarantees
As at 30 June 2023, the Company provided a corporate guarantee of Rs 190m on behalf of one of its local subsidiaries for a banking facility. The Company also has bank guarantee facilities amounting to Rs 86.6m as security in favour of its import line in the ordinary course of business.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

50. Changes in ownership interest in subsidiaries that do not result in a loss of control

(i) In May 2023, through a scheme of arrangement, Leisure Property Northern (Mauritius) Limited (LPN), the minority shareholder of the subsidiary, Beachcomber Hospitality Investments Ltd (BHI) was merged with and into BHI. Subsequent to the scheme, BHI became a wholly-owned subsidiary of the Company. Refer to below and Note 8 for more details.

	THE GROUP
	2023
	Rs '000
Cancellation of ordinary shares held by LPN	492,092
Carrying value of the additional interest in BHI	593,460
Difference recognised in equity	**1,085,552**

(ii) In July 2022, Royal Gardens Ltd, a wholly-owned subsidiary of the Company, acquired a further 110,000 ordinary shares in Beachcomber Marketing (Pty) Ltd for a cash consideration of Rs 34.8m, thus increasing its stake from 51% to 62%. Refer to below and Note 7 for more details.

	THE GROUP
	2023
	Rs '000
Cash consideration paid to non-controlling interest	34,849
Carrying value of the additional interest in Beachcomber Marketing (Pty) Ltd	(2,483)
Difference recognised in equity	**32,366**

Frequently Asked QUESTIONS

1. What is an Annual Meeting of Shareholders (AMS)?

An AMS is a meeting of the shareholders of a company. The law provides that it should be held not more than once in each calendar year and not later than 9 months after the balance sheet date of a company.

2. Who may attend the AMS?

In compliance with S120(3) of the Companies Act 2001, the Board has resolved that only the shareholders of the Company registered in the share register of the Company as at 22 November 2022 are entitled to attend the AMS.

3. Why should a shareholder attend the AMS?

Shareholders are encouraged to attend the AMS as it:
- provides them with a direct contact with the Board and management of the Company;
- enables them to have more insight into the operations, strategy and performance of the Company; and
- provides them with reasonable opportunity to discuss and comment on the management of the Company.

4. What matters are discussed at the AMS?

Usually, the following business is transacted at the AMS:
- the approval of the audited accounts of the Company;
- the receiving of the auditor's report;
- the consideration of the Annual Report; and
- the re-election/reappointment of Directors.

5. What if a shareholder cannot attend the AMS?

An individual shareholder who cannot attend the meeting may appoint a proxy or may cast his vote by post.

A corporate shareholder may, on the other hand, appoint a representative to attend the AMS and act on its behalf.

6. What is a proxy?

A proxy is the person appointed by a shareholder to represent him/her at the AMS. Such person, who need not necessarily be a shareholder of the Company, may be heard at the meeting as if he/she were the shareholder.

7. How does a shareholder appoint a proxy/representative?

Shareholders are requested to fill in the Proxy Form sent to them with the notice convening the meeting. Corporate shareholders may also provide a Corporate Resolution to appoint their representative. Should a shareholder wish his/her proxy/representative to vote at the meeting in a particular manner, he/she is requested to fill in the resolution boxes provided on the appropriate forms.

8. After appointing a proxy, can a shareholder still attend the AMS?

Yes, but he/she is requested to make himself/herself known to the Company Secretary as soon as he/she arrives at the meeting. The proxy will consequently have no right to be heard and to vote at the meeting.

9. How does a shareholder use the Postal Vote Form?

The Postal Vote Form must be signed by the shareholder or his/her attorney duly authorised in writing.

10. How many votes does a shareholder have?

Every shareholder, present in person or by proxy/representative, shall have one vote on a show of hands.

Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

11. What is the voting procedure?

Voting at the AMS is generally by show of hands. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

12. How to obtain a copy of the minutes of proceedings of the last AMS of the Company?

A shareholder may make such a request to the Company Secretary prior to the AMS.

Notes

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