Integrated Annual Report 2022

YEARS

NEW MAURITIUS HOTELS LIMITED

A robust recovery

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

At Beachcomber,
we have been Artisans of iconic hospitality
experiences for 70 years.

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 30 September 2022.
We look forward to meeting you at our next Annual Meeting to be held on 21 December 2022.

Yours sincerely,

Hector ESPITALIER-NOËL
Chairman
30 September 2022

About OUR REPORT

Our Integrated Reporting Journey

The 2022 Integrated Annual Report of the NMH Group is designed to meet the requirements of financial capital providers and other stakeholders. We disclose our value creation process in a set of reports that are in line with the guiding principles and key concepts of the International Integrated Reporting Council ("IIRC") framework.

Forward-Looking Statements

There may be forward-looking statements giving our expectations or forecasts of future events in this document. These forward-looking statements may be identified by the use of terminology including, but not limited to, "believe," "anticipate," "intend," "seek," "will," "plan," "could," "may," and other words or terms.

Although the assumptions, expectations and projections reflected in these forward-looking statements represent our best judgment at the time of writing, actual developments and outcomes could differ considerably from those anticipated due to a number of risks, uncertainties, and other significant factors.

We expressly disclaim any obligation to revise or update any forward-looking statement in the event it later turns out to be inaccurate, whether as a result of new information, future events or otherwise. We caution investors not to rely unduly on any forward-looking statements published herein, which have not been reviewed or reported on by the Group's independent external auditor.

Feedback

We value your feedback on how we are addressing topics that are important to you as we continuously strive to improve our reporting. For feedback and enquiries on our reports, please visit: **www.beachcomber.com**

Board Responsibility Statement

The Board of Directors of NMH is aware of its obligation to uphold the integrity and accuracy of this Integrated Annual Report. The Board has thus used its collective judgement and believes that this report addresses all matters of material importance with regard to our strategy and ability to create and sustain value over the short, medium and long term. The use and effects on our capitals, as well as how their availability is affecting NMH's strategy and business model, are all sufficiently covered in this document. The Board agrees that the IIRC framework has been followed in the preparation of this report.

"This report offers a balanced view of the strategy of the Board, and how it relates to the organisation's ability to create value in the short, medium and long term."

Table OF CONTENTS

1 BUSINESS OVERVIEW

2 RISK MANAGEMENT

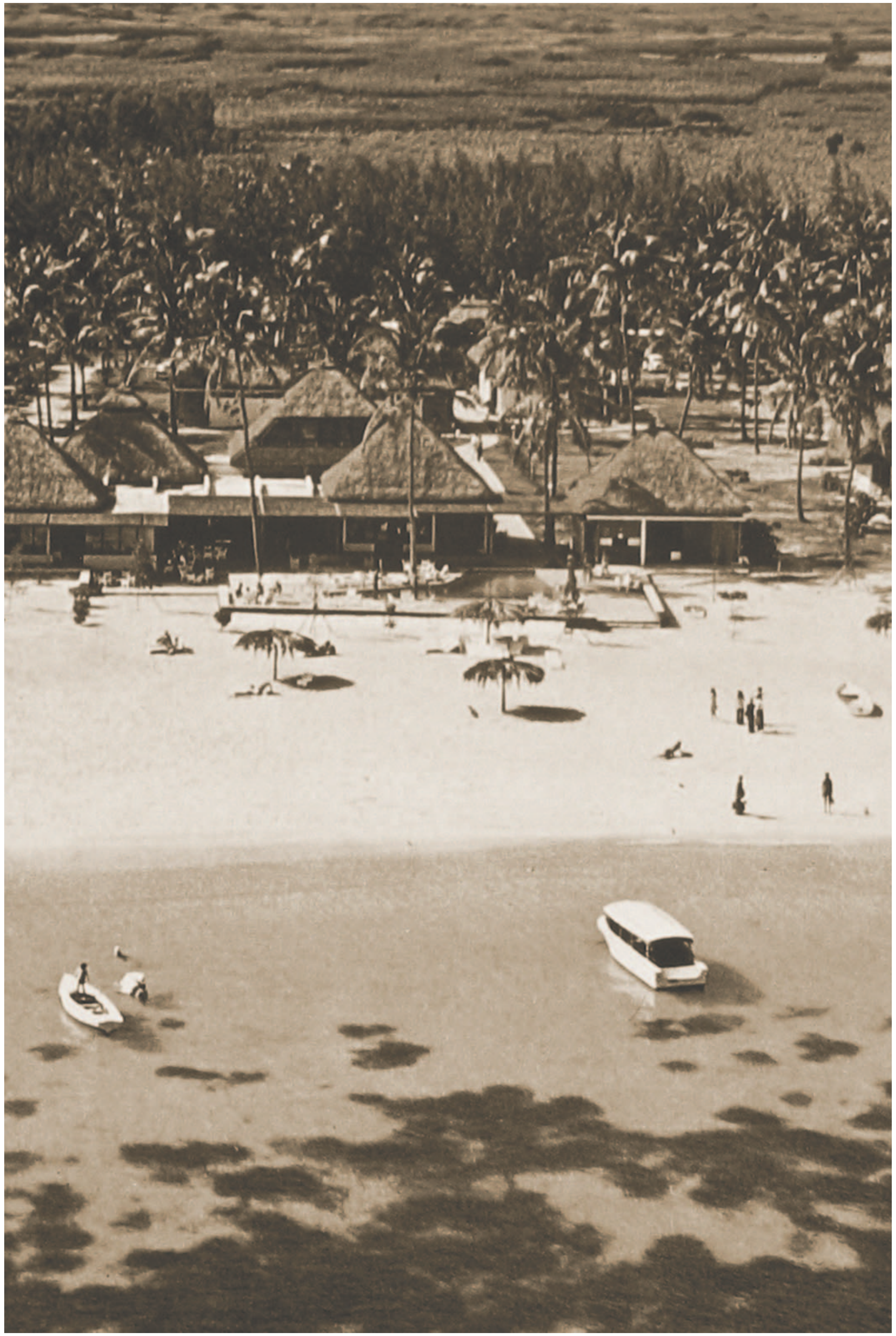
3 GOVERNANCE

4 STATUTORY DISCLOSURES

5 ANNEX

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
GDPR	European General Data Protection Regulation
EIA	Environmental Impact Assessment
ENL	ENL Limited, a public company incorporated in Mauritius bearing business registration number C06000648 and listed on 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
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 rupees
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	Official Market of the Stock Exchange of Mauritius
Market	Market of the SEM
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



Business OVERVIEW

Chairman's REPORT

Dear Valued Shareholders,

On behalf of the Board of Directors, I am delighted to present the Integrated Annual Report 2022 for New Mauritius Hotels Limited ("NMH", the "Group" or the "Company"). This document has been prepared in accordance with the guidelines of the Integrated Reporting Framework published by the International Integrated Reporting Council, the National Code of Corporate Governance for Mauritius (2016) and the Mauritius Companies Act 2001.

The past year has seen significant positive changes in the tourism and hospitality landscape in Mauritius and globally, especially in light of the current global economic situation.

Remarkable Recovery

International inbound travel and hotel booking dynamics have made great strides towards recovery, aided by the reopening of Mauritian borders and the lifting of sanitary measures in connection with COVID-19. We are pleased that our Group has been able to navigate this challenging period through the concerted efforts of all our Artisans, with the support of the Government, including the Mauritius Investment Corporation, and other stakeholders.

This year's performance and achievements may be explained by a heightened desire to travel in the post-pandemic context after a long period of restriction and uncertainty. Now more than ever before, many people feel the need to get away and recharge their batteries, with a special focus on experiences.

Team Effort

These exceptional results would not have been possible without commitment, professionalism and teamwork, as well as the resilience and ability of our team of high-calibre Artisans to adapt to this adverse situation. During Phase 1 of the gradual reopening of Mauritian borders from July 2021, some of them voluntarily agreed to stay on site to ensure our guests were well catered for while a number of our hotels had been transformed into resort bubbles or quarantine facilities.

At Shandrani Beachcomber Resort & Spa, the team worked tirelessly to get everything ready to welcome guests back to the hotel in October 2021 after an 18-month renovation. The Beachcomber Trainers Club was also launched to enhance our talent pool and encourage knowledge transfer. Examples of our Artisans supporting us in bouncing back stronger from the challenges presented during the pandemic have abounded.

Confidence Going Forward

Most signs are pointing to the worst of the pandemic being behind us, with pent-up demand for international travel. Based on arrival figures to date, we can expect the upward trend to continue. The next financial year looks promising, despite our high level of debt, with bookings almost at pre-crisis levels. We have some very good reasons to be optimistic and I am confident that NMH is well-positioned to meet the challenges ahead and generates sustainable long-term growth across the Group, which should in turn drive shareholder returns.

Acknowledgements

I wish to recognise the contributions made by all stakeholders towards the Group's robust recovery. Much appreciation goes to our guests, partners and shareholders for their continued interest and confidence. I would like to salute my fellow Directors for their untiring generosity in bringing their expertise and energy to NMH. I also want to take the opportunity to thank François Venin who retired from the Board of Directors and Executive Committee this year and Bertrand Piat, who retired from the Executive Committee. Both François and Bertrand had a remarkable and long-standing role in steering the company in the right direction. I am also deeply thankful to the CEO and his Executive team for their support and commitment.

As we continue driving the Group towards a sustainable and resilient future amidst a somehow improved outlook for our business, we look forward with optimism to yet another successful year.

"These exceptional results would not have been possible without commitment, professionalism and teamwork, as well as the resilience and ability of our team of high calibre Artisans to adapt to this adverse situation."

Hector ESPITALIER-NOËL
Chairman
30 September 2022

Key FIGURES

THE GROUP

STATEMENT OF PROFIT OR LOSS	**Year ended 30 June 2022 Rs m**	Year ended 30 June 2021 Rs m	Period ended 30 June 2020 Rs m
Revenue	**8,115**	1,137	5,633
Earnings/(Loss) before interest, income tax, depreciation and amortisation	**2,036**	(1,991)	271
Profit/(Loss) before tax	**66**	(3,635)	(773)
Income tax (expense)/credit	**(20)**	505	87
Profit/(Loss) for the year/period	**45**	(3,130)	(686)
Non-controlling interests	**110**	43	44
Loss attributable to owners of the parent	**(65)**	(3,173)	(730)

STATEMENT OF FINANCIAL POSITION	**As At 30 June 2022 Rs m**	As At 30 June 2021 Rs m	As At 30 June 2020 Rs m
Non-current assets	**37,109**	35,512	32,838
Current assets	**3,651**	2,740	3,122
Stated capital	**2,780**	2,780	2,780
Redeemable convertible secured bonds	**1,833**	1,103	-
Retained earnings	**1,198**	1,070	3,030
Other components of equity	**2,990**	1,169	1,095
Shareholders' funds	**8,801**	6,121	6,906
Non-controlling interests	**476**	(59)	264
Total equity	**9,278**	6,063	7,169
Non-current liabilities	**19,988**	20,042	16,588
Current liabilities	**11,494**	12,148	12,203
DISTRIBUTION TO SHAREHOLDERS			
Cancellation of dividend payable	**-**	82	-
Dividends (Note 1)	**-**	-	(82)

KEY FINANCIAL RATIOS	**2022**	2021	2020
Head count	**4,647**	5,052	5,327
Number of room keys available	**2,148**	2,148	2,148
Room nights available for the year/period	**784,020**	784,020	588,552
Number of guest nights	**695,855**	132,541	545,980
Occupancy (%)	**42**	10	44
TRevPAR (Rs)	**7,956**	979	8,125
Loss per share (Rs)	**(0.12)**	(5.78)	(1.33)
Dividends per share (Rs)	**-**	-	0.15
Interest cover (x)	**1.88**	(2.04)	0.42
Net asset value per share (Rs)	**17**	11	13
Return on equity (%)	**0.49**	(51.63)	(9.57)
Return on assets (%)	**0.11**	(8.18)	(1.91)
Net debt/Total assets (%)	**49**	58	49
Gearing ratio (%)	**68**	79	71
Net debt/Equity ratio (%)	**213**	368	246

Note 1: Dividend for FY20 was cancelled in FY 21.

Executives' REPORT

The year under review was marked by the gradual recovery of world economies with the increased effectiveness of vaccination programmes worldwide and enhanced sanitary protocols to combat the COVID-19 pandemic. The hospitality industry has benefitted from the easing of travel restrictions and consequently, the Group has seen a significant pick-up in its activities across all business segments and geographies. All our hotels were ready for business on reopening of borders save for Dinarobin Beachcomber & Shandrani Beachcomber which resume operations later in the year due to ongoing works. Our tour operating companies in UK, France, South Africa and Italy saw a surge in demand during the year. Our in-flight catering business also witnessed a revival with an increase in the number of flights serving the local destination. We are hence pleased to report that the Group registered a turnover of Rs 8.1bn in FY22 (FY21: Rs 1.1bn), an EBITDA of Rs 2.0bn (FY21: negative EBITDA of Rs 2.0bn) and a profit of Rs 45.4m (FY21: loss of Rs 3.1bn) for the year.

Mauritius

In July 2021, three of our properties operated as "bubble resorts" to cater separately for residents and foreign guests. With the easing of travel restrictions in October 2021 and the positioning of Mauritius as a safe destination, we started to witness a significant increase in forward bookings. Unfortunately, in December 2021, with the emergence of the Omicron variant, the tourism sector encountered yet another temporary setback, especially from the South African and French markets. Fortunately, we have witnessed a rebound in the travel and tourism market since January 2022 and the conflict in Ukraine has not severely impacted our operations to date.

Operations in Mauritius recorded a revenue of Rs 6.1bn in FY22 (FY21: Rs 670.6m), boosted by strong euro and pound sterling. The higher average occupancy rate in our five-star resorts than in our four-star resorts skewed the average revenue per room sold. As expected, on the cost side, there has been a significant increase year on year with the resumption of normal operations, severance of Government wage assistance from December 2021 and general inflation. EBITDA for the year was Rs 1.0bn (FY21: negative EBITDA of Rs 1.8bn). Given that the hotels were fully operational for only part of the year, the losses incurred during the first semester could not be fully compensated and hence the Company sustained a loss for the year.

Morocco

Similarly, the first semester of the year has been equally challenging for our operations in Morocco, which had to withstand curfews, restriction of movement of people within provinces and flight bans. In November 2021, the borders closed yet again due to the pandemic and only reopened in February 2022. During that turbulent period, emphasis was laid on targeting the local market, including MICE, leveraging the golf and newly built ballroom facilities. The property in Marrakech was reassessed at year end and a fair value gain of Rs 325.6m was registered. Against this backdrop, revenue generated for the year was satisfactory and amounted to Rs 777.5m (FY21: Rs 234.8m) and EBITDA stood at Rs 445.7m (FY21: negative EBITDA of Rs 115.2m).

Seychelles

The hotel on Sainte Anne Island in Seychelles, leased to Club Med from February 2021, earned a full year's rental. Revenue for the year amounted to Rs 411.7m (FY21: Rs 155.7m). In February 2022, the annual rent was increased by 2% as contractually agreed. EBITDA for the year amounted to Rs 372.0m (FY21: negative EBITDA of Rs 46.5m).

Areas of focus

During the year, no effort has been spared to ensure the safety and comfort of our guests and Artisans. Protocols have been adapted to ensure that our hotels remained a haven for them. The digitalisation process has also aided to increase contactless touchpoints while improving the quality of service and operational efficiency.

Attracting, nurturing, and retaining talent have been and continue to be a major challenge for the sector post-COVID-19 and the People and Culture team has been enhancing the Group's Artisan Value Proposition. The welfare of our Artisans remains one of our core objectives and we continuously strive to better serve them and our guests. Development programmes have been designed to meet our training needs in partnership with Charles Telfair Institute, Institut Escoffier and Vatel Business School.

Cognisant of the need to maintain the standard of our premises, we have continued to invest in the refurbishment of our resorts, including Shandrani Beachcomber, Dinarobin Beachcomber and Royal Palm Beachcomber Luxury. We have also upgraded the infrastructure that supports our core operations, which will lead to future efficiency gains.

Cash flow management remains a focus for the Group to ensure adequate liquidity and meet the needs of the various business units. While we are seeing positive signs of recovery, there are still

uncertainties around costs resulting from disruption in the supply chain, upward trending interest rates, fluctuating exchange rates and increase in price of commodities worldwide. The Group has renegotiated its facilities over the long term to ease its cash flows. In November 2021, secured listed notes of EUR 20m were redeemed using proceeds from bank loans.

Project updates

Paradis Beachcomber has upgraded its beachfront rooms. Work started in May 22 during the quiet period and was conducted in a phased manner, without major disruption to in-house guests. Fifty-four rooms have been fully refurbished and reopened post-year end. The sale and leaseback of twenty-seven villas at Trou aux Biches Beachcomber under IHS was launched in August 2022 and has attracted significant interest to date.

Outlook

Forward bookings for FY23 are very encouraging. The results for the first quarter are significantly better than budget and those of the comparative period before the pandemic. The forthcoming increase in flight capacity also augurs well for our second quarter results. The evolution of costs is however being closely monitored and the unfavourable movement in interest rates and exchange rates could have an adverse impact on the bottom line. Management is confident that should the increased flight capacity be sustained, and barring any unexpected event, all operations across the Group, both locally and overseas, will contribute positively to the Group's PAT for the financial year ending June 2023, paving the way for a sustainable and financially robust recovery.

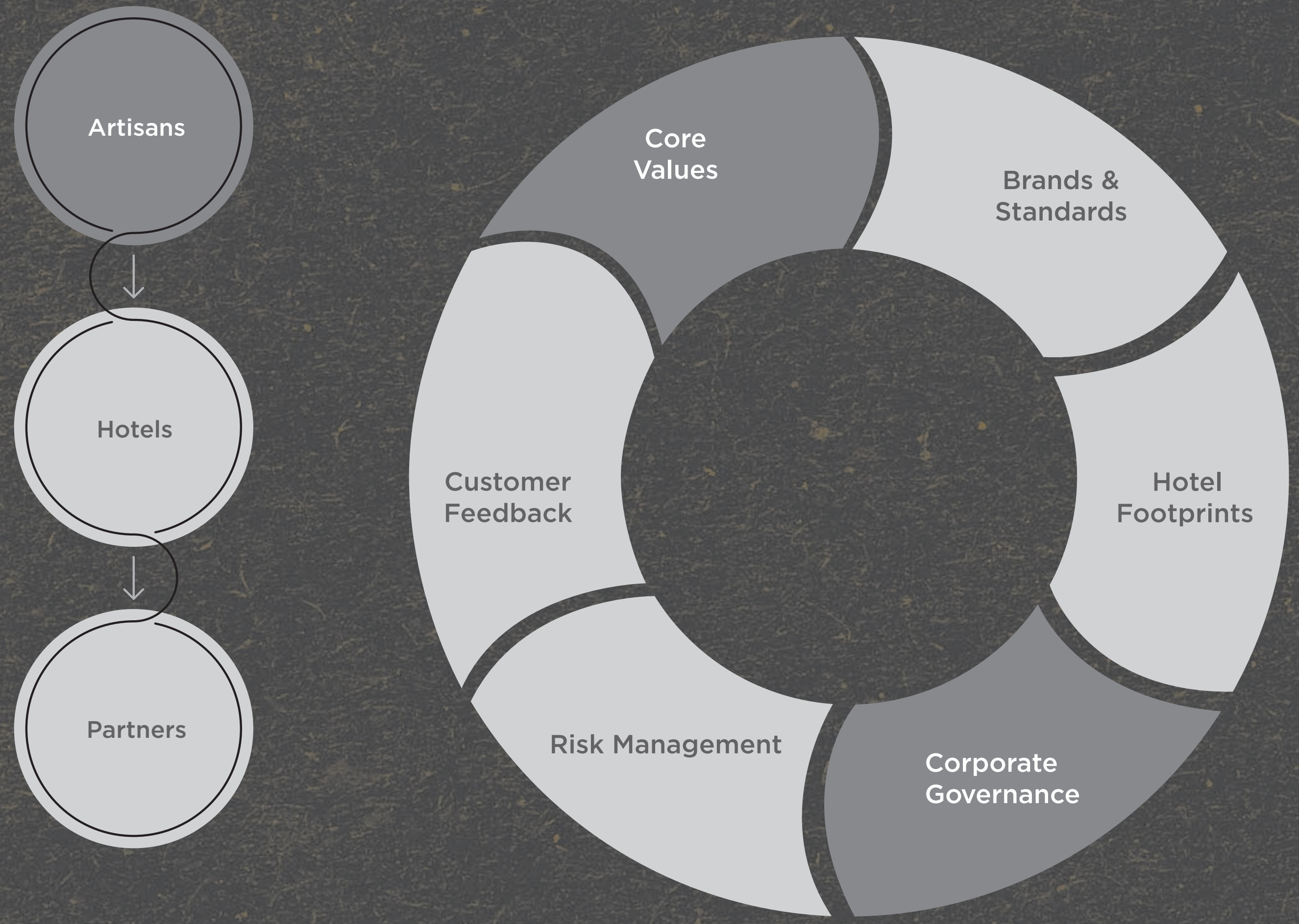
Gilbert Espitalier-Noël
Chief Executive Officer
30 September 2022

Pauline Seeyave
Chief Financial Officer

Value CREATION MAP

Resource Optimisation

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.

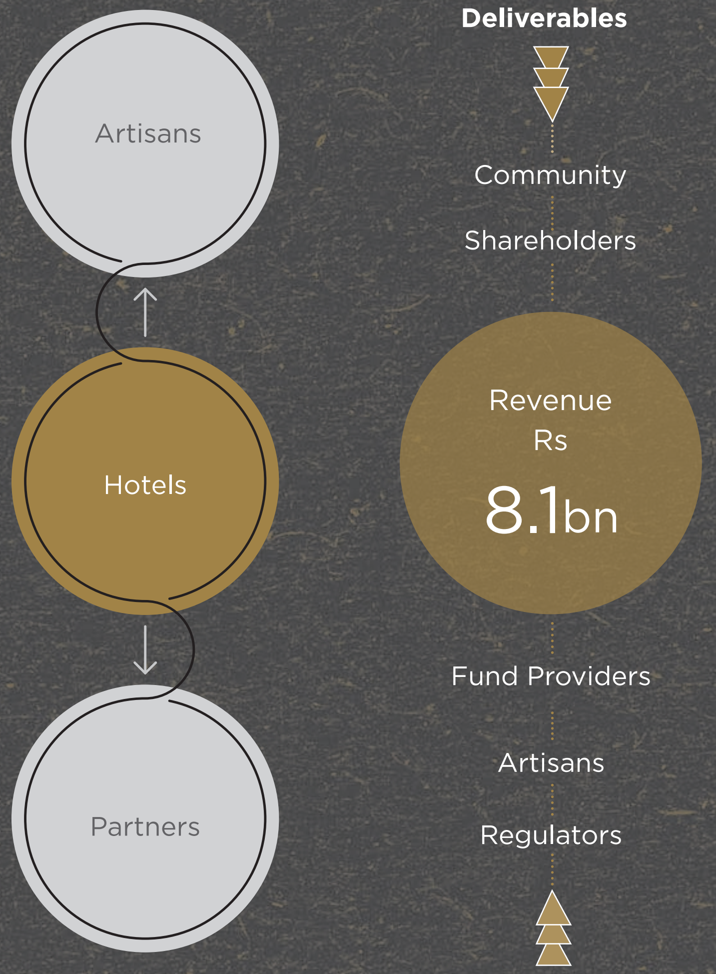
Our Sustainable Journey
Hotels are large consumers of resources, and it is our duty to be a responsible player in society. Data on our resource usage is fundamental to achieving our objectives.

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.

Value Deliverables



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.

Financial RESOURCES

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

Key figures (Rs bn)	FY22	FY21
Revenue	**8.1**	1.1
Earnings/(Loss) before interest, income tax, depreciation and amortisation	**2.0**	(2.0)
Net cash flows (used in)/generated from operating activities	**2.6**	(1.1)
Interest cover (times)	**1.88**	(2.04)
Average cost of interest-bearing instruments (%)	**3.94**	4.12
Equity	**9.3**	6.1
Assets	**40.8**	38.3
Net debt	**19.8**	22.3

Key financial highlights

Revenue

The emergence of world economies from the worst of the COVID-19 pandemic provided a much-needed boost to the travel and tourism industry. A noted increase in Group activity was recorded after the Omicron variant scare in the second semester of the financial year. As such, Group revenue increased to Rs 8.1bn for the year, with an average occupancy rate of 41% and on the back of stronger euro, pound sterling and dollar.

Cash flow generated from operations

Considering the pick-up in activities across the Group, net cash generated from operations amounted to Rs 2.6bn. This improvement related mostly to the flowthrough of funds from increased revenue across the Group and the funds were mostly used for the renovation and infrastructure upgrade of our resorts, the servicing of interest cost across the Group and the repayment of short-term obligations. All banking facilities have been renegotiated to ensure sufficient liquidity to support operations.

Subscription of MIC to Rs 1bn Redeemable and Convertible Secured Notes

In May 2021, the shareholders approved the issue of 250 notes with a nominal value of Rs 10m each to MIC for a total amount of Rs 2.5bn, secured by a floating charge on the assets of the Company. The notes carry a fixed interest rate of 3.5% and will mature in June 2030, on the ninth anniversary of the issue of the first tranche. If the notes are not redeemed by the maturity date, any outstanding amount will be converted into ordinary shares of the Company at a pre-agreed valuation of Rs 7.45 per share. In June 2021, MIC subscribed to 150 notes amounting to Rs 1.5bn. The remaining amount of Rs 1bn was fully subscribed in two tranches of Rs 0.5bn each in September 2021 and November 2021 respectively and the funds were used to repay the short-term bridging loans obtained from banks to weather the COVID-19 pandemic.

Equity

The increase in equity for the year amounted to Rs 2.8bn and was mostly attributable to the revaluation of land and building, the actuarial gains arising from the reassessment of the Group Defined Benefit Superannuation Fund and the issue of MIC notes. As at 30 June 2022, the net asset value per share stood at Rs 16.90 and the ordinary share price was Rs 8.24.

Borrowings

Listed secured notes of EUR 20m issued in November 2017 under the multicurrency Rs 6bn Secured Note Programme reached maturity in November 2021 and were fully redeemed on due date. The redemption was financed by new bank borrowings of an equivalent amount, with no increase in the overall net indebtedness. In accordance with the International Financial Reporting

Standards, the losses that arose due to the ineffectiveness of the hedging have been recycled through the profit and loss account.

Preference Share Dividend

The Company has resumed payment of its Preference Share dividend. On 5 July 2022, the Company declared a dividend of Rs 0.66 per Preference which represented arrears that should have been paid in June 2020 and December 2020. The amount of Rs 23.4m was fully settled in August 2022.

Key financial challenges facing the Group

Increase in interest rates

Coming out of the COVID-19 crisis, which has weakened balance sheets, coupled with the conflict in Ukraine, disruption in production and complexities in the balance of power in major economies, prices have started to soar, increasing the likelihood of hikes in interest rates. The Group intends to repay its facilities as they fall due to gradually reduce its indebtedness and mitigate this risk. This reduction will be achieved from generating superior returns in future years and unlocking value from non-core assets. The Group also maintains a portfolio of fixed-rate instruments which are not interest-rate sensitive.

Disruption in the supply chain driving cost escalations

The shortage in availability of commodities, complicated logistics and on-off lockdown in China have made it more difficult for the Group to procure goods effectively to avoid shortages in supplies and caused inability to complete projects on time and within budget. Considerable time and efforts are being put on forward planning and project management to avoid this occurrence. The Group has put emphasis on sourcing local products to secure minimum quantities where possible and key contracts have been reviewed to prevent significant financial cost overruns.

> "The pandemic has been the ultimate test for our industry, which has demonstrated great resilience. We shall now focus on consolidating our base and ensure that we remain flexible and responsive to this new environment which is both challenging and exciting."

Pauline SEEYAVE

CHIEF FINANCIAL OFFICER

People & CULTURE

This financial year has seen the introduction of our new People & Culture Department (renamed from Human Resources), with a principal focus to put our People first. This has been achieved against the challenging backdrop of the COVID-19 pandemic, which brought our industry to a standstill from March 2020 to September 2021.

Being faced with a substantial drop in revenue over a prolonged period, the Company has been compelled to offer additional voluntary departure schemes, namely the Voluntary Early Retirement Package 2 (VERP2) and Voluntary Departure Scheme (VDS) in September 2021, which were accepted by 199 and 188 Artisans respectively. The impact of these measures on our demographics, including having to navigate our way through a leaner head count, is illustrated in the relevant graphs.

Now, with a progressive and encouraging resumption of tourist arrivals since October 2021, attracting the right talents, engaging our People/Artisans and above all, retaining them has become of vital importance, hence our strategic focus of Putting People First.

With regard to our overseas operations, Fairmont Royal Palm Marrakech, under management contract with Accor Hotels, is restructuring its team with the addition of a new ballroom and the launch of the Fairmont residences that will be managed by the hotel on the estate side. The labour market is very tense in Morocco with the opening of many new deluxe properties. We are foreseeing a wage pressure due to scarcity of competent Artisans combined with inflation.

We no longer have any NMH Artisans at Sainte Anne in the Seychelles. However, periodic visits are carried out by our corporate engineering team to review and inspect the property currently managed by Club Med.

Government assistance with respect to furloughed Artisans at our Beachcomber Tours, in the countries where they are respectively located, has ceased. Nonetheless, we are operating at full swing since the reopening of our borders, with the full support of our Artisans who are still with us after the COVID-19 crisis.

As is the case for the rest of the tourism sector, our Beachcomber Tours offices are slightly understaffed due to departures which have not been replaced. This being a global trend, finding the right talent has become a challenge and retaining our current Artisans in the competitive Tour Operations job market has more than ever become crucial.

Actions and way forward

People & culture-strategic objectives

We have realigned our strategy over the next 3 years to provide our Artisans with the best experience at the workplace, a prerequisite for building a People-First culture. We firmly believe that if our Artisans are taken care of, they will serve our guests with their heart and the latter will return to Beachcomber as their chosen hotel brand.

The following earmarked strategic objectives will enable our Company to consolidate a relationship of trust, engagement and proximity with our Artisans at all levels:

1. regularly gauging the engagement pulse by providing innovative opportunities for feedback adapted to all levels, for continuous enhancement of our Artisans' experience;
2. ensuring efficiency and continuous improvement in People Management, facilitated by modern HR Analytics and digitalisation of processes;
3. putting People & Culture at the very core of strategic business decisions to remain an Employer of Choice;
4. enhancing current and implementing new creative engagement tools; and
5. ensuring a clear alignment of all the above initiatives with Beachcomber's purpose (our *raison d'être*).

Remuneration

Following the pandemic and an increase in cost of living, remuneration coupled with job security remain strong motivation and attractiveness factors in the hotel sector. The Company has taken the decision to participate in an industry-wide Remuneration Survey, the results of which will be published in October 2022. Any review required in our remuneration practices will be taken into account in future budgetary exercises.

The Performance-Driven Bonus Scheme, a modern alternative to the Performance & Productivity Bonus introduced in 2019 but suspended due to the pandemic, has been reinstated for Hotel Department Heads and senior management level. It has also been offered to middle management level as well as Head Office Artisans and accepted by the vast majority.

Industrial Relations

Negotiations are underway with a view to signing a new Collective Agreement (that takes into consideration new labour laws, the Chetty Award 2019 and the current business challenges). Issues of labour mobility and flexibility, the revamping of the current salary structure and bonus scheme remain pivotal to those negotiations.

Artisan Engagement

Emphasis on engagement has been set as a key strategic objective for the months and years ahead, and the necessary tools are being put into place to ensure the Company succeeds in this endeavour.

In line with our outlined objectives, the second Lavwa Artizan Beachcomber Engagement Survey was carried out at all levels of the Company's operations in Mauritius. The comparative overall results, which were reassuring considering the uncertain post-pandemic climate, have been shared with our Artisans.

	Beachcomber Group	
	2019	**2022**
Tri*M HiPO Score	81	**85**
Happiness Index	84	**87**

The detailed results have been analysed and initiatives to enhance the engagement and motivation of our Artisans are being planned. This exercise will be carried out on an annual basis.

> "In line with our People-First strategic objective, our Learning & Development highlights for the coming financial year will be Intergenerational Management Training (with an increasing GEN Y & GEN Z demographic, currently at 65% of our head count), People Management training for supervisory level, Mental Health Awareness training and counselling, among others."
>
> Sebastian LA HAUSSE DE LALOUVIÈRE
> CHIEF PEOPLE OFFICER & GROUP LEGAL COUNSEL

Learning and Development

With border reopening and as our hotels went back to normal activity, learning and development took a new turn to meet upcoming challenges, including better equipping our People to respond to growing guest expectations. Large-scale in-house refresher skills training in F&B, Kitchen, Housekeeping and Front Office, among others, was conducted along with a reinforcement of sanitary protocols. Moreover, to build on in-house training and accompany newcomers in their daily operations, 38 technical experts across the Group were accredited by the Beachcomber Training Academy after having successfully completed their Train the Trainer course.

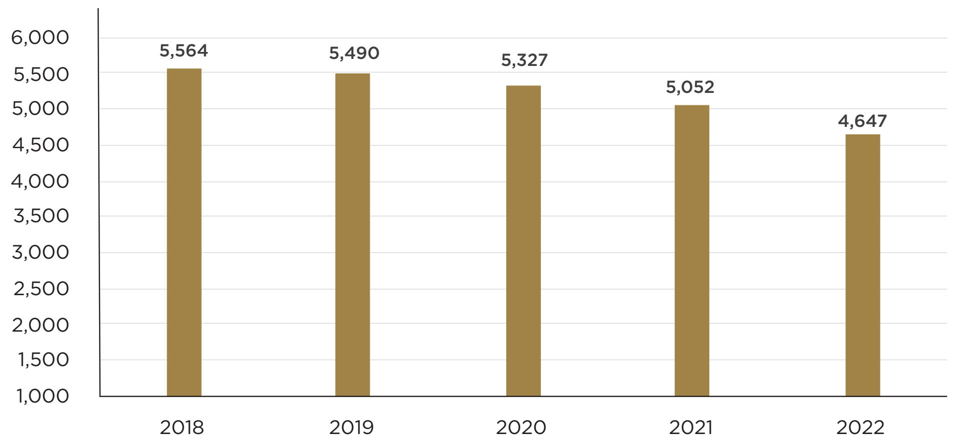
Leadership capacity building was again on the agenda and we launched the Beachcomber Leadership Development Programme with a cohort of 20 participants from our various business units who successfully graduated in March 2022.

Finally, partnerships with training institutions and vocational training centres were further strengthened, mostly on the delivery of technical training certifications so as to build our talent pool.

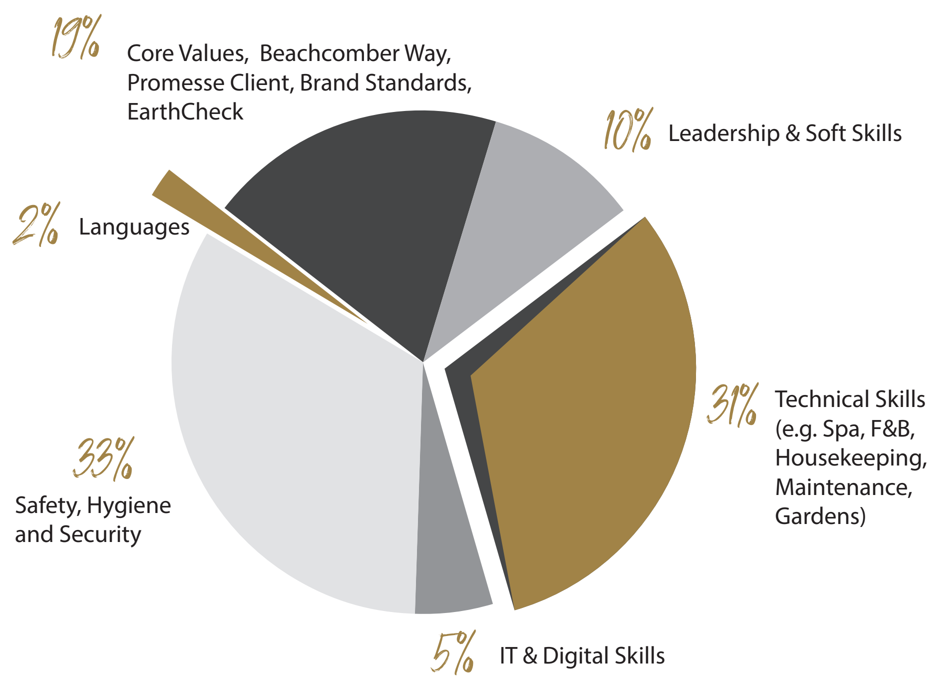
Key Figures – Training

Details	2021-2022
No. of training courses delivered	241
No. of Artisans trained	3,361
Total training hours delivered	43,874
Average training hours per Artisan trained	13

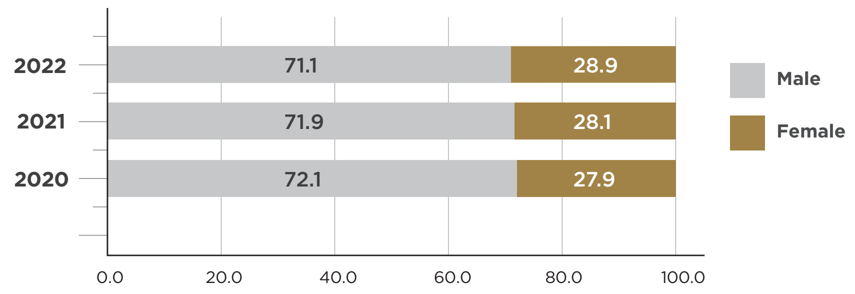
GROUP HEAD COUNT EVOLUTION
(LOCAL & OVERSEAS OPERATIONS)



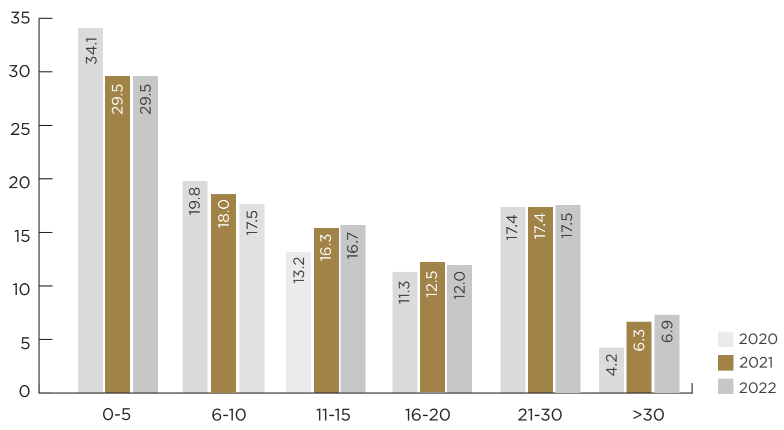
TRAINING HOURS BY FOCUS AREA - 2022
(NMH BUSINESS UNITS IN MAURITIUS)



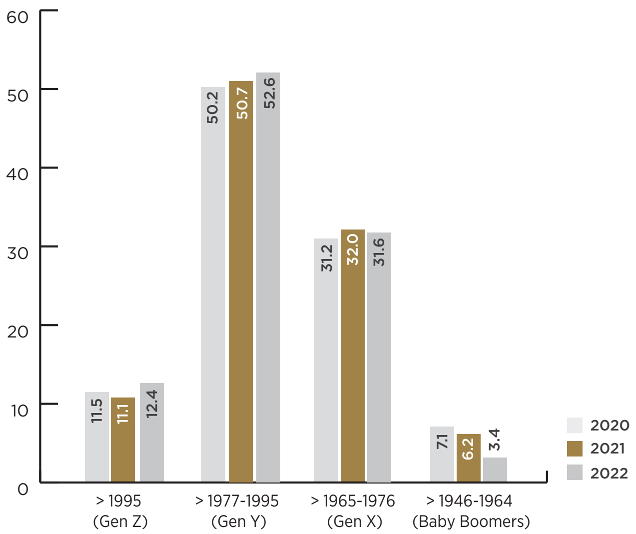
GROUP GENDER DISTRIBUTION (%)



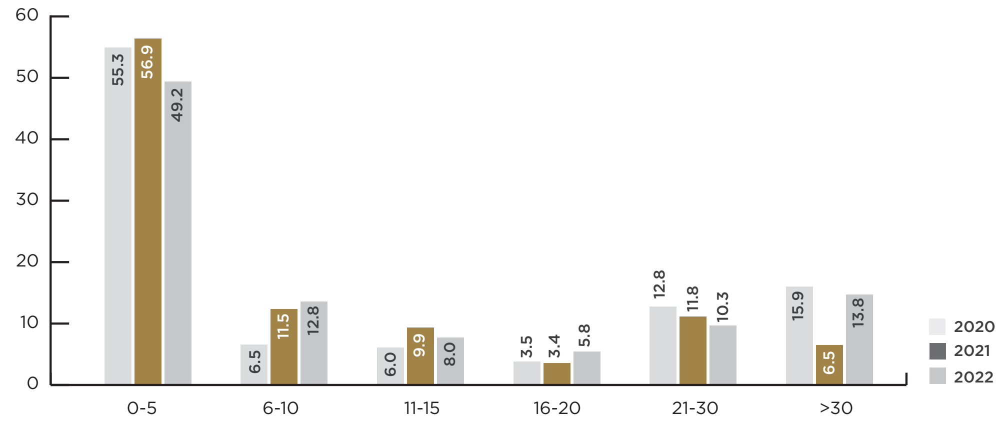
HEAD COUNT BY LENGTH OF SERVICE (%)



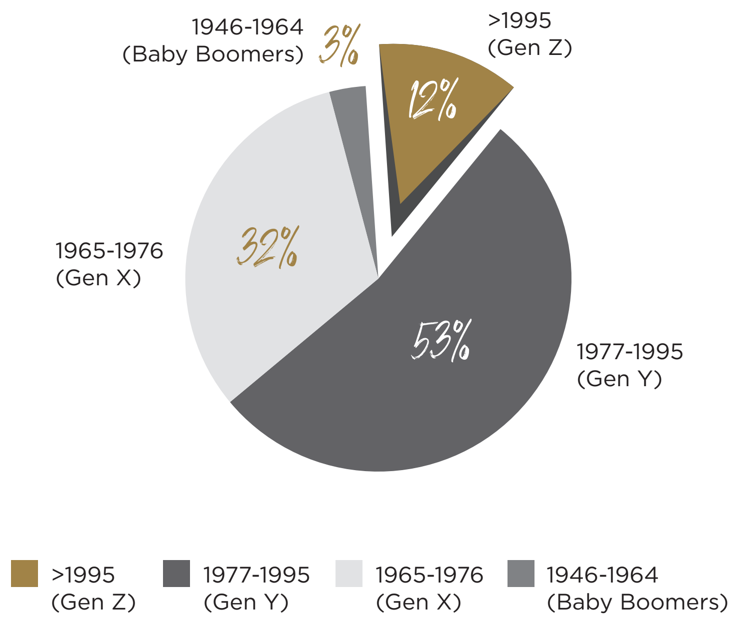
HEAD COUNT BY GENERATION (%)



LEAVERS BY LENGTH OF SERVICE (%)



HEAD COUNT BY GENERATION - 2022



Social INCLUSIVENESS

Presentation of FED

Fondation Espoir Développement Beachcomber (FED) was established in June 1999 to support the social and economic integration of vulnerable groups. To date, it has contributed more than Rs 160 million to social causes.

The Foundation's priority areas include:

• Education and training
• Employability
• Health, including the fight against drugs and disabilities
• Economic and social development
• Preservation and promotion of the country's cultural and natural heritage

FED plays a significant role in the implementation of Beachcomber's sustainability initiatives. This long-standing commitment is sustainable only because our employees are deeply involved in the socioeconomic development of their communities. The Foundation works closely with them and with Beachcomber hotels to implement social programmes in the surrounding regions.

Projects

Projet Employabilité Jeunes

Projet Employabilité Jeunes (PEJ) is designed to foster the employability of some 300 out-of-school youth from vulnerable backgrounds in our hotels each year. The project provides training to give young job seekers the necessary academic, technical and social skills to achieve a healthy personal and professional life. They receive training in various areas of hospitality, such as room service, maintenance and cooking. Over 3,000 young people have been involved in PEJ since 2004.

In 2022, 278 out of the 613 applicants were selected for training. To date, some 225 youths are still involved in the programme and are getting ready for their internships in hotels. A grant of Rs 1,048,355 was allocated in 2021/2022 by the National Social Inclusion Foundation (NSIF) for the PEJ training courses.

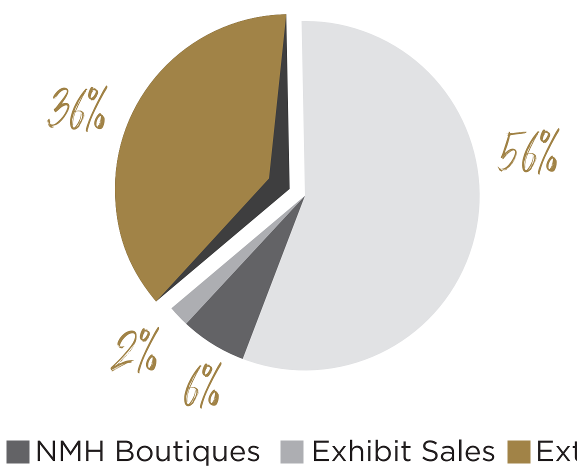
	2020	2021	**2022**
Number of applicants	380	461	**613**
Number of recruits for training	208	129*	**278**
Number completing training	173	93	**225**

*Due to sanitary measures, attendance had to be limited.

Beautiful Localhands

FED launched Beautiful Localhands (BLH) in 2006 to support local craftspeople by providing them with the opportunity to further develop their skills and sell their products in the tourism market. The project has been successful in generating income for vulnerable people and their communities. It also contributes to preserving traditional crafts such as making vacoas-braided baskets. BLH has a flexible structure to give the craftspeople the liberty to arrange their own schedule. They can work from home or in a dedicated workshop in Bambous. In this way, those who encounter difficulties to work in conventional businesses can also earn an income. In addition to having a positive economic impact, the project helps these vulnerable people come out of their isolation by offering them a platform to share their experiences and difficulties, and thus improve their self-confidence. Many of these small entrepreneurs have their own clients and selling their products through Beautiful Localhands allows them to expand their businesses while enhancing the quality and appeal of their handicraft work.

BLH SALES PER CLIENT SEGMENT



The Beautiful Localhands beneficiaries have experienced tough times when borders were closed; orders are however gradually picking up since October 2021. From July 2021 to June 2022, BLH realised overall sales amounting to Rs 1,261,355. A total amount of Rs 1,064,269 was redistributed to the craftworkers. Beautiful Localhands is also supporting them in creating new trendy products with the help of a renowned handicraft designer.

Duke of Edinburgh's International Award - Mauritius

The Duke of Edinburgh Award (DofE) is run in collaboration by FED and the Ministry of Youth Empowerment, Sports and Recreation, targeting youth aged 14-24 years. The programme enables them to develop new skills through engaging in regular community service. With assistance from Beachcomber, these young people are mentored by leaders from regional FED committees, the Group's retirees and adults from neighbouring villages. Beachcomber hotels also hold hospitality training sessions for them.

Activities have continued in the South-West with more than 100 youths still actively involved in the project.

Regional Committees & Community Development

The regional committees were launched in 2003 to start their own social initiatives in their respective areas. The aim is to form a network of employees to take part in developing social and environmental projects with the help of Beachcomber hotels and NGOs. Our four regional committees support FED, local NGOs, government bodies, schools and other social players. They are run on a voluntary basis by Beachcomber employees. Those interested are invited to contribute their ideas and support to address the social issues affecting their areas. From July 2021 to June 2022, FED has responded to calls from its regional committees in the areas of education, health including disability and prevention of substance abuse, sports and leisure and socioeconomic development with funding totalling Rs 177,519.

Educational support

The Foundation funds a school support programme at Pointe aux Piments Government School for low-achieving pupils in Grades 4, 5 and 6. FED also provided funding for the services of a liaison officer to motivate the parents to send their children to school.

FED also supports 2 schools by providing ingredients for the preparation of breakfast for some 80 children.

The Vulnerable Lives Matter project

FED has received a European Union grant to carry out a 4-year social programme called "Vulnerable Lives Matter: Social Inclusion Development Programme for Youths, Women, Young Girls and Disabled", divided into 5 components.

Community development is at the core of the project, which covers various aspects to contribute to an overall improvement in the economic, social and environmental wellbeing of people from underprivileged backgrounds. It will ultimately reach some 700 beneficiaries.

The different components of the project are as follows:

Women Employability

This project aims to support the entrepreneurial ventures of 50 women from underprivileged backgrounds through the creation/development/consolidation of their own small businesses. They will learn the fundamentals of entrepreneurship for 6-12 months prior to receiving hands-on support from a business development expert. Literacy courses are also included in the programme if required.

Youth Employability

The goal of this project will be to consolidate PEJ through recruiting two additional trainers and supporting 100 young people for hotel internships.

Youth Mentoring

This project will inspire and encourage 150 young people (from disadvantaged areas) to participate in the Duke of Edinburgh Award (DofE), which is carried out by the Ministry of Youth Empowerment, Sports and Recreation. The young people involved in this international programme are trained to become active and responsible citizens by participating in community-based social activities.

From Disability to Ability

The aim of this initiative is to support and encourage 50 people with disabilities to take part in an employability programme to foster their empowerment and employability. It has the main objective to promote their social inclusion and facilitate their entry into the labour market.

Networking

This 5th component consists of holding a series of workshops with key social development stakeholders in order to explore ways to promote synergies in their efforts/activities. These meetings will provide a forum to share experiences and practical challenges, see what these organisations can do to better help each other, and explore potential avenues for collaboration.

The project will have a total cost of € 431,560, including an EU grant of € 386,936 and a FED contribution of € 44,624.

TOP FED

Launched in 2015, Top FED encourages Beachcomber hotel guests to contribute to the Foundation's activities. Through this show of solidarity, they take part in supporting social and community-based projects in the vicinity of Beachcomber hotels.

Top FED revenue for the period under review amounted to Rs 5,612,145.

The key targets for 2022-2023 are as follows:

- consolidating PEJ to further match youth employability with Beachcomber hotels' demands;
- further develop the Beautiful Localhands workshop in Bambous to welcome tourists and increase the sale of handicraft products;
- increase community projects through FED's regional committees in view of strengthening bonds with local communities; and
- continue to deploy the components of the "Vulnerable Lives Matter" project.

"Beyond Covid-19, FED will focus on strengthening its actions towards further inclusiveness for vulnerable groups."

Viren VYTHELINGUM

CSR MANAGER

Our Sustainable JOURNEY

As the first hotel group in Mauritius, we have been at the forefront of sustainability to help reduce our footprint, as clearly reflected in our mission and brand promise, "To cultivate the Art of Beauty in all its dimensions."

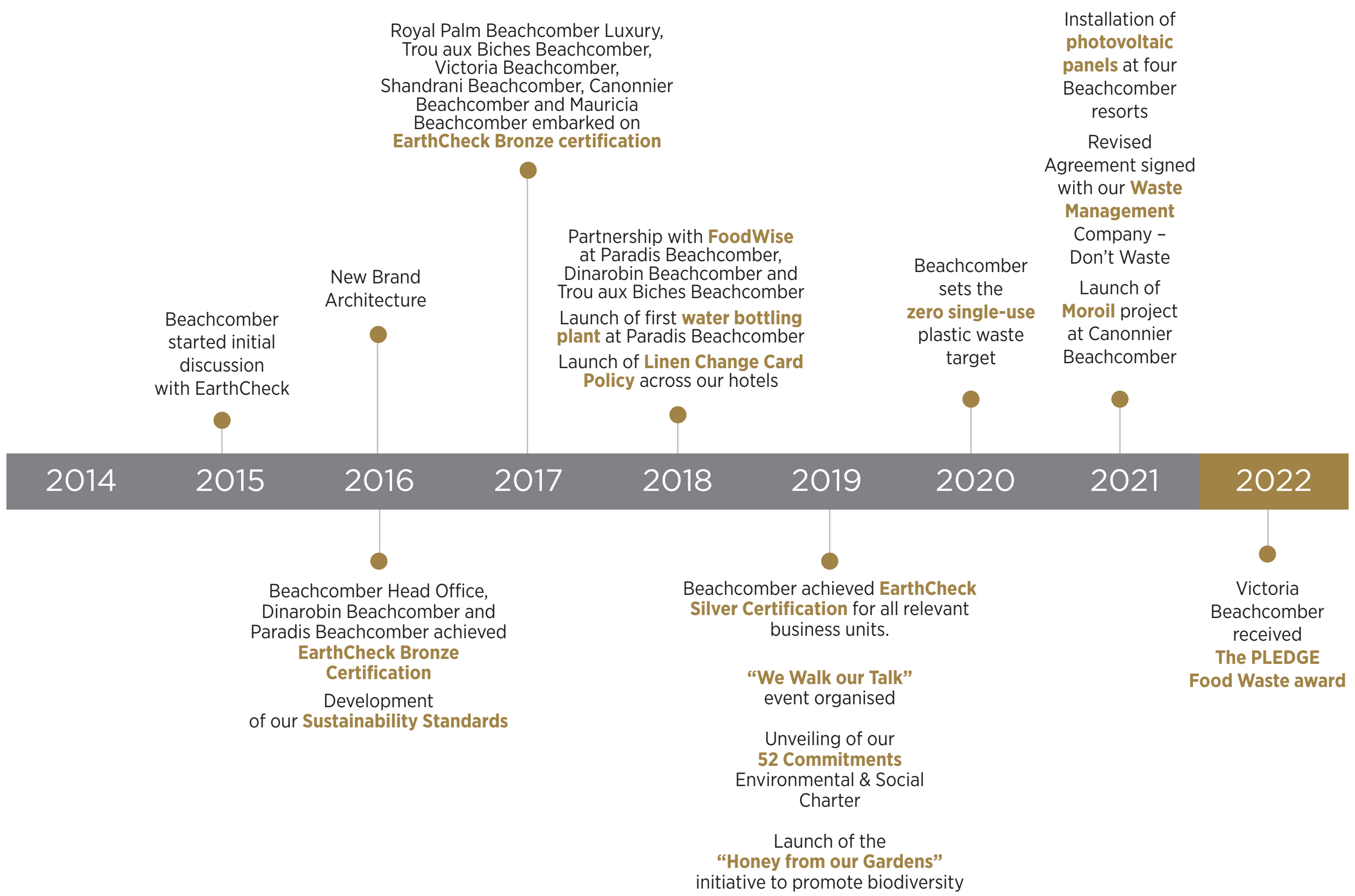
To recall:

- We invested in wastewater plants at all our hotels and desalination plants since the early 1980s. Today, we use recycled water for almost 100% of our irrigation.
- In our quest to measure our commitments, we partnered in 2015 with EarthCheck. Our 8 hotels in Mauritius and our Head Office are currently Silver certified.
- We unveiled in 2019 our 52 Commitments as part of our Environmental & Social Charter, grouped under eight pillars and communicated it to all stakeholders. This also sets the basis of our action plan for each of our business units and is part of our 3-Year Plan 2022-25.

Financial Year July 2021-June 2022

During the financial year 2021-22, we successfully maintained our EarthCheck audits and certification despite the pandemic; we were the only hotel group in Mauritius to have done so, with the highest achievement level on the island with Silver and future Gold certification for all our relevant business units. Offsite audits by EarthCheck were carried out for our 9 business units over the period 3 September 2021-7 October 2021 (the Head Office, Paradis Beachcomber and Dinarobin Beachcomber have obtained their 5th and last Silver certification with the next achievement level being Gold, and the other six properties obtained their 4th Silver certification). This was indeed a remarkable achievement as the team remained fully committed during these remote audits, with no Non-Conformities raised, confirming that all procedures and reporting were in place, and thereby recognising our continuous hard work.

The NMH Sustainability Journey



As our country reopened and sanitary measures were gradually lifted, our hotels slowly resumed operation from October 2021, with Royal Palm Beachcomber Luxury and Shandrani Beachcomber reopening slightly later. It is evident that with limited hotel occupancy for a number of months, our benchmarking data was somehow distorted and did not reflect an appropriate trend to help confirm our performance for this financial year. Nonetheless, some interesting Key Performance Indicators (KPIs) have been compiled in line with figures available, enabling average Water Consumption (m^3), Energy Consumption (kWh), Gas Consumption (kg) and Waste sent to Landfill (tonnes and %) per Guest Night to be set for our 4* and 5* hotels.

Over the last financial year, key achievements included:

1. Production of green energy through photovoltaic panels installed at four of our resorts.
2. Reinforcement of our waste management through the development of Beachcomber Waste Procedures and contract with service provider signed in October 2021, as we set targets for reducing waste sent to landfills.
3. Participation in the Innovation Week of the University of Mauritius setting the framework for some interesting research projects as well as collaboration with the University of Mauritius and the University of Kassel in Germany on assessing plastic waste leakages in Mauritius.
4. Launch of the Moroil bulk delivery project at Canonnier Beachcomber in December 2021, with the objective of eliminating around 4 tonnes of plastic polymers and 2 tonnes of carton and plastic associated with oil pre-packages.
5. Achievement of The PLEDGE™ Silver certification at Victoria Beachcomber in February 2022, enabling food waste to be duly measured and monitored while confirming that nearly 60% of food wasted is generated at preparation level, 30% are left over from guest plates and only 10% resulting from buffet leftovers.
6. Encouraging local purchase as we confirmed that some 85% of our purchases are from local suppliers; 15% represent locally produced items with Made in Moris brands purchased by Beachcomber.
7. Installation of beehives at our Head Office, totalling some 45 beehives in all our business units, with the inauguration of our Bee Tour at Shandrani Beachcomber and Dinarobin Beachcomber in May 2022.
8. Continued celebration of World Days in our hotels with renewed participation from our guests and launch of the first hotel Green Tour for our Artisans at Canonnier Beachcomber.

Use Water Efficiently

In the early 1980s, when technology was still at an early development stage, our resorts were equipped with wastewater treatment plants, as our goal was to reuse as much water as possible for irrigation. At that time, this was not required by law, and today all our hotels use nearly 100% recycled wastewater for irrigation purposes. In the same vein, we favour endemic plants, sand and rocks in our gardens to reduce irrigation needs. We have invested in desalination plants in two of our resorts, which generate approximately 450 m^3 of potable water per day. We also installed aerators on taps, low-flow showerheads as well as dual flush toilets inducing a 50% reduction in water consumption without affecting guest comfort.

We are now gradually implementing rainwater harvesting systems in all our resorts to ensure sustainable management of water resources.

Water Consumption

Group Average – 4*	m^3/GN	1.15
Group Average – 5*	m^3/GN	1.44

Choose Less but Greener Energy

A well air conditioned room is an absolute must for guests, but accounts for a substantial share of a hotel's greenhouse gas emissions, nearly 45% as stated by UNEP. To save energy, all Beachcomber hotels have installed variable speed drives on the chilled water pumps that feed the air conditioning systems. We also place emphasis on solar water heaters combined with high-temperature recovery on chillers to further reduce usage of fossil fuels. This helps increase energy efficiency without compromising room comfort. Additionally, we are gradually deploying Room Energy Management Systems in our resorts, such as motion detection, door switches, and timers for outdoor lighting.

Recently, we promoted the use of renewable energy through the installation of 3,090 PV panels on the roofs of four of our hotels and our plan is to further deploy them in our other hotels that may accommodate same.

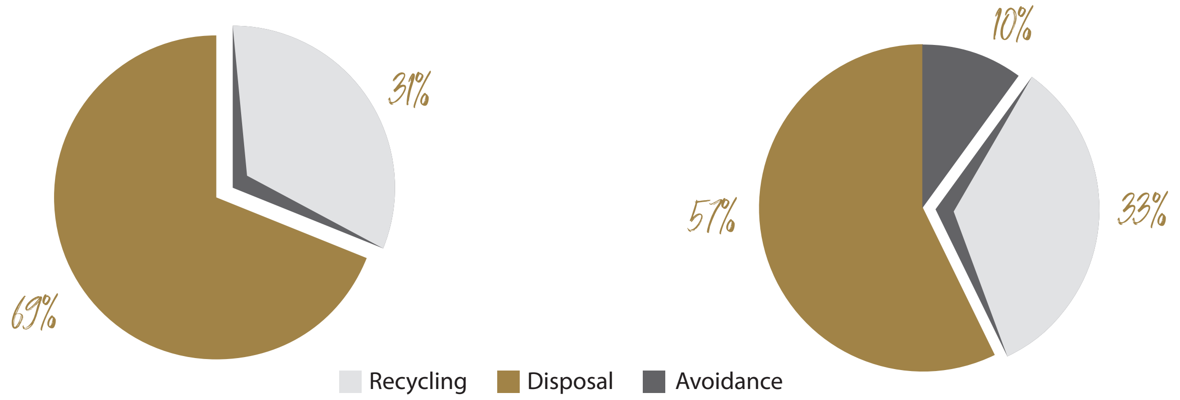
Electricity Consumption

Group Average – 4*	kWh/GN	42.43
Group Average – 5*	kWh/GN	101.64

Manage Waste Responsibly

Beachcomber is placing much emphasis on waste management this year as we recognise that waste contributes to 10% of our greenhouse gas emissions.

January – March 2022 GROUP | January – June 2022 GROUP



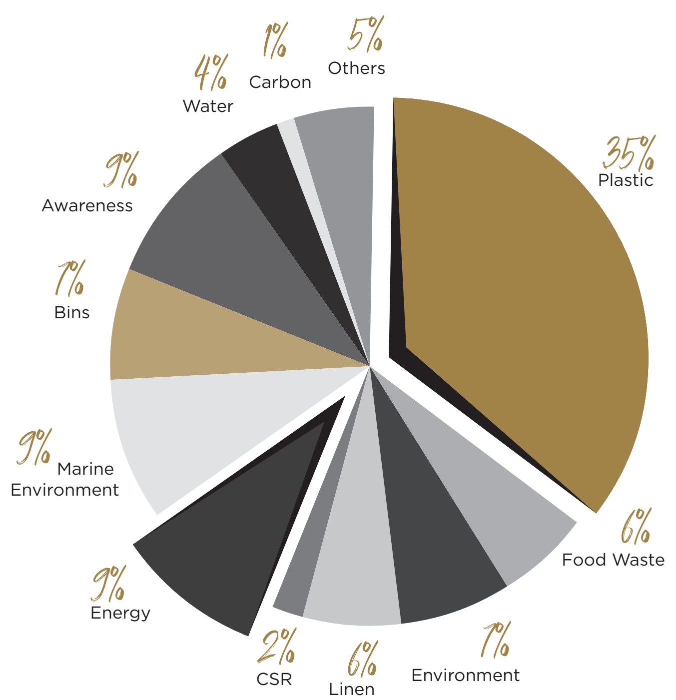
We have defined Waste Procedures to help segregate our waste while boosting our 'Waste to Wealth' strategies in collaboration with the waste management company, Don't Waste. Today, with an appropriate segregation using tri-bins and a monitoring system in place, 30% of our waste is diverted from landfills, and we aim at increasing this rate by a further 10% this year for each of our hotels.

With our growing concern to mitigate food waste, we have partnered with FoodWise to donate carefully selected food leftovers from our buffets to nearby communities. In the same spirit, Victoria Beachcomber participated in The PLEDGE™ certification programme earlier this year and the certification achieved helped us identify the root cause of food waste within our operations and create a food waste-conscious environment. All other organic waste is distributed to pig farmers.

Guest Feedback on our Sustainability Initiatives

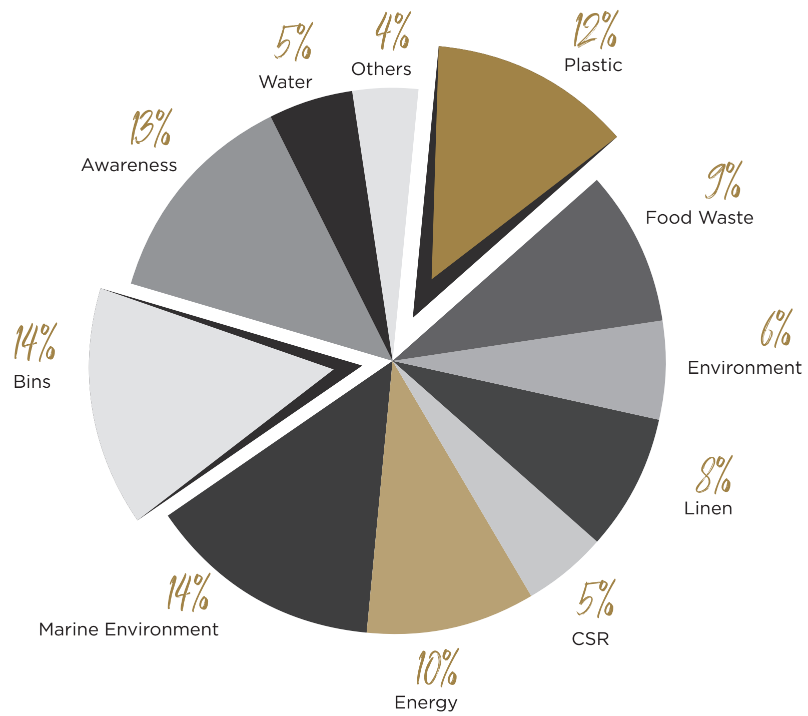
Year 2019

Main comment: Eliminate plastic bottles, plastic cups at the bar



January - June 2022

Main comment: Provide more tri-bins



At Beachcomber, guest feedback is of utmost importance. Being at the cutting edge of sustainable resorts and as part of our EarthCheck certification, we introduced in 2019 a sustainability section in our online Guest Satisfaction Survey. Guest feedback has helped us make significant improvements to our operations. The Sustainability section includes one main question, "Did you participate or collaborate in any of our Sustainability initiatives ?", followed by a set of visible initiatives to select from and guests can also give recommendations to help us become a more environmentally and socially responsible resort. The feedback is carefully scrutinised and used as part of our future action plans.

Our Zero Single-Use Plastic objective in 2021 has greatly contributed to enhancing the perception of guests, with plastic usage being reduced from 35% in 2019 to 12% in 2022 and with all water bottling plants fully operational, this should be further reduced.

3-Year Plan

Beachcomber is aware of the negative impacts on the environment and community in which it operates, and as such, not only have we implemented various tools and projects to help maximise our handprint and achieve our sustainable goals, but we are also encouraging our operations to make sustainability an even stronger asset as set out in our 3-Year Plan 2022-25.

Our 3-Year Plan relies on 4 strong strategic ambitions as depicted below:

1. **Be recognised as a Leader in Sustainability with Climate-Friendly Resorts**

We aim at demonstrating leadership in the sustainability field by achieving EarthCheck Gold certification, monitoring and reducing our carbon emissions by at least 15%, followed by strengthening our commitments across all business units.

2. **Close Gaps with regard to the 52 Commitments Hotel Action Plan – mainly Energy and Waste**

We have set a roadmap with each hotel to anticipate overall positive environmentally-friendly performance, such as enhancing energy efficiency and encouraging greater circular economy thinking.

3. Develop a more Inclusive Approach with Stakeholders: Artisans/Guests/Communities/Key Partners
One of our driving forces in creating sustainable resorts is the engagement of our Artisans and Guests, as well as Stakeholders. We are determined to work towards improving our awareness sessions, creating community projects and promoting responsible sourcing.

4. Achieve Sustainability Reporting based on GRI Principles and consider SEMSI Listing
To further enhance Beachcomber's sustainability position, and be transparent with all data-driven performances, we wish to engage in sustainable reporting based on GRI principles and SEMSI listing.

Main Highlight for the Next Financial Year

It is clear today that business as usual will not persevere in the long run due to the rapid shift in climate change. We need to take action now to lower the risks and impacts on our operations, as well as contribute to a healthier planet. Hence, our focus for the upcoming year will be on developing a more inclusive approach with stakeholders.
We believe that the engagement of all stakeholders is vital to further embed and improve our sustainability standards and it starts with us, Artisans. We will strengthen our sustainable culture among our Artisans and then further involve other stakeholders, building partnerships and creating sustainable advocacy, as we communicate on our actions.

> "We believe that the engagement of all stakeholders is vital to further embed and improve our sustainability standards and it starts with us, Artisans."
>
> Géraldine KOENIG
> CHIEF RISK & COMPLIANCE OFFICER

Our Overall Planned Actions

Beachcomber has launched in 2019 its Environmental and Social Charter with 52 Commitments, in line with "cultivating the Art of Beauty in all its dimensions". We have set 52 Key Engagements to mark the year in which Beachcomber was founded, 1952 and the 52 waves of our B-nautilus logo. Our Charter, divided into 8 pillars, portrays our actions to reduce our carbon footprint and contribute towards a cleaner, safer and more sustainable planet.

Beyond just stating our engagement, our business units are using the Environmental and Social Charter as an action plan for the 3 years to come by identifying items that they can push further. As of June 2022, our hotels have identified, on average, 16 planned items that they can work on over the next 3 years to demonstrate enhanced commitment.

PLANNED

Sections 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
Can	3	2	1	1	3	1	1	4	16
Mau	1	1	2	1	4	1	1	1	12
Vic	1	2	2	1	4	1	1	1	13
Shan	1	4	2	0	2	0	1	2	12
RP	1	1	3	1	4	2	1	2	15
Para	3	3	3	2	3	2	5	5	26
Dina	4	4	3	2	3	2	5	5	28
TAB	1	1	3	2	3	1	1	1	13

Brand PROMISE

We rely on our Intellectual Capital to bring meaningful experiences to a range of stakeholders and drive our international competitiveness and performance. It includes dimensions such as human, social. environmental, structural and relational capitals and the relationships between them in the process of increasing brand awareness and communication, and achieving sales goals.

Brand & Communication

Over the last two years, the global coronavirus pandemic has been a particularly challenging time for tourism and hospitality, which is a critical sector for the Mauritian economy. Our focus has therefore been on maintaining and elevating our brand voice in our markets.

At Beachcomber Resorts & Hotels, we ramped up our international marketing efforts to position our brand to emerge in a better place with the full reopening of Mauritian borders for international travel in October 2021. We launched a new campaign across all our markets to rekindle the desire to travel and (re)discover the Beachcomber experience.

The core of the campaign was The Art of Beautiful. Going back to the brand's heritage and fundamentals, it highlighted the very essence of Beachcomber while paying special tribute to the Group's frontline ambassadors – our Artisans and their invaluable art of savoir-faire and expertise.

There were three key visual elements. The first one consisted in the creation of a mandala on the beach of Le Morne Peninsula by our garden Artisans in collaboration with the artist, Dévid. It also staged our signature shows, Wild Island and Tropical India in the heart of the Le Morne lagoon. Finally, the beach of Royal Palm Beachcomber Luxury was illuminated for the Beautiful Lights ritual. Each component captured The Art of Beautiful and recognised the talent and efforts of our Artisans.

The campaign connected with our raison d'être, which makes us stand out. We devote ourselves to creating happiness and bringing Mauritian hospitality to life by perpetuating a simple and generous spirit.

Nature has gifted us with a stunning island. As the leading hospitality provider in Mauritius, Beachcomber is guided by a desire to prove itself worthy of this gift, through an unwavering commitment to responsible hospitality and a promise to exceed expectations. We share the island's heritage with guests who have travelled from all over the world, to enjoy incredible moments and create memories that are never forgotten. At Beachcomber, service excellence is founded on generosity to make memorable experiences unmatched. We believe in happiness in its purest form.

The campaign is also about the unique features of our collection of resorts for families, which are our main target market. Beachcomber Resorts & Hotels has a cherished tradition of being the perfect family escape. Our brand positioning further depicts this established reputation

Sales

Building on the momentum of border reopening, our sales and booking activity has also picked up from the lows of the pandemic. A gradual improvement has been observed since October 2021.

The easing of health restrictions has contributed to the recovery of hotel occupancy rates despite the double blow of the closure of borders to South Africans in December 2021 and the addition of Mauritius to the French travel 'scarlet red' list. A determining factor was that our Beachcomber Tours offices in South Africa and the UK managed to retain the majority of their pre-COVID-19 bookings; those same guests were finally able to travel during the first 9 months following the reopening of Mauritian borders.

Booking levels remain encouraging for the second half of 2022 and the upcoming peak season, nearly at par with pre-pandemic levels in 2020. However, there is a growing trend towards last-minute confirmation and a preference for our 5-star hotels. Additionally, an increase in airline seats to Mauritius from October 2022 bodes well for occupancy rates in the high season and further recovery in the months ahead.

"We devote ourselves to creating happiness and bringing Mauritian hospitality to life by perpetuating a simple and generous spirit."

Karine PERRIER CURÉ

CHIEF BRAND & COMMUNICATION OFFICER

Our Hotel PORTFOLIO

Our manufactured capital consists of 8 resorts in Mauritius with unique locations and infrastructure, one in Seychelles (leased to Club Méditerranée S.A.) and one in Morocco (operated via a management contract with the Fairmont/Accor Group).

Key indicators

There is a total of 2,014 room keys across our hotel portfolio in Mauritius, including :

- 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 keys at Mauricia Beachcomber Resort & Spa

The capacity of our other properties is as follows:

- 134 keys at Fairmont Royal Palm Marrakech
- 295 keys at Club Med Seychelles (Sainte Anne)

Major Restructuring

We created a new cluster under the umbrella of the real estate department to separate maintenance operations from project development. Both roles were previously reporting to the Group Chief Engineer.

Achievements

Most of our available funds were focused on the refresh of Shandrani Beachcomber and Dinarobin Beachcomber. While we managed to complete the work on schedule at the latter resort, the unfinished refurbishment of Shandrani Beachcomber will be continued during 2022.

While Mauritian borders were closed to international travellers, all available funds were directed towards back-of-house operations to get all facilities back to acceptable standards for the reopening on 1 October 2021.

At Royal Palm, we managed to refurbish the famous beach restaurants. At the time of writing, work had already been completed to provide the kitchen back-of-house with better standards of hygiene and thereby improving the guest experience.

We will catch up on pending major refurbishment that was put on hold due to the COVID-19 crisis. We are working actively with interior designers and architects to refurbish all 172 Tropical Rooms as well as upgrade La Palma and Blue Marlin restaurants at Paradis Beachcomber. For this purpose, the hotel will be closed from mid-June to mid-October 2023.

Various back-of-house installations are reaching the end of their life cycle, including the desalination plant, kitchen and air conditioning equipment, and golf facilities. We are working well ahead of deadlines given the longer delays for procurement on these projects.

"We created a new cluster under the umbrella of the real estate department to separate maintenance operations from project development."

Jean Louis PISMONT

CHIEF OPERATIONS OFFICER

Artisan ENGAGEMENT

Risk Management REPORT

Our Risk Management Approach

The Board of NMH is ultimately accountable for overall risk management across the Group. It is supported in this task by the Audit and Risk Committee, the management team and other delegated committees which collectively set the tone and appetite for risk at NMH. This is cascaded down to our corporate office and business units through well-established and continuously improved procedures, processes, systems and controls.

Our Integrated Risk Management Processes

Building on the foundations laid in previous years, our risk management process has been further strengthened and is now embedded in the DNA of our Artisans. It is integrated into the way we run the business through our culture, processes, controls and reporting, and is reflected in our strategy. Realising that the sustainability of the Group rests on proper risk management, considerable efforts have been put in by our Artisans at all stages of the process.

The Internal Audit and the Risk and Compliance functions are responsible for the support, enhancement and monitoring of the effectiveness of this system and focus on culture, process, control, monitoring and reporting.

Risk in culture
- Our tone, attitudes, ethical values and policies
- Our governance and committee structures

Risk in process and control management
- Three lines of defence
- Strategic risk planning

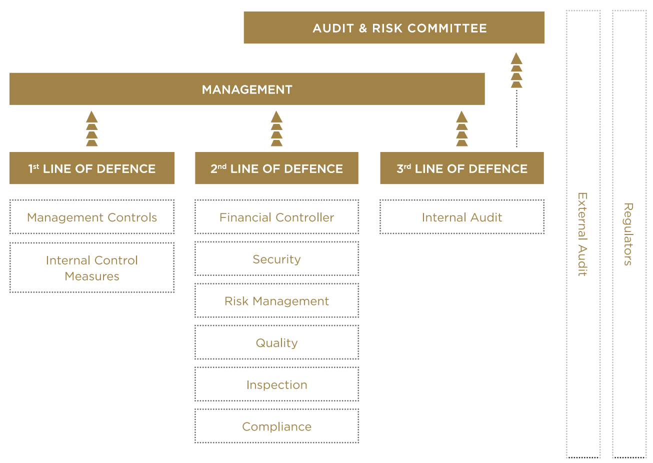
Risk monitoring and reporting
- Risk and performance monitoring
- Principal risk reporting

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, the Risk and Compliance team 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 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.

Our Lines of Defence

NMH has adopted an integrated risk management approach as depicted in our three lines of defence model below:



1. The first line of defence (functions that own and manage risks)
This is formed by our Artisans, who are responsible for identifying and managing risk as part of their accountability for achieving objectives. Collectively, they have the necessary knowledge, skills, information and authority to operate the relevant risk control policies and procedures.

2. The second line of defence (functions that oversee the management of risk)
This line of defence provides the policies, frameworks, tools, techniques and support to enable risk and compliance to be managed in the first line, conducts monitoring to judge how effectively they are doing it, and helps ensure consistency of definitions and measurement of risk.

3. The third line of defence (functions that provide independent assurance)
This is provided by internal audit. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure their effective operation and advise how they could be improved. Tasked by, and reporting to the ARC, it provides an evaluation, through a risk-based approach, of the effectiveness of governance, risk management and internal controls to the Board and senior management.

Risks are identified, assessed, mitigated and monitored by functional specialists and periodically reviewed by internal and external auditors as deemed necessary. Realising that our Artisans are an important part of our lines of defence, NMH has adopted a cross-functional approach to managing risks. This has had the effect of promoting better risk understanding and further strengthening our lines of defence.

Supporting our three lines of defence model in managing risks, is our enhanced 'Code of Ethics', which includes a section on 'Whistle-blowing'. At NMH, we believe that our Artisans should be able to raise any matters of concern in all confidence.

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) human resources management; and (iv) internal and external compliance.

Managing non-financial risks

Recognising the importance of properly managing non-financial risks, the Board of NMH has decided on splitting the risk management function between the Audit Committee and the newly created Risk Committee. While the Chief Internal Audit Officer reports on financial risks to the Audit Committee, the newly nominated Chief Risk and Compliance Officer reports on non-financial risks to the Risk Committee of the Board. The Risk Committee pools in internal and external experts to its quarterly meetings to ensure that non-financial risks are being properly managed. The Chief Internal Audit Officer and the Chief Risk and Compliance Officer meet on a regular basis to ensure that no major risk captions are left unaddressed.

The Risk and Compliance Department is currently populating its Risk Register over non-financial risks and risks identified are covered by qualified professionals working under its umbrella. Our in-house health and safety and food safety teams continuously monitor how our hotels abide by overall safety requirements in line with statutory obligations, including key industry stakeholder requirements such as ABTA/FTO guidelines as deemed appropriate.

Health and Safety reports are issued by the Risk and Compliance Department for implementation by all business units. NMH strongly believes that safety and health policies are integral to the process that will spearhead the Group towards achieving its goal and vision, in line with the branding and environmental commitments.

With the creation of the Risk Committee and an enhanced commitment to a more integrated and inclusive approach to risk management through greater involvement and engagement from Departments and Business Units, our lines of defence will evolve from a 3 lines of defence to a 4 lines of defence model, as part of a continual improvement mechanism.

Key actions during the relevant financial year further to the nomination of the Risk and Compliance Officer and newly created Risk Committee can be summarised as follows:

- change in Data Protection Officer effective as of 6 April 2022;
- presentation of Risk and Compliance to the COMEX on 8 April 2022;
- holding of first Risk Committee on 4 May 2022 whereby the structure of Risk and Compliance with related Road Map was finalised;
- approval of Risk Committee Charter by the Board on 10 May 2022; and
- workshops with specific HO Departments and operational business units to: (1) identify their key risks; and (2) define mitigating measures, to be presented at the next Risk Committee scheduled on 19 September 2022.

Main Potential Threats to Hotel Operations Identified and Mitigated

NMH has further consolidated its Safety Management journey with a more disciplined and committed approach. The following main potential Health, Safety and Security threats have been identified and duly mitigated:

- Workplace hazards
- Building standard/infrastructure issues
- Damage to hotel property - Natural disasters/fire
- Loss of guest property
- Food safety risks/food-related incidents - Allergen management
- Legionella concerns
- Leisure activity management – third-party service providers
- Adequacy of CCTV camera coverage and policy

Given their potentially material adverse impact, these threats are continually assessed and monitored by our in-house experts and/or specialised service providers.

AML/CFT

NMH has adapted its risk management framework to be compliant with the provisions of the law on Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT") that was promulgated in May 2020. AML/CFT procedure and policy manuals have been documented, approved by the Board and rolled out. The Group values the importance of compliance with the law and key employees have attended the necessary AML/CFT training sessions. NMH has also appointed a Money Laundering Reporting Officer and a Deputy Money Laundering Reporting Officer as per the requirements of the Financial Intelligence Unit (FIU). The appointed officers act as the focal point within the Group to oversee all activity relating to anti-money laundering. They are senior officers, free to act on their own authority.

Holistic Approach to Risk Management

NMH carries out risk assessments with a view to identifying, prioritising and taking informed decisions on risk mitigation measures. Risks are first assessed from an inherent perspective. Internal controls and other mitigating measures are then identified and flexed in, resulting in a residual risk assessment.

NMH thinks holistically about potential risks to the Group. We have identified three key pillars, which rest on two other fundamental layers: statutory and reputational. The environmental pillar is made up of all the factors which are uncontrollable and affect us as a whole.

The Group realises that an effective risk management system is for the large part not only dependent on having the right people in the right place with the right skills, but also on having a risk culture that promotes sound risk management. NMH believes that the risk function plays an important role in training and raising risk awareness of its Artisans throughout the organisation. We recognise that risk management remains the responsibility of everyone.

Our Risk Mitigation Approach

In our risk mitigation approach, strategic risks, financial risks and operation 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.

1	2	3
CATEGORY 1	CATEGORY 2	CATEGORY 3
Preventable Risks Risks arising from within the Company that generate no strategic benefits	**Strategy Risks** Risks taken for superior strategic returns	**External Risks** 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 boundaries 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 FUNCTION STAFF		
Coordinate, oversee and revise specific risk controls with internal audit function	Run risk workshops and risk review meetings Help develop a portfolio of risk initiatives and their funding	Run 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

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.

Our Top Inherent Risks

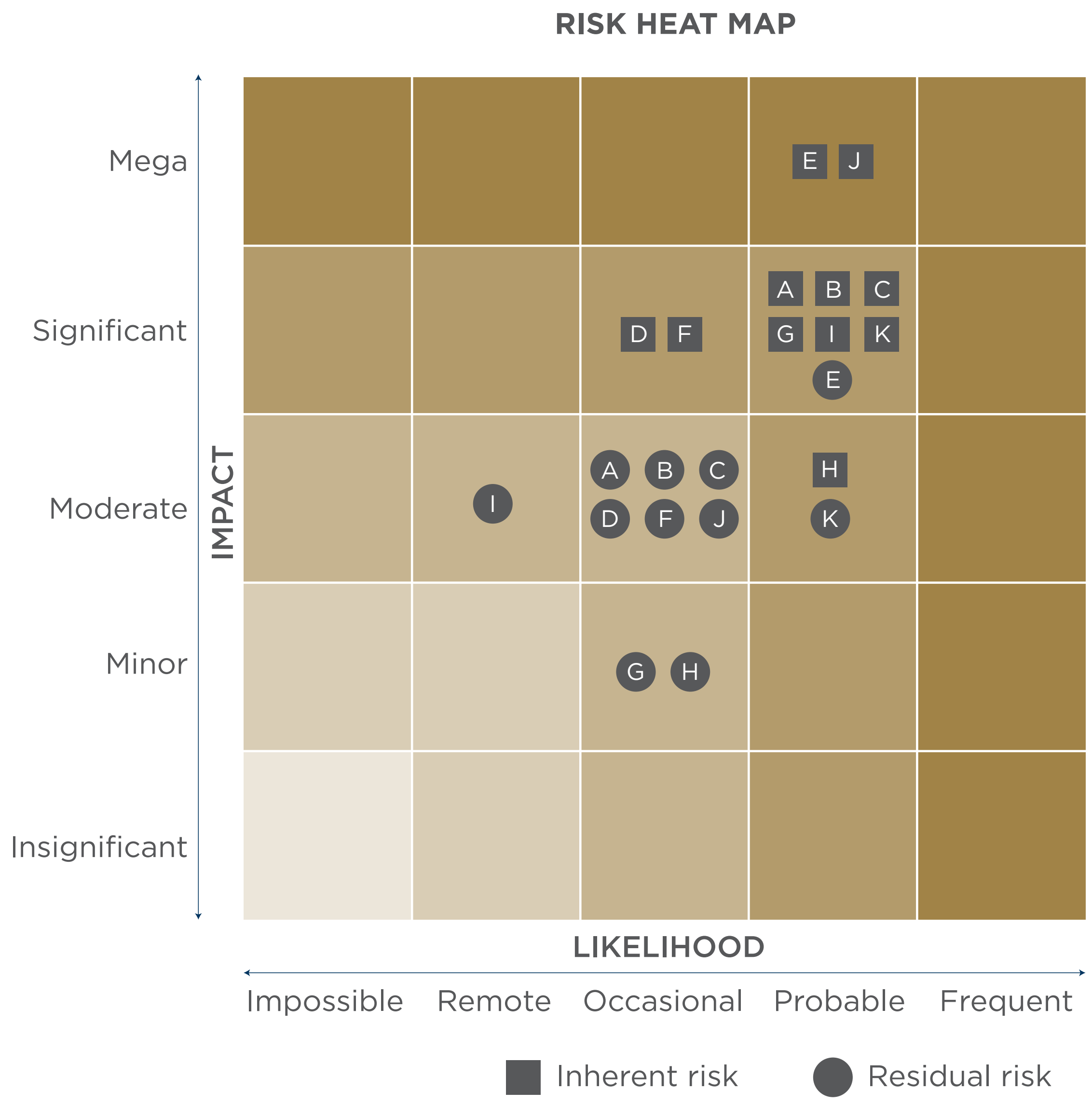
NMH is faced with inherent risks that could materially affect the Group's business, revenue and operating profit. The table on pages 51 to 54 lists the main inherent risks for the Group.

Top Risk	Description and Risk Context	Opportunities	Risk Responses
Strategic Risks			
A Commercial	• Inability to innovate products and services • Inability to sustain competitive edge • Inability to increase our market penetration	• Capitalise on our savoir-faire to consolidate our existing markets and enter new markets • Consolidate our long and well-established relationship with Tour Operators	• Regular upgrading of our hotels • Tailor-made marketing strategies to reach target segments • Active participation in professional exhibitions and promotional fairs
B Projects and Strategic Partnership	• Ineffective partnerships/ alliances • Legal and regulatory constraints in target countries • Obtain appropriate licences • Financial performance not up to expectations	• Consolidate our strategy to grow and expand • Pursue our strategy of improving cash flows • Propose new category of hotels to guests • Increase the visibility of our hotels on the wider stage • Ensure new constructions are compliant with legal requirements	• Proper due diligence exercise carried out to review the different risk aspects • Choice of strategic partners is made only after a careful selection process • All projects and strategic partnerships are framed within proper contractual agreements • Financial targets have been set, mutually agreed upon and subject to periodical reviews
C Human	• Risk of the Group not being able to retain its key personnel • Risk of personnel not having enough skills to provide quality service to guests • Lack of succession planning in key management positions • Industrial unrest • Service disruption	• Ensure that we remain competitive in the job market through alignment with industry standards • Develop an in-house Self-Development Programme, whereby training requirements are continually assessed and training executed • Put forward the Company's vision • Establish a clearer line of communication with unions	• Selection processes, training programmes are well-established and 'employee conditions' are aligned with those of the industry, ensuring that the Group hires, trains and retains highly-skilled employees with the required expertise • Our in-house training structure, Beachcomber Training Academy, enables professional knowledge and skills to be constantly enhanced • Emphasis is constantly being laid on the 7 core values of Beachcomber, with the Human factor ranked among the top 2 • Ongoing dialogue with unions to ensure smooth relations

Top Risk	Description and Risk Context	Opportunities	Risk Responses
Financial Risks			
D Foreign Exchange/ Treasury	• Market volatility • Delays in receiving monies from debtors	• Optimise the forex management function • Continuously review and monitor our 'client' creditworthiness criteria	• Mitigating measures include forward currency contracts, currency options and having part of our borrowing in forex • 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
E Indebtedness	• Rise in interest rates leading to higher cost of finance • Inability to meet obligations	• Constant negotiation with lending institutions to obtain better terms • Explore hedging techniques such as Interest Rate Futures • Optimise our treasury management function	• The Group uses a mix of fixed and variable rate debts • Lending facilities are renegotiated to obtain better terms and conditions
Operational Risks			
F Information Technology	• Cyberattacks • Digital transformation • Business continuity	• Establish clear procedures to prevent risk of cyberattacks • Gain competitive advantage through digital transformation • Establish comprehensive business continuity plan	• Use industry-standard security devices which are regularly monitored and updated with latest patches • The Group's overall IT environment is reviewed and reinforced as and when necessary • Our digital transformation strategy aims to create the capabilities to fully leverage the possibilities and opportunities of new technologies and their impact faster, better and in more innovative ways in the future • Procedures are in place to safeguard IT installations within all hotels of the Group to ensure continuity of business

Top Risk	Description and Risk Context	Opportunities	Risk Responses
Financial Risks			
G Health and Safety	• Unsafe hotels for guests • Unsafe working environment for employees leading to low morale and higher risks of injuries • Safety issues over food • Absence of crisis/incident management procedures • COVID-19 pandemic	• Ensure continual alignment with H&S and FTO standards • For new projects, to take into account H&S and FTO requirements in building design and structure • Review and update H&S	• Well-established H&S programmes across the Group • Consolidation of our Safety Management systems • Compliance with guidelines by the WHO and local health authorities on the pandemic to safeguard Artisans and guests • A comprehensive, phased communication process to educate internal and external stakeholders on safety measures • Business continuity plan
H Theft, Fraud and Corruption	• Misappropriation of assets • Fictitious payment instructions via emails • Collusion • Delays in enforcing our Code of Ethics and Business Conduct	• Establish a more efficient asset management system • Identify high-risk areas and strengthen controls	• Clearly defined systems and procedures are in place to ensure compliance with internal controls • Systems are subject to regular reviews by the Group's internal audit to assess their efficiency and effectiveness • The Code of Ethics and Business Conduct has been formalised, thereby encouraging all stakeholders to step up to their responsibility to behave ethically and contributing towards the prevention of fraud
Compliance Risks			
I Legal and Regulatory Compliance	Non-compliance with procedures/statutory obligations	Establish systems that would help the Group prepare for compliance with new legislations	The Group seeks guidance from legal advisors and insurance consultants to safeguard against exposure to potential losses

Top Risk	Description and Risk Context	Opportunities	Risk Responses
		Reputational Risks	
J **Brand and Reputation**	• Loss of reputation if 'risks', at all level, are not properly managed/mitigated	• Continually aligning our standards with international norms • Inculcate risk management in the culture of the Group, whereby everyone in the organisation becomes involved in the management of risks	• The Group constantly upgrades its products and adheres to high-quality standards in all areas of operations • Standard Operating Procedures (SOPs) in respect of our frontline activities are continuously revisited, in line with the Group's philosophy of providing the best customer experience • The Group is EarthCheck certified and constantly strives towards achieving sustainable eco-development • The Group has full-time Health and Safety and Food Safety Officers who continually review processes and ensure compliance with SOPs and international best practices
		External Risks	
K **Environmental**	• Natural disasters • Oil spill	• Establish a system to ensure that the Group has the minimum resources to weather the full impact of an environmental risk event • Establish and formalise oil mitigation plan • Procure specialised equipment	• The Group methodically identifies, assesses and responds to environmental risks • The Group works closely with relevant authorities



"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

IT, Data Management and Risk Information Outlook

The Board and senior management need to have timely, accurate and comprehensive risk information, which is also expected by stakeholders. IT infrastructure and data management are geared to enable a forward-looking and integrated view across the Group. We are continuing our efforts to secure our IT platforms and promoting digital transformation.

Risk Factors

We rely heavily on increasing connectivity and data management processes to conduct our business, including back-office processes, email communications and guest satisfaction. The main ICT risks and their mitigating measures are highlighted below.

Risk Category	Description	Mitigation
Internal Malicious	Deliberate acts of sabotage, theft or other malfeasance committed by employees or other insiders. For example, a disgruntled employee deleting key information before leaving the organisation.	IAM (Identity and Access Management) and GPO (Group Policies) to grant minimum level of privileges. Service admin account for maintenance.
Internal Unintentional	Acts leading to damage or loss stemming from human error committed by employees and other insiders.	User awareness sessions on cybersecurity threats/risks.
External Malicious	The most publicised cyber risk; premeditated attacks from outside parties, including criminal syndicates, hacktivists and nation states.	Industry security standards to monitor all the services and prevent intrusions. Best practices in security to block the threats against the infrastructure and applications.
External Unintentional	Similar to Internal Unintentional, these cause loss or damage to business, but are not deliberate.	Same as Internal Unintentional but with third-party suppliers. Stay under NMH supervision when performing changes or maintenance.

Our pool of Artisans includes an internal IT team for first-level troubleshooting, which looks after all internal systems.

Audit and Risk Committee

For internal control, internal audit and risk management issues, please refer to page 61 (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 ARC 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 ARC 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 ARC 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.

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.

Implementation reviews are also presented to the ARC 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 Risk and Audit Department constantly strives to deliver 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 special audits came to light following the execution of our planned internal audit interventions. In a bid to further improve the contribution of internal audit in providing assurance to the Board and management, the department will continue on its path towards automating its 'technology' in audit and risk management. Going digital, coupled with a touch of automation of our time-intensive and repetitive processes, will help internal audit spend less time on process administration and more time effecting changes.

Our Key Performance Indicators (KPIs) are as follows:

Business Units	FY21	FY22
Hotels	-	2 Business Cycles across 8 hotels
Catering	1	1
Special Audits	6	8

In FY22, the internal audit performed a total of 8 special audits across the Group and 1 audit intervention at Beachcomber Catering. The 8 special audits included 5 audits that were carried out at the request of hotel management to investigate certain specific anomalies and the remaining 3 audits concerned a review of our linen system, a review of the adequacy of CCTV positionings and resolutions at specific key areas, and a review of wet amenities to assess losses. Audit of our Overseas Tour Operating activities is planned in the coming FY.

External Auditor

BDO & Co. was appointed as external auditor of the Group following a tender exercise. During the year, the ARC assessed the independence and effectiveness of the external auditor before making a recommendation to the Board for its retention.

High-priority issues raised by the external auditor regarding policies and accounting treatments were discussed during ARC meetings.


Creating
HAPPINESS
Berthy Meriza
Executive Sous Chef

Corporate GOVERNANCE REPORT

New Mauritius Hotels Limited ("NMH" or the "Company") is a public interest entity under the provisions of the 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").

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:

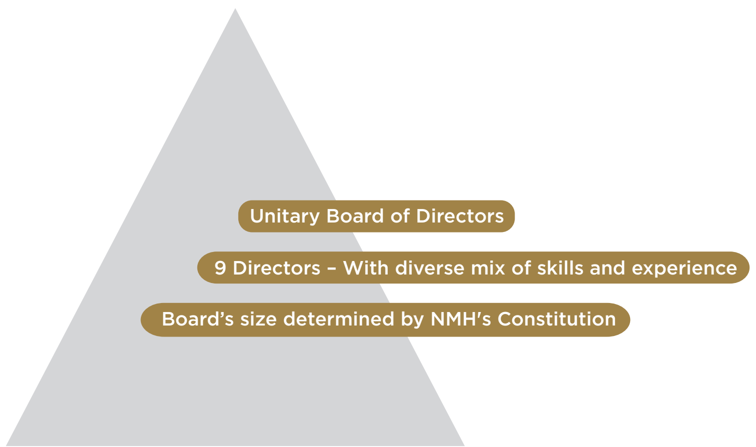
- adopted a Board Charter which sets out the objectives, roles and responsibilities as well as composition of the Board of Directors;
- identified its key Senior Governance positions and the position statements are detailed in NMH's Board Charter;
- approved an Organisational and Governance Structure *(as disclosed on page 72 of the Integrated Annual Report)*; and
- adopted a Code of Ethics.

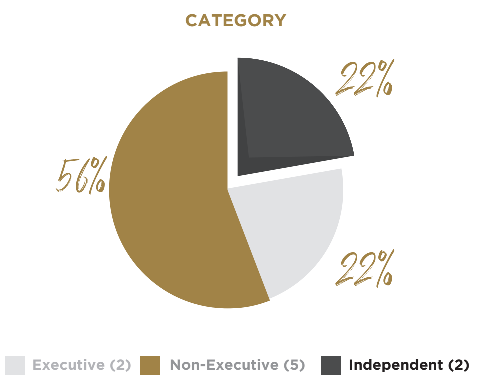
The Board Charter and Code of Ethics are available for consultation on NMH's website: *www.beachcomber.com*

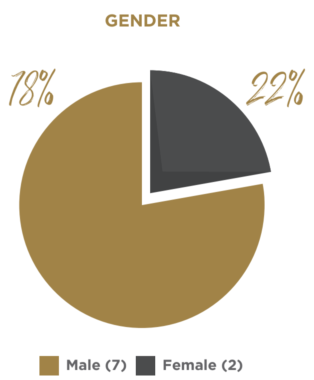
2. THE BOARD

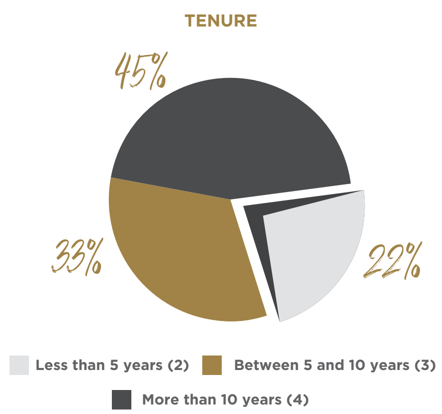
2.1 Board Composition

- All Directors of NMH ordinarily reside in Mauritius.
- NMH's Constitution is available for consultation on the Company's website: www.beachcomber.com
- The names and profiles of NMH's Directors are disclosed on pages 76 to 77 of the Integrated Annual Report.









2.2 Main Focus areas of the Board FY21/22

Financials

- approved press releases following delays in publication of financial reports;
- approved the audited financial statements/Integrated Annual Report of NMH for the year ended 30 June 2021; and
- 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;
- approved the 5-year plan (2022-2026) of NMH;
- approved various banking facilities, re-established the signatories and mode of operation of the various bank accounts of NMH;
- approved addenda to the Pricing Supplement of the multi-currency note programme issued on 30 October 2017;
- approved the sale of land at Les Salines;
- approved finance lease facilities; and
- reviewed, assessed and approved strategic initiatives for debt reduction.

Governance, Compliance and Risk

- approved the appointment of Mr Jitendra Bissessur as additional Director;
- 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 2021;
- approved the list of shareholders to whom Annual Reports would no longer be sent in accordance with Practice direction (No. 1 of 2019) issued by the Registrar of Companies;
- approved the change in Registrar Office to DTOS Registry Services Ltd;
- reviewed and reconfirmed the charter of the CGC and AC;
- approved the setting up of the RC;
- approved an AML-CFT programme, the appointment of a Compliance Officer, a Money Laundering Reporting Officer and a Deputy Money Laundering Reporting Officer for NMH; and
- approved the change in Data Protection Officer and adopted a Data Protection Policy for NMH.

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 AC, CGC and RC; and
- 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 Members	Category
Jean-Pierre Montocchio	Non-Executive Director, Chairperson
Herbert Couacaud	Non-Executive Director
Hector Espitalier-Noël	Non-Executive Director
Sunil Banymandhub	Non-Executive Director
Gilbert Espitalier-Noël	Executive Director

Main Focus Areas of the CGC during FY 21/22

- reviewed the Corporate Governance Report for the year ended 30 June 2021;
- recommended the re-election/reappointment of Mrs Jyoti Jeetun, Messrs Gilbert 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; and
- recommended the appointment of Mr Jitendra Bissessur as Non-Executive Director.

2.3.2 Audit Committee

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

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.

Main Focus Areas of the AC during FY 21/22

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 2021;
  - the publication of the unaudited quarterly consolidated results of the Company; and
- received the external auditors' report of the audited financial statements of NMH for the year ended 30 June 2021.

Internal & External Audit Matters

- recommended the appointment of BDO & Co. as auditors for the year ending 30 June 2022; and
- examined reports issued by the Internal Audit function.

Governance, Risk & Compliance

- recommended the setting up of a RC; and
- reviewed and recommended to the Board the adoption of a new Charter for the AC.

2.3.3 Risk Committee

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

The RC was set up in May 2022. The Chairperson of the RC extended committee meeting invitations to the Chief Risk & Compliance Officer, Chief Operations Officer, Chief Digital Officer and Chief People Officer & Group Legal Counsel.

Main Focus Areas of the RC during FY 21/22

- reviewed and recommended to the Board the adoption of the Risk Committee Charter;
- received the report issued by the Chief Risk & Compliance Officer and the Chief Digital Officer;
- reviewed the risk management processes; and
- received the report of Health, Safety and Security.

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 Companies Act 2001.
- Upon recommendation of the CGC, the following will be proposed to the shareholders for approval shortly:
  - the re-election of Mr Hector Espitalier-Noël and Ms Pauline Seeyave as Directors of the Company in accordance with Section 23.6 of the Company's Constitution; and
  - the reappointment of Messrs Herbert Couacaud and Sunil Banymandhub, who are over 70 years old, as Directors of the Company.
- The Chairperson confirms that Ms Pauline Seeyave, Mr Sunil Banymandhub and Mr Herbert Couacaud continue to be performing and remain committed to their role as Directors of the Company.
- The Chairperson of the Corporate Governance Committee confirms that Mr Hector Espitalier-Noël continues to be performing and remains committed to his role as Director of the Company.

2.4.2 Board Induction

2.4.3 Professional Development and Training

- Directors are encouraged to keep 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.

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 Transactions

- 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 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 2022 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	15,678,930	2.86	-	-	1,773	0.01
Hector Espitalier-Noël	70,456	0.01	16,752,793	3.05	1,439	0.00	21,949	0.06
Jyoti Jeetun	-	-	-	-	-	-	-	-
Jean-Pierre Montocchio	10,212	0.00	510,533	0.09	330	0.00	177	0.00
Alain Rey	12,236	0.00	-	-	1,099	0.00	-	-
Pauline Seeyave	3,314	0.00	-	-	65	0.00	-	-
François Venin*	-	-	-	-	-	-	-	-

** Resigned as Director of NMH, effective 26 April 2022.*

During the financial year under review, none of the Directors has traded in the shares of NMH except the following:

	No. of Shares Acquired		No. of Shares Sold	
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares
Sunil Banymandhub	-	-	12,500	-
Alain Rey	12,236	1,099	-	-

- Note 17 to the financial statements for the year ended 30 June 2022, set out on pages 127 to 130 of the Integrated Annual Report 2022, 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 are 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 roadmap 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 more and more 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.

  ICT champions in key departments are being empowered to help their peers on applications specific to their departments. The Group is committed to further training its workforce to ensure the highest level of usage of the tools already deployed.

  By fostering a more digital-savvy workforce, we are reinforcing the appetite for change, therefore facilitating the next steps towards the Group's digitalisation.

  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 measure success and drive 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 can be read on pages 51 to 54.

- ***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. ICT 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 the 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***: For better security control and business continuity, all Internet connections are centrally managed at our headquarters. Our country being subject to cyclones with potential for communication disruptions, all our communication lines are fully redundant, relying on different technologies, namely wireless and fibre, as well as the use 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 both our data centre and DR site 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 the 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:

Category of Member	Monthly Fixed Fee (Rs)
Chairman of the Board, also member of the CGC	40,000
Members also sitting on the CGC and/or AC	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:

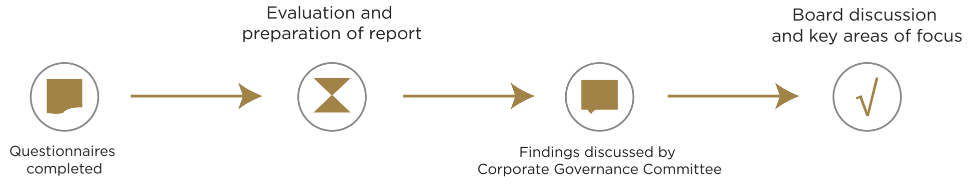
Category	Director	Attendance				Remuneration & Benefits Perceived
		Board	AC	RC	CGC	Rs
Executive	Gilbert Espitalier-Noël	7/7	n/a	1/1	1/1	19,241,334
	Pauline Seeyave	7/7	n/a	n/a	n/a	12,804,300
	François Venin*	6/6	n/a	n/a	n/a	12,662,787
Non-Executive	Sunil Banymandhub	4/7	3/3	❍ 1/1	1/1	420,000
	Jitendra Bissessur**	4/5	n/a	1/1	n/a	175,000
	Herbert Couacaud	5/7	n/a	n/a	1/1	420,000
	Hector Espitalier-Noël	❍ 3/7	n/a	n/a	0/1	480,000
	Jean-Pierre Montocchio	7/7	n/a	n/a	❍ 1/1	420,000
Independent	Alain Rey	7/7	❍ 3/3	n/a	n/a	420,000
	Jyoti Jeetun	4/7	3/3	n/a	n/a	420,000

❍ *Chairman*
** Resigned as Director of NMH, effective 26 April 2022.*
*** Appointed as Director of NMH, effective 29 November 2021.*
**** 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 governance, digitalisation 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. The Board's agenda has also been enhanced so that going forward, a systematic reporting process is in place for specific Board matter. 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 **46** to **57**.

4 SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

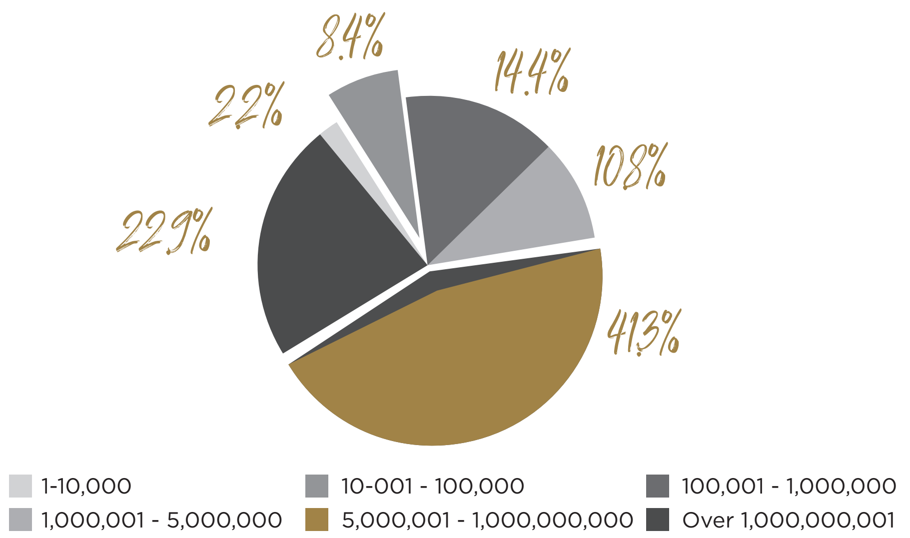
4.1 Shareholding Profile

As at 30 June 2022, shareholders holding more than 5% of the ordinary shares of the Company were as follows:

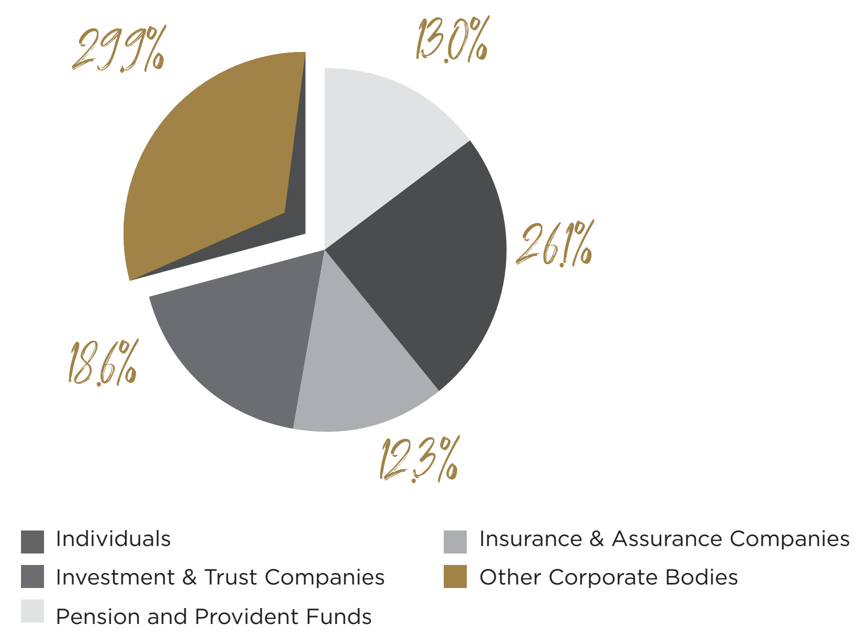
	Ordinary (%)
Rogers and Company Limited	22.93
ENL Limited	15.25
Swan Life Ltd	10.58
Herbert Couacaud	6.35

The distribution and spread of shareholders as at 30 June 2022 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 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 the management.

4.4.2 Shareholders' Calendar

September 2022	Publication of abridged audited financial statements for the year ended 30 June 2022
November 2022	Publication of 1st quarter results to 30 September 2022
	Issue of Integrated Annual Report 2022
December 2022	Meeting of Shareholders
February 2023	Publication of half-year results to 31 December 2022
May 2023	Publication of 3rd quarter results to 31 March 2023

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 provides corporate secretarial services to New Mauritius Hotels Limited. All Directors, including the Chairman, 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 business.

The Company Secretary is responsible 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
30 September 2022

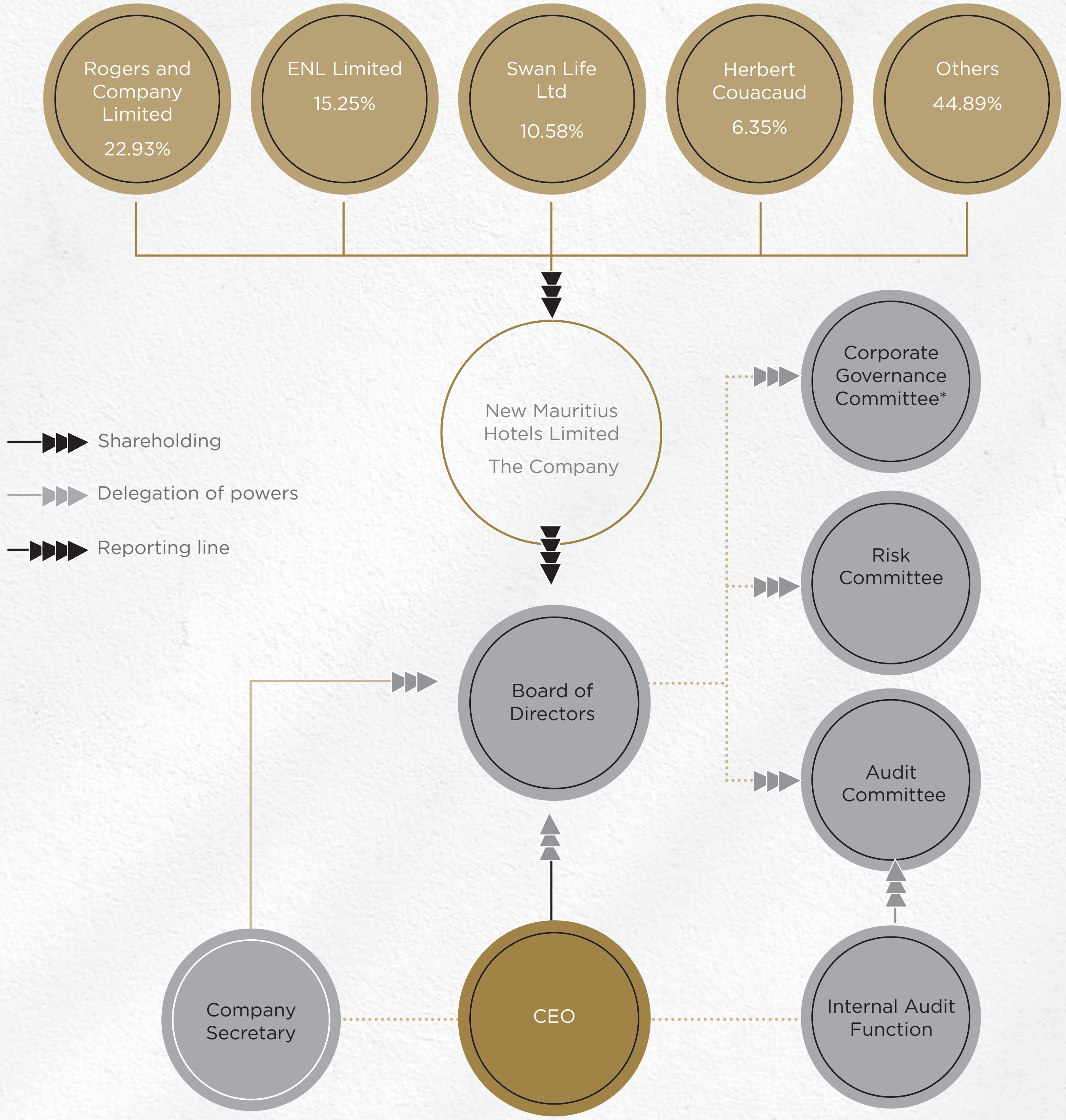
Company SECRETARY'S CERTIFICATE

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

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary
30 September 2022

Governance STRUCTURE



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

Director's PROFILES

STANDING FROM LEFT TO RIGHT

Jyoti Jeetun

François Venin
(Resigned on 26 April 2022)

Herbert Couacaud

Hector Espitalier-Noël

Sunil Banymandhub

SITTING FROM LEFT TO RIGHT

Alain Rey

Gilbert Espitalier-Noël

Pauline Seeyave

Jean-Pierre Montocchio

ABSENT FROM THE PHOTO

Jitendra Bissessur

Hector ESPITALIER-NOËL ***- up for re-election at next Shareholders' Meeting***
(Born in 1958)
Chairman, 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 the ENL Group
- Worked for Coopers and Lybrand in London
- Worked for De Chazal du Mée in Mauritius
- Chairman of New Mauritius Hotels Limited and Semaris Ltd
- Past Chairman of the Board of 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 Mauritius
- 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

Sunil BANYMANDHUB ***– up for reappointment at next Shareholders' Meeting***
(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 Corporation 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) (2013-2014) 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

Gilbert ESPITALIER-NOËL
(Born in 1964)
Chief Executive Officer, Executive Director
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

Professional Journey:
- CEO of New Mauritius Hotels Limited since 2015
- Former Executive Director of the ENL Group and CEO of ENL Property Limited
- Past Operations Director of the 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
- A people's person, skilled at creating high-performing teams
- Strong proponent of entrepreneurship, innovation and initiative
- Staunch advocate of, and extensive experience in public-private partnership for economic stewardship
- Sound understanding of the business dynamics in Mauritius

***Directorship Lists -** For full directorship list of the Director, please refer to the Company's website: www.beachcomber.com*

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
- 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
- Extensive experience in alliances, ventures, and partnerships
- Strong proponent of fairness in business
- Staunch defender of shareholder's interests

Jean-Pierre MONTOCCHIO
(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

Alain REY
(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 ***- up for re-election at next Shareholders' Meeting***
(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
- Over 20 years of working experience in finance-related fields
- Managed a portfolio of clients across various sectors in Audit and Business Assurance in UK
- Has occupied senior executive roles in banking, including finance, risk management, credit, project finance and corporate banking
- Current Non-Executive Director of Innodis Ltd
- Member of the Listing Executive Committee of the SEM
- Past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Méditerranée Albion Resorts Ltd

Skills & Experience:
- Extensive experience in risk management, corporate finance and financial reporting

François VENIN ***– Resigned on 26 April 2022*** **(Born in 1957)**
Executive Director
Appointed in: July 2015

Professional Journey:
- Was Group Chief Sales and Marketing Officer of New Mauritius Hotels Limited from 2015 to his retirement in April 2022
- Was responsible for managing the sales and marketing strategies of the NMH Group's 8 hotels, all overseas offices worldwide and the three tour operating companies, Beachcomber Tours in France, the UK and South Africa
- Assisted in the decision-making process on new projects or ventures and managed communication platforms with optimum use of all available digital channels
- Past General Manager of Mauricia Beachcomber Resort & Spa and Canonnier Beachcomber Golf Resort & Spa
- Extensive experience in managing properties overseas for Club Méditerranée

Skills & Experience:
- Strong expertise in sales, communication and marketing strategies
- Over 42 years of extensive experience in hospitality

***Directorship Lists -** For full directorship list of the Director, please refer to the Company's website: www.beachcomber.com*

Senior Management PROFILES

STANDING
from left to right

Hubert de RAVEL

François VENIN
(Retired on 30 April 2022)

Nicolas STAUB

Geraldine KOENIG

SITTING
from left to right

Bertrand PIAT
(Retired on 24 February 2022)

Stéphane POUPINEL de VALENCÉ

Karine PERRIER CURÉ

Sebastian LA HAUSSE DE LALOUVIÈRE

Pauline SEEYAVE

Gilbert ESPITALIER-NOËL

Jean Louis PISMONT

Hubert DE RAVEL
Chief Digital Officer
MBA (INSEAD)
Master of Engineering in Networks and Telecommunication (INSA Toulouse)
Hubert de Ravel 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.

Gilbert ESPITALIER-NOËL
Chief Executive Officer, Executive Director
see under the section Directors' Profiles

Geraldine KOENIG
Chief Risk and Compliance Officer
BA Hons Economics/MA, University of Cambridge, UK
Diploma in Management, University of Amherst, USA
Previous experience with SGS Group Management Ltd (Geneva) and the Rogers Group.

Joined the NMH Group in March 2016.

Sebastian LA HAUSSE DE LALOUVIÈRE
Chief People Officer and Group Legal Counsel
Sebastian was sworn in as a Barrister at the Bar of England & Wales in November 2012 and the Mauritian Bar in January 2014. He holds a Bachelor of Laws (LLB) degree from the University of London and completed the Bar Professional Training Course (BPTC) as well as a Master of Laws (LLM) degree from the University of the West of England, graduating with distinction.

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

Karine PERRIER CURÉ
Chief Brand & Communication Officer
Executive Master (MSc Hons) in Marketing (University of Paris-Dauphine, France), BSc

Karine started her career in the field of communication in Paris. Since returning to Mauritius, she has worked in the tourism, leisure and hotel sectors, as well as in the Corporate Marketing & Communication sphere. She is the former Chief Marketing & Communication Executive of Rogers & Co. Ltd. She joined NMH Group in February 2019 to lead the brand & communication strategies. She is also the Chairperson of Fondation Espoir Développement Beachcomber (FED).

Jean Louis PISMONT
Chief Operations Officer
Graduated from the Hotel School of Granville and holds a degree from Thonon-les-Bains, Hotel Management School, France
Joined the NMH Group in 1996 and managed various Beachcomber hotels. He represents the interests of New Mauritius Hotels Limited 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).

Stéphane POUPINEL DE VALENCÉ
Chief Officer Real Estate & Construction
MBA (Sorbonne/Dauphine)
International Project Management Programme (INSEAD)
Senior Executive Programme (London Business School)
BCom Marketing and Management (Curtin, Western Australia)
Stéphane Poupinel de Valencé spent the first 9 years of his career working in Sales and Marketing for Panagora Marketing Co. Ltd, part of the Eclosia Group. In 2009, he joined Medine Property, the property arm of Medine Limited, where he gained broad experience in property development and his last position there was as Managing Director. He joined the NMH Group in August 2018.

Nicolas STAUB
Chief Commercial Officer
Graduated from ICSA in WITTS, University of South Africa. Nicolas joined NMH Group 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

Business unit LEADERS

Mark BOULLÉ
Managing Director of Beachcomber Tours, UK

Isabelle BOUVIER
General Manager of Royal Palm Beachcomber Luxury

Sheila COLLET SERRET
General Manager of Beachcomber Office, Italy

Jean-François BRUN
General Manager of Fairmont Royal Palm Marrakech

Annabelle DUPONT
General Manager of Beachcomber Holiday Shop

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

Stephan LAGESSE
General Manager of Trou aux Biches Beachcomber Golf Resort & Spa

Frédéric LEBÈGUE
General Manager of Paradis Beachcomber Golf Resort & Spa and Area Manager

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

Laurent PIAT
Legal Representative for Fairmont Royal Palm Marrakech

Kervyn RAYEROUX
General Manager of Victoria Beachcomber Resort & Spa

Richard ROBERT
Managing Director of Mautourco

Guy ZEKRI
Managing Director of Beachcomber Tours, France

Commitment TO EXCELLENCE

Board of Directors' STATEMENTS

I. OTHER STATUTORY DISCLOSURES

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

Activities

The activities of NMH are disclosed in Note 1 to the Integrated Annual Report 2022.

Directors

A list of Directors of the Company and its subsidiaries is set out on page 87 of the Integrated Annual Report 2022.

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 68 of the Integrated Annual Report 2022;

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

Directors	From the Company		From the Subsidiaries	
	2022	2021	**2022**	2021
Executive Directors	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Full-time	**40,648**	39,419	**-**	-
Part-time	**-**	-	**-**	-
Non-Executive Directors	**2,755**	2,310	**-**	-
Post-employment benefits – Executive Directors	**4,060**	4,568	**-**	-
	47,463	46,297	**-**	-

Directors' Interests in the Equity of NMH

(i) The interests of the Directors in the shares of NMH as at 30 June 2022 are found on page **65** of the Integrated Annual Report 2022.

(ii) As at 30 June 2022, 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.	
	No. of Shares	%	No. of Shares	%
Gilbert ESPITALIER-NOËL	1	0.000	1	0.000
Hector ESPITALIER-NOËL	1	0.000	-	-
Pauline SEEYAVE	1	0.000	1	0.000

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

As at 30 June 2022, 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	3,000	0.001	69,200	0.013	-	-	-	-
Olivier L. NAIRAC	9,054	0.002	124,894	0.023	-	-	3,000	0.008
Laurent PIAT	21,050	0.004	-	-	-	-	-	-
Stéphane POUPINEL DE VALENCÉ	60,000	0.011	-	-	-	-	-	-

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 30 August 2022, 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	10.58
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 4.1m (30 June 2021: Rs 2.9m) to the Fund.

Political donations are dealt with by the Board. For the year under review, there was no such donation (30 June 2021: Rs Nil).

During the year ended 30 June 2022, the subsidiaries of NMH made a total donation of Rs 0.260m (30 June 2021: Rs 0.240m).

Auditors' Remuneration	The Group		The Company	
	2022	2021	**2022**	2021
Audit fees paid to:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
BDO & Co.	**7,895**	6,971	**7,000**	6,150
Other firms	**4,453**	3,794	**-**	-
Fees paid for other services provided by:				
BDO & Co.	**902**	549	**750**	500
Other firms	**3,088**	3,239	**1,470**	2,230

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

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 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 the 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 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 Salines Development Ltd	Les Salines Golf & Resort Limited	Mautourco Ltd	Mautourco Holdings Ltd	New Mauritius Hotel - 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																			A						
Boullé Mark David		✓							✓																✓
Collet Serret Marie Anne Sheila																		✓							
Corbett Bronwyn Anne			✓																						
Couacaud Joseph René Herbert Maingard																			✓						
Curé Karine Marie												✓													
Descroizilles Frédérique Louise Etiennette												✓													
Dr Sperl Klaus-Ulrich Gerhard																	✓								
Dupont Marie Annabelle												A													
Espitalier-Noël Marie Edouard Gilbert	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
Espitalier-Noël Marie Maxime Hector			✓		✓	✓					✓				✓				✓		✓		✓		
Espitalier-Noël Marie Hector Philippe																R	R							R	
Fayd'herbe de Maudave Louis René Alexandre																✓	✓							✓	
Fleury Christine Arlette Françoise																						✓			
Jeetun Jyoti																			✓						
La Hausse de Lalouvière Gérard Jacques Sebastian										A		A													
Lebègue Frédéric Claude										✓															
Montocchio Marie Joseph Jean-Pierre																			✓						
Montocchio François Thierry																A	A							A	
Munro Terence Leslie Ross							✓																		
Nairac Olivier Laurence																				✓					
Piat Jean Bertrand Evenor										R															
Piat Maurice Daniel Laurent Evenor				✓	✓																				
Pierre Jean Benoît Didier	✓																								
Pismont Jean Louis Fernand André				✓	✓					✓		✓	✓	✓	✓							✓			
Polo Silvana-Lida							✓																		
Poussin Gilbert Jean-Paul	✓															✓								✓	
Rey Alfred Joseph Gérard Robert Alain																			✓						
Robert François Richard																✓								✓	
Seechurn Roma Devi										✓															
Seeyave Pauline Sybille Cheh			✓	✓	A	✓	✓		✓		✓		✓	✓	✓	✓			✓	✓	✓		✓		
Sobarun Marie Karen Sully										✓															
Staub Nicolas Edward Patrick	✓						✓		✓							A	A							A	
Van de Moortele Leon Paul			✓																						
Venin François Roland					R	R	R		R			R	R			R	R		R		R		R	R	
Visagie Joanne Mary							✓																		
Vythelingum Koogen	✓																								
Vythelingum Viren												✓													
Wan Khin Jean-Noël Wong				A	A																				

✓ 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 2021 to 30 June 2022

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.

Hector ESPITALIER-NOËL
Chairman

Jean-Pierre MONTOCCHIO
Chairman of the Corporate Governance Committee

30 September 2022

Independent auditors' 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 170 which comprise the consolidated and separate statements of financial position as at 30 June 2022, 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 170 give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their 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 of 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.

1. Basis of preparation – Going concern assessment

Key Audit Matter

The Group's and the Company's financial statements for the year ended 30 June 2022 have been prepared on the going concern basis. As disclosed in Note 13 to the consolidated and separate financial statements, the Directors have provided their assessment and rationale for adopting the going concern basis as being appropriate. Their judgement has been based principally on the evaluation of the cash flow forecasts, which are dependent on considerable judgements and estimates, and continued financial support by the lenders. Management is of the view that the Group and Company have sufficient financial resources to meet all its current obligations and its financial commitments for the period up to 30 June 2023.

The operations and financial performance of the Group and Company have been significantly impacted by measures taken by the authorities in the countries where the Group and Company operate to limit the spread of the virus within the community during the financial year ended 30 June 2020, 30 June 2021 and first semester of 2022. As disclosed in Note 13 to the consolidated and separate financial statements, the Group and Company have taken several measures over the past year to manage its cashflows and operate within its authorised overdraft limit through mainly the following:

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

1. Basis of preparation– Going concern assessment (cont'd)

Key Audit Matter (cont'd)

- the proceeds of the last two tranches of the redeemable convertible secured bonds from the Mauritius Investment Corporation ('MIC') totalling Rs 1.0bn;
- the receipt of the monthly Government wage assistance up to December 2021 totalling Rs 422m;
- the successful refinancing of the EUR 20m notes which arrived at maturity in November 2021; and
- the completion of the debt restructuring with its lenders whilst obtaining the waiver of the financial covenants for FY 2022.

The going concern assessment was a matter of most significance in our audit of the consolidated and separate financial statements in the current year, as there are significant judgements and estimates being applied by management in developing the cash flow forecast, hence identified as a key audit matter.

Related Disclosure

Refer to Note 13 of the accompanying financial statements.

Audit Response

We obtained the cash flow forecast prepared by management and assessed whether management's assessment of going concern is in line with the Group's and the Company's latest management strategy. We checked the mathematical accuracy of the forecast and validated the opening cash balance.

- We engaged with our Corporate Finance team and evaluated whether key assumptions are within a reasonable range, are realistic and achievable and consistent with the external and/or internal environment, including the impact of the pandemic and the inherent uncertainties, and other matters identified in the audit.
- We analysed the historical accuracy of budgets to actual results to determine whether forecast cash flows are reliable based on past experience.
- We verified the revised terms of the Group's and the Company's sources of liquidity and latest funding arrangements to supporting documentation.
- We reviewed the maturity profile of the Group's and the Company's borrowings as at the financial year end and assessed the rescheduling of the borrowings which occurred after the reporting period, with our focus on management's plan to service the existing debts.
- We obtained evidence of the financing obtained by the Company from the MIC before reporting date.
- We performed our own sensitivities on the Group's and the Company's forecasts and determined the impact on the available financial resources considering the alternative initiatives the Group and the Company have in place.
- We reviewed the adequacy and the appropriateness of the going concern disclosures made by management in the consolidated and separate financial statements.

2. Valuation of Land and Buildings classified under Property, Plant and Equipment

Key Audit Matter

The Group and Company have property, plant and equipment which included land and buildings amounting to Rs. 25.7bn and Rs 16.5bn respectively (2021: Rs 23.6bn and Rs 14.8bn respectively). Land and buildings are measured at fair value less accumulated depreciation on buildings and any impairment losses. Land and buildings are revalued every three years by independent external valuers. Any revaluation surplus is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. However, the surplus is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. The revaluation surplus on land and buildings reported in other comprehensive income amounts to Rs 2.1bn for the Group and Rs 1.6bn for the Company. An amount of Rs 326.6m has been accounted in profit or loss representing the surplus attributed to the revaluation decrease of the same asset previously recognised in profit or loss.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)
2. Valuation of Land and Buildings classified under Property, Plant and Equipment (cont'd)
Key Audit Matter (cont'd)

The valuation of land and buildings 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 land and buildings on the consolidated and separate statements of financial position and the significant judgements and assumptions applied in arriving at the fair value resulted in them being identified as a matter of most significance during our current year audit.

Related Disclosure
Refer to Notes 13, 15 and 27 of 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 the land and buildings.

• Our procedures in relation to the valuation of land and buildings are described below:
- we obtained, read and understood the reports from the external independent valuation specialists;
- we tested the mathematical accuracy of the reports and evaluated the appropriateness of the valuation methodology used by the external independent valuation specialists for determining the fair value of land and buildings through similar sales comparison in the market;
- we assessed the qualifications, competence, capabilities and objectivity of the external independent valuation specialists;
- we discussed and challenged the key inputs and assumptions used by the external independent valuation specialists for the valuation model and also reviewed the scope of work with management to ensure that there were no matters affecting the external independent valuation specialists' judgements;
- we engaged with our valuation specialists to assess the reasonableness of the fair values attributed to the land and buildings and the significant assumptions used to arrive at the fair values; and
- we evaluated whether disclosures in the financial statements in respect of valuation of land and building were in accordance with the requirements of International Financial Reporting Standards.

3. Valuation of Investment Property
Key Audit Matter
The Group has investment property amounting to Rs 5.6bn (2021: Rs 6.0bn) as at 30 June 2022. 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 external valuers 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 loss on the investment property for the year ended 30 June 2022 amounted to Rs 19.1m (Rs 2021: 95.9m).

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 a matter of most significance during our current year audit.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)
3. Valuation of Investment Property (cont'd)
Key Audit Matter (cont'd)

Related Disclosure
Refer to Note 29 of 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;
  ° 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.

- We also performed other audit procedures as follows:
  ° tests of data inputs against supporting documentation to ensure it is accurate, reliable and reasonable;
  ° discussions with the external independent valuation specialist and challenging the key assumptions comprising the discount rates and capitalisation rates adopted in the valuations;
  ° 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;
  ° benchmarked and challenged the key assumptions to external industry data and comparable property valuation; and
  ° evaluated whether disclosures in the financial statements in respect of valuation of investment property were in accordance with the requirements of International Financial Reporting Standards.

4. Assessment of Impairment of Goodwill
Key Audit Matter
The Group has a significant value of goodwill that has arisen from past business combinations. The carrying value of goodwill stood at Rs 1.3bn at both 30 June 2022 and 30 June 2021 respectively. No impairment loss was recognised during the year under review (2021: nil).

The recoverable amount of assets for which indicators of impairment exist as at 30 June 2022 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, as disclosed in Notes 13, 27 and 30, 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 a matter of most significance to the audit of the consolidated and separate financial statements due to the historical trend of the CGUs and the significance of their carrying value on the consolidated and separate financial statements, together with the impact of COVID-19 and the significant use of estimates, assumptions and judgements including:
- forecasted occupancy rates and guest night spending;
- estimated expenditure;

Report on the audit of the Consolidated and Separate Financial Statements (cont'd)
4. Assessment of Impairment of Goodwill (cont'd)
Key Audit Matter (cont'd)

- future increase in direct costs, staff costs and other operating expenses;
- residual value of the property at the end of the useful life; and
- discount rate used.

Related Disclosures
Refer to Notes 13, 15, 27 and 30 of the accompanying financial statements.

Audit Response

- We obtained an understanding of the methodology applied by management in performing its impairment test for each of the relevant CGUs and walked through the controls over the process.
- We obtained management assessment of the recoverable amounts, based on a discounted cash flow model, for the different CGUs, and we assessed for indicators of impairment.
- For all CGUs, we calculated 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 involved our Corporate Finance team and performed our own sensitivities on the Group's and the Company's forecasts and determined whether adequate headroom remained. To challenge 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.

5. Assessment of Impairment of Investment in Subsidiaries

Key Audit Matter
In the Company's separate financial statements, investments in subsidiaries are carried at cost less impairment in accordance with IAS 36. The carrying value of investments stood at Rs 7.2bn at 30 June 2022 (2021: Rs 6.9bn). No impairment loss has been accounted for during the year.

Management makes an impairment assessment on the investment in subsidiaries when there is an indication of impairment at the end of each reporting date. The determination of impairment allowances is inherently judgemental and involves the application of critical accounting estimates by management as disclosed in Note 13 to the financial statements. There are uncertainties in the estimation of the recoverable amount of investment in subsidiaries arising primarily from the inputs used in forecasting and discounting future cash flows respectively and the value in use is highly sensitive to changes in these inputs.

The impairment assessment of the subsidiaries was a matter of most significance during the audit of the financial statements as it involves significant use of estimates, assumptions and judgements including:

Report on the audit of the Consolidated and Separate Financial Statements (cont'd)
5. Assessment of Impairment of Investment in Subsidiaries (cont'd)
Key Audit Matter (cont'd)

- forecasted occupancy rates and guest night spending;
- estimated expenditure;
- future increase in direct costs, staff costs and other operating expenses;
- residual value of the properties at the end of the useful life;
- discount rate; and
- COVID-19 impact.

Related Disclosures
Refer to Notes 13, 15 and 31 of the accompanying financial statements.

Audit Response

- We reviewed the management's controls relating to the preparation and approval of cash flow forecasts.
- We obtained management assessment of the recoverable amounts, based on a discounted cash flow model, for investment in subsidiaries, and we assessed for indication of impairment.
- With the support of our Corporate Finance team, we checked the validity and reasonableness of the forecasts which support the value in use through the following:
  – we compared the actual results for the prior years with management's forecasts in order to assess the historical accuracy of the management's forecasting process;
  – we checked the validity and reasonableness of the forecast in line with the Group's and latest management's strategy; and
  – we performed some benchmarking based on information available on the markets in which the businesses operate.
- We assessed the appropriateness of the methodologies and key assumptions used, namely forecasted revenues, growth rates and discount rates, and confirmed reasonableness of terminal values in the discounted cash flow model.
- We performed sensitivity analysis on the assumptions used, which included changes in occupancy rates, discount rate and target gearing, amongst others, to assess the impact of changes in these key inputs on the value in use.
- We also assessed the adequacy of the disclosures made 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.

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.

Other Information (cont'd)

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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the 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.

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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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 the 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

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

- 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;
- we have obtained all information and explanations we have required; and
- 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

Port Louis
Mauritius
30 September 2022

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

Financial STATEMENTS

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
		Rs '000	Rs '000	**Rs '000**	Rs '000
Revenue	12/18	**8,115,487**	1,136,832	**5,658,267**	662,062
Cost of inventories	35(d)	**(1,233,991)**	(223,285)	**(967,343)**	(194,045)
Staff costs	19	**(2,724,702)**	(1,350,748)	**(2,032,343)**	(1,106,103)
Other expenses	20	**(2,545,059)**	(1,155,104)	**(1,811,678)**	(649,145)
Net impairment losses on financial assets	34/36(i)	**(25,772)**	(27,892)	**(29,787)**	(16,276)
		1,585,963	(1,620,197)	**817,116**	(1,303,507)
Other income	23	**46,132**	34,636	**24,278**	358,372
Other gains/(losses)	24	**78,745**	(451,624)	**93,615**	(421,942)
Rent concessions	28(ii)	**-**	126,553	**-**	164,372
Share of results of associates	32	**14,767**	(1,668)	**-**	-
Change in fair value of investment property	29	**(19,063)**	(95,872)	**-**	-
Profit on disposal of investment property, property, plant and equipment and right-of-use assets		**2,693**	17,412	**1,625**	14,664
Normalised earnings/(loss) before interest, tax, depreciation and amortisation		**1,709,237**	(1,990,760)	**936,634**	(1,188,041)
Other impairment losses reversal/(losses)	15	**326,624**	-	**-**	(184,637)
Deemed distribution from subsidiary	45	**-**	-	**-**	1,342,000
Earnings/(loss) before interest, tax, depreciation and amortisation		**2,035,861**	(1,990,760)	**936,634**	(30,678)
Finance costs	22	**(1,340,174)**	(1,166,159)	**(1,183,372)**	(1,058,977)
Finance revenue	21	**149,331**	346,071	**275,349**	484,481
Depreciation of property, plant and equipment	27	**(639,916)**	(650,300)	**(404,551)**	(417,326)
Depreciation of right-of-use assets	28(i)	**(121,249)**	(155,659)	**(349,639)**	(350,209)
Amortisation of intangible assets	30	**(18,273)**	(18,476)	**(12,151)**	(10,806)
Profit/(loss) before tax for the year		**65,580**	(3,635,283)	**(737,730)**	(1,383,515)
Income tax (expense)/credit	25(a)	**(20,218)**	505,141	**114,778**	575,769
Profit/(loss) for the year		**45,362**	(3,130,142)	**(622,952)**	(807,746)
Profit/(loss) attributable to:					
Owners of the parent		**(64,770)**	(3,173,492)	**(622,952)**	(807,746)
Non-controlling interests		**110,132**	43,350	**-**	-
		45,362	(3,130,142)	**(622,952)**	(807,746)
Basic and diluted loss per share:	26	**(0.12)**	(5.78)		

The notes on pages 106 to 170 form an integral part of these financial statements.
Independent Auditor's Report on pages 90 to 97.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
		Rs '000	Rs '000	**Rs '000**	Rs '000
Profit/(loss) for the year		**45,362**	(3,130,142)	**(622,952)**	(807,746)
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		**218,789**	(89,456)	**-**	-
Share of other comprehensive income of associates, net of tax	32	**253**	-	**-**	-
Cash flow hedges release to profit or loss	24	**66,142**	-	**66,142**	-
Gains/(losses) on cash flow hedges		**186,911**	(137,795)	**711,815**	(827,828)
Tax effect on gains/(losses) on cash flow hedges	25(b)	**-**	-	**(89,234)**	117,305
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax		**472,095**	(227,251)	**688,723**	(710,523)
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	**632**	34	**632**	10
Share of other comprehensive income of associates, net of tax	32	**69,204**	3,238	**-**	-
Remeasurement of employee benefit liabilities	44	**195,932**	1,296,597	**186,314**	1,285,798
Tax effect on remeasurement of employee benefit liabilities	25(b)	**(33,300)**	(220,465)	**(31,673)**	(218,586)
Net other comprehensive income that will not to be reclassified to profit or loss in subsequent periods, net of tax		**1,989,759**	1,079,404	**1,499,249**	1,067,222
Other comprehensive income for the year, net of tax		**2,461,854**	852,153	**2,187,972**	356,699
Total comprehensive income for the year, net of tax		**2,507,216**	(2,277,989)	**1,565,020**	(451,047)
Total comprehensive income attributable to:					
Owners of the parent		**1,950,157**	(1,968,021)	**1,565,020**	(451,047)
Non-controlling interests		**557,059**	(309,968)	**-**	-
		2,507,216	(2,277,989)	**1,565,020**	(451,047)

The notes on pages 106 to 170 form an integral part of these financial statements.
Independent Auditor's Report on pages 90 to 97.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTES	THE GROUP 2022 Rs '000	THE GROUP 2021 Rs '000	THE COMPANY 2022 Rs '000	THE COMPANY 2021 Rs '000
ASSETS					
Non-current assets					
Property, plant and equipment	27	**25,691,688**	23,615,860	**16,527,591**	14,799,335
Right-of-use assets	28(i)	**2,309,277**	2,361,307	**4,788,149**	4,717,027
Investment property	29	**5,573,428**	6,044,214	**-**	-
Intangible assets	30	**1,273,592**	1,281,877	**1,096,274**	1,100,016
Investment in subsidiaries	31	**-**	-	**7,214,865**	6,933,974
Investment in associates	32	**716,716**	634,908	**18,307**	18,307
Financial assets at fair value through other comprehensive income	33	**9,760**	9,128	**9,574**	8,942
Financial assets at amortised cost	34	**1,311,431**	1,318,119	**3,481,070**	3,686,169
Deferred tax assets	25(b)	**222,978**	247,011	**-**	-
Total non-current assets		**37,108,870**	35,512,424	**33,135,830**	31,263,770
Current assets					
Inventories	35	**334,432**	259,708	**310,484**	237,702
Trade receivables	36	**888,492**	213,681	**421,877**	107,398
Financial assets at amortised cost	34	**702,005**	875,005	**213,235**	152,876
Other assets	37	**162,788**	129,028	**127,611**	100,561
Derivative financial instruments	38	**243**	781	**243**	781
Income tax prepaid	25(a)	**10,595**	27,285	**6,174**	6,039
Cash in hand and at banks	39	**1,552,050**	1,234,520	**122,919**	607,316
Total current assets		**3,650,605**	2,740,008	**1,202,543**	1,212,673
Total assets		**40,759,475**	38,252,432	**34,338,373**	32,476,443
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	40	**2,780,301**	2,780,301	**2,780,301**	2,780,301
Redeemable convertible secured bonds	41	**1,832,792**	1,102,617	**1,832,792**	1,102,617
Retained earnings		**1,198,004**	1,069,652	**2,890,372**	3,328,329
Other components of equity	42	**2,990,345**	1,168,540	**1,313,773**	(689,204)
		8,801,442	6,121,110	**8,817,238**	6,522,043
Non-controlling interests		**476,226**	(58,544)	**-**	-
Total equity		**9,277,668**	6,062,566	**8,817,238**	6,522,043
Non-current liabilities					
Redeemable convertible secured bonds	41	**536,500**	351,440	**536,500**	351,440
Convertible preference shares	43(d)	**448,496**	424,039	**448,496**	424,039
Subordinated loan	43(b)	**1,734,188**	1,895,438	**-**	-
Borrowings	43(b, c)	**11,468,803**	11,654,261	**8,296,444**	7,704,800
Lease liabilities	28(ii)	**2,277,657**	2,280,396	**7,132,372**	7,715,290
Deferred tax liabilities	25(b)	**1,697,050**	1,438,214	**605,695**	360,146
Employee benefit liabilities	44	**1,824,885**	1,998,029	**1,763,177**	1,953,585
Total non-current liabilities		**19,987,579**	20,041,817	**18,782,684**	18,509,300
Current liabilities					
Redeemable convertible secured bonds	41	**109,015**	36,443	**109,015**	36,443
Trade and other payables	45	**3,705,527**	2,495,224	**1,863,464**	1,038,937
Contract liabilities	18(b)	**532,474**	298,878	**438,151**	219,895
Borrowings	43(b, c)	**7,047,403**	9,186,050	**3,884,994**	5,853,600
Lease liabilities	28(ii)	**80,237**	126,251	**441,439**	296,225
Derivative financial instruments	38	**1,388**	-	**1,388**	-
Income tax payable	25(a)	**18,184**	5,203	**-**	-
Total current liabilities		**11,494,228**	12,148,049	**6,738,451**	7,445,100
Total liabilities		**31,481,807**	32,189,866	**25,521,135**	25,954,400
Total equity and liabilities		**40,759,475**	38,252,432	**34,338,373**	32,476,443

Approved by the Board of Directors on **30 September 2022** and signed on its behalf by:

HECTOR ESPITALIER-NOËL
CHAIRMAN

ALAIN REY
CHAIRMAN OF THE AUDIT COMMITTEE

The notes on pages 106 to 170 form an integral part of these financial statements.
Independent Auditor's Report on pages 90 to 97.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

THE GROUP

	NOTES	Attributable to Owners of the Parent Company: Stated 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	Non-Controlling Interests Rs '000	Total Equity Rs '000
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		-	-	-	-	-	-	-	-	-	(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**
As at 1 July 2020		2,780,301	-	3,030,229	(1,490,217)	(307,255)	(25,051)	2,293,112	624,583	6,905,702	263,649	7,169,351
(Loss)/profit for the year		-	-	(3,173,492)	-	-	-	-	-	(3,173,492)	43,350	(3,130,142)
Other comprehensive income for the year		-	-	1,073,004	270,228	(137,795)	34	-	-	1,205,471	(353,318)	852,153
Total comprehensive income for the year		-	-	(2,100,488)	270,228	(137,795)	34	-	-	(1,968,021)	(309,968)	(2,277,989)
Issue of shares to non-controlling interests		-	-	-	-	-	-	-	-	-	14,775	14,775
Depreciation transfer for buildings		-	-	71,203	-	-	-	(71,203)	-	-	-	-
Tax effect of depreciation transfer for buildings		-	-	(12,104)	-	-	-	12,104	-	-	-	-
Changes in ownership interest in subsidiaries that do not result in a loss of control	49	-	-	(1,535)	-	-	-	-	-	(1,535)	1,535	-
Issue of redeemable convertible secured bonds, net of transaction costs	41	-	1,102,617	-	-	-	-	-	-	1,102,617	-	1,102,617
Cancellation of dividend payable	11	-	-	82,347	-	-	-	-	-	82,347	-	82,347
Dividends		-	-	-	-	-	-	-	-	-	(28,535)	(28,535)
As at 30 June 2021	42	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

The notes on pages 106 to 170 form an integral part of these financial statements.
Independent Auditor's Report on pages 90 to 97.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

THE COMPANY

	NOTES	Stated 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 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**
As at 1 July 2020		2,780,301	-	2,936,262	(798,447)	6,403	863,607	5,788,126
Loss for the year		-	-	(807,746)	-	-	-	(807,746)
Other comprehensive income for the year		-	-	1,067,212	(710,523)	10	-	356,699
Total comprehensive income for the year		-	-	259,466	(710,523)	10	-	(451,047)
Issue of redeemable convertible secured bonds, net of transaction costs	41	-	1,102,617	-	-	-	-	1,102,617
Depreciation transfer for buildings		-	-	60,547	-	-	(60,547)	-
Tax effect of depreciation transfer for buildings		-	-	(10,293)	-	-	10,293	-
Cancellation of dividend payable	11	-	-	82,347	-	-	-	82,347
As at 30 June 2021	42	2,780,301	1,102,617	3,328,329	(1,508,970)	6,413	813,353	6,522,043

The notes on pages 106 to 170 form an integral part of these financial statements.
Independent Auditor's Report on pages 90 to 97.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	THE GROUP 2022 Rs '000	THE GROUP 2021 Rs '000	THE COMPANY 2022 Rs '000	THE COMPANY 2021 Rs '000
Cash flows from operating activities					
Profit/(loss) before tax		**65,580**	(3,635,283)	**(737,730)**	(1,383,515)
Adjustments to reconcile profit/(loss) before tax to net cash flows:					
Depreciation of property, plant and equipment	27	**639,916**	650,300	**404,551**	417,326
Write-off/impairment of property, plant and equipment	27	**620**	258	**619**	258
Depreciation of right-of-use assets	28(i)	**121,249**	155,659	**349,639**	350,209
Amortisation of intangible assets	30	**18,273**	18,476	**12,151**	10,806
(Profit)/loss on disposal of investment property, property, plant and equipment and right-of-use assets		**(2,693)**	(17,412)	**(1,625)**	(14,664)
Change in fair value of investment property	29	**19,063**	95,872	**-**	-
Foreign exchange differences		**192,202**	(188,265)	**105,224**	(69,147)
Impairment losses on intangible assets	30	**171**	-	**-**	-
Net impairment losses on financial assets	34/36(i)	**25,772**	27,892	**29,787**	16,276
Deemed distribution from subsidiary	45	**-**	-	**-**	(1,342,000)
(Other impairment losses reversal)/loss	15	**(326,624)**	-	**-**	184,637
Rent concessions	28	**-**	(126,553)	**-**	(164,372)
Dividend income	23	**(360)**	(34)	**(360)**	(336,408)
Interest income	21	**(13,664)**	(78,649)	**(139,682)**	(217,059)
Interest expense	22	**1,122,337**	1,008,094	**978,140**	928,792
Fair value loss/(gain) on derivative financial instruments	24	**1,145**	(781)	**1,145**	(781)
Share of (profit)/loss of associates	32	**(14,767)**	1,668	**-**	-
Increase/(Decrease) in employee benefit liabilities	44	**23,277**	164,952	**(4,094)**	175,228
Working capital adjustments:					
(Increase)/Decrease in inventories		**(64,600)**	190,120	**(62,658)**	166,210
(Increase)/Decrease in trade receivables		**(700,583)**	238,015	**(344,266)**	277,102
Increase/(Decrease) in trade and other payables		**1,150,071**	96,639	**815,708**	(528,567)
Increase/(Decrease) in contract liabilities	18(a)	**233,596**	(50,447)	**218,256**	(207)
Decrease/(Increase) in financial assets at amortised cost		**173,000**	(60,059)	**(60,359)**	126,847
(Increase)/Decrease in other assets	37	**(33,760)**	387,860	**(27,050)**	57,508
Income tax paid	25(a)	**(55,659)**	(16,204)	**(4,215)**	(2,955)
Net cash flows generated from/(used in) operating activities		**2,573,562**	(1,137,882)	**1,533,181**	(1,348,476)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(588,030)**	(362,283)	**(535,797)**	(227,964)
Purchase of intangible assets	30	**(10,570)**	(9,087)	**(8,409)**	(6,909)
Proceeds from sale of property, plant and equipment		**8,720**	31,656	**4,265**	25,573
Purchase of investment property		**(24,522)**	(1,830,425)	**-**	-
Proceeds from sale of investment property		**140**	-	**-**	-
Proceeds from sale of right-of-use assets		**-**	6,952	**-**	-
Purchase of right-of-use assets		**(1,014)**	(933)	**(75)**	(933)
Issue of shares by subsidiary	31	**-**	-	**-**	(10,225)
Dividend received		**2,776**	34	**360**	34
Interest received		**20,352**	3,515	**139,445**	186,488
Net cash flows used in investing activities		**(592,148)**	(2,160,571)	**(400,211)**	(33,936)
Cash flows from financing activities					
Proceeds from term loans		**4,933,460**	5,443,797	**4,933,460**	3,806,923
Repayment of term loans		**(5,529,458)**	(3,142,414)	**(5,254,151)**	(3,111,051)
Repayment of debentures		**(991,600)**	-	**(991,600)**	-
Proceeds from redeemable convertible secured bonds, net of transaction costs		**1,000,000**	1,490,500	**1,000,000**	1,490,500
Principal paid on lease liabilities		**(112,197)**	(66,250)	**(336,135)**	(158,008)
Interest paid on lease liabilities		**(174,834)**	(34,194)	**(438,807)**	(323,556)
Proceeds from loan at call from subsidiaries		**-**	-	**-**	30,118
Repayment of loan at call from subsidiaries		**-**	-	**-**	(30,118)
Advances to subsidiaries		**-**	-	**(355,539)**	(84,561)
Repayment of advances from subsidiaries		**-**	-	**59,602**	-
Interest paid		**(971,231)**	(867,004)	**(563,533)**	(476,952)
Issues of shares to non-controlling interests		**-**	14,775	**-**	-
Dividends paid to non-controlling interests		**(22,289)**	(28,535)	**-**	-
Net cash flows (used in)/generated from financing activities		**(1,868,149)**	2,810,675	**(1,946,703)**	1,143,295
Net increase/(decrease) in cash and cash equivalents		**113,265**	(487,778)	**(813,733)**	(239,117)
Cash and cash equivalents at 1 July		**(844,856)**	(388,962)	**(851,205)**	(584,420)
Net foreign exchange differences		**39,547**	31,884	**34,748**	(27,668)
Cash and cash equivalents at 30 June	39(a)	**(692,044)**	(844,856)	**(1,630,190)**	(851,205)

The notes on pages 106 to 170 form an integral part of these financial statements.
Independent Auditor's Report on pages 90 to 97.

CORPORATE AND GROUP INFORMATION

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 2022 were authorised for issue in accordance with a resolution of the Directors on 30 September 2022. 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 airline and inland catering and other services.

2. Group information

Information on subsidiaries:

Name of Corporation	Main Business Activity	Country of Incorporation	Effective % Holding Year ended 30 June 2022	Effective % Holding Year ended 30 June 2021
Beachcomber Limited	Investment	Mauritius	**100**	100
Kingfisher Ltd	Investment	Mauritius	**100**	100
Beachcomber Training Academy Limited	Hotel training	Mauritius	**100**	100
Les Salines Development Ltd	Investment	Mauritius	**100**	100
Les Salines Golf & Resort Limited	Hotel project	Mauritius	**100**	100
Ste Anne Resort Limited	Real estate	Seychelles	**100**	100
Beachcomber Marketing (Pty) Ltd	Tour operating	South Africa	**51**	51
Beachcomber Tours	Tour operating	France	**100**	100
Beachcomber Tours Limited	Tour operating	England	**100**	100
New Mauritius Hotel - Italia S.R.L	Tour operating	Italy	**100**	100
Wild Africa Safari Ltd	Dormant	England	**100**	100
Beachcomber Holidays (UK) Limited	Dormant	England	**100**	100
Beachcomber Hotel Marrakech S.A.	Investment	Morocco	**100**	100
Beachcomber Hotel S.A.	Hotel operations	Morocco	**100**	100
Mautourco Holdings Ltd*	Investment	Mauritius	**41**	41
Mautourco Ltd*	Tour operating	Mauritius	**41**	41
Trans-Maurice Car Rental Ltd*	Car rental	Mauritius	**41**	41
Société Pur Blanca	Investment	Mauritius	**51**	51
Santayarea (Mauritius) Limited	Hotel training	Mauritius	**56**	56
Domaine de l'Harmonie Limitée	Services	Mauritius	**100**	100
Beachcomber Hospitality Investments Ltd	Real estate	Mauritius	**56**	56
Royal Gardens Ltd	Investment	Mauritius	**100**	100
Plaisance Catering Ltd	Dormant	Mauritius	**100**	100
Beachcomber Holidays Limited	Tour operating	Mauritius	**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.

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

Information on associates

Name of Corporation	Year End	Class of Shares	Effective % Holding Year ended 30 June 2022	Effective % Holding Year ended 30 June 2021
South West Tourism Development Company Limited and its subsidiaries	30 June	Ordinary shares	**31**	31
Parure Limitée	30 June	Ordinary shares	**48**	48
Société Cajeva*	30 June	Parts	**50**	50
Sports-Event Management Operation Co. Ltd**	30 June	Ordinary shares	**10**	10
Xcursia (Pty) Ltd	30 June	Ordinary shares	**20**	20

Investments in associates consist of investments in unquoted shares and are all incorporated in the Republic of Mauritius except for Xcursia (Pty) Ltd which is a dormant company incorporated in South Africa.

* The Corporate Governance Committee gave its consent for the disposal of shares in Société Cajeva. The terms and conditions are still under discussion.

** Significant influence obtained through Mautourco Ltd, a subsidiary of New Mauritius Hotels Limited.

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

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).

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 the Company's business model for managing the financial assets and the 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 the 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 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 the 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, twelve 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 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 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.

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.

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

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

(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 instrument 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 twelve months. Other derivatives are presented as current assets or current liabilities.

A hedging relationship exists where at the 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 separated 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 that 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 the 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 the 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.

- 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.

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

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

(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 twelve months after the reporting period; or
• cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve 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 twelve months after the reporting period; or
• there is no unconditional right to defer the settlement of the liability for at least twelve 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.

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.

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

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

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

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, Flight & Inland Catering and Other Services, 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. Flight & inland catering consists mostly of the provision of catering services to airline companies. Other segments principally comprise the rental of the Group's 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.

(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 separately disclosed under revenue in the "Recoverable lease expenses" line and the associated costs are disclosed under other expenses.

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

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

(j) Revenue recognition (cont'd)

(ii) 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.

Grants in respect of wages obtained under the wage assistance scheme are accounted for in the statement of profit or loss in the period to which the wages relate. Repayment of the grant (COVID-19 Levy) is contingent on the chargeable income of the entity over the current and next years and is recognised in profit or loss, when the profit arises. The grant is shown as net of the COVID-19 Levy.

(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 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.

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

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

Interest Rate Benchmark Reform Phase 2
IFRS 4 Insurance Contracts: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 4 enables an insurer applying the temporary exemption from IFRS 9 to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments have no impact on the Group's and the Company's financial statements.

IFRS 7 Financial Instruments - Disclosures: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company. The amendments have no impact on the Group's and the Company's financial statements.

IFRS 9 Financial Instruments: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect:

• designating an alternative benchmark rate as the hedged risk; or
• changing the description of the hedged item, including the designated portion, or of the hedging instrument.

The amendments have no impact on the Group's and the Company's financial statements.

IFRS 16 Leases: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform. The amendments have no impact on the Group's and the Company's financial statements.

IFRS 16 Leases
COVID-19 related rent concessions: Effective June 1, 2020, further to IFRS 16 amendment to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments have no impact on the Group's and the 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 January 2022, but which the Group and the 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 2022

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.

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.

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.

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.

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.

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.

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

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

Effective date 1 January 2023

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

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.

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.

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.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT

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 2022.

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.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

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.

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	2022	2021
Mautourco Ltd and its subsidiary*	Mauritius	**59%**	59%
Beachcomber Marketing (Pty) Ltd	South Africa	**49%**	49%
Beachcomber Hospitality Investments Ltd	Mauritius	**44%**	44%

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

	2022 Rs '000	2021 Rs '000
Accumulated balances of material non-controlling interest:		
Mautourco Ltd and its subsidiary	**33,464**	12,864
Beachcomber Marketing (Pty) Ltd	**(10,884)**	(4,453)
Beachcomber Hospitality Investments Ltd	**449,998**	(69,725)

	2022 Rs '000	2021 Rs '000
Profit/(loss) allocated to material non-controlling interest:		
Mautourco Ltd and its subsidiary	**7,810**	(31,702)
Beachcomber Marketing (Pty) Ltd	**26,251**	(9,020)
Beachcomber Hospitality Investments Ltd	**75,044**	85,324

	2022 Rs '000	2021 Rs '000
Other comprehensive income allocated to material non-controlling interest:		
Mautourco Ltd and its subsidiary	**12,790**	6,367
Beachcomber Marketing (Pty) Ltd	**(10,393)**	(8,237)
Beachcomber Hospitality Investments Ltd	**444,679**	(351,235)

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

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 interest	**-**	**22,289**	**-**

Summarised statements of profit or loss for the year ended 30 June 2021:

	Mautourco Ltd and its Subsidiary Rs '000	Beachcomber Marketing (Pty) Ltd Rs '000	Beachcomber Hospitality Investments Ltd Rs '000
Revenue	7,025	21,908	662,698
(Loss)/profit for the year	(53,468)	(17,948)	228,672
Other comprehensive income	10,754	(17,197)	294,178
Total comprehensive income	(42,714)	(35,145)	522,850
Dividends paid to non-controlling interest	-	-	(28,535)

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

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 statements of financial position as at 30 June 2021:

	Mautourco Ltd and its Subsidiary Rs '000	Beachcomber Marketing (Pty) Ltd Rs '000	Beachcomber Hospitality Investments Ltd Rs '000
Non-current assets	161,289	32,688	9,837,038
Current assets	78,143	383,577	227,902
Current liabilities	(108,745)	(388,962)	(2,956,413)
Non-current liabilities	(91,512)	(11,885)	(4,415,914)
Total equity	39,175	15,418	2,692,613

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**

Summarised cash flow information for the year ended 30 June 2021:

	Mautourco Ltd and its subsidiary Rs '000	Beachcomber Marketing (Pty) Ltd Rs '000	Beachcomber Hospitality Investments Ltd Rs '000
Cash flows (used in)/generated from			
Operating activities	(75,824)	(73,333)	399,450
Investing activities	22,050	(6,172)	-
Financing activities	41,673	-	(430,072)
Net decrease in cash and cash equivalents	(12,101)	(79,505)	(30,622)

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.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

8. Business combinations (cont'd)

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.

(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:
For 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 book values 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.

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.

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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash in hand and at banks	**1,552,050**	1,234,520	**122,919**	607,316
Financial assets at fair value through other comprehensive income	**9,760**	9,128	**9,574**	8,942
Financial assets at amortised cost	**2,013,436**	2,193,124	**3,694,305**	3,839,045
Trade receivables	**888,492**	213,681	**421,877**	107,398
Derivative financial instruments	**243**	781	**243**	781
	4,463,981	3,651,234	**4,248,918**	4,563,482

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(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 2022 and 30 June 2021. 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, 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 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)**	**-**
30 June 2021			
Euros	5%	(727,837)	(470,150)
Pounds sterling	5%	1,352	(8)
Rands	5%	(16,527)	7
United States dollars	5%	(25,018)	(168)
Australian dollars	5%	1	1
Seychelles rupees	5%	3,996	-
Moroccan dirhams	5%	(36,633)	-

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.

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	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Euros	**1,046,308**	473,140	**12,565,430**	15,029,871	**2,553,649**	2,503,347	**9,788,834**	11,906,356
Pounds sterling	**676,743**	229,914	**440,032**	202,879	**52,879**	6,996	**5,936**	7,147
Rands	**211,952**	70,519	**550,681**	401,053	**506**	135	**-**	-
United States dollars	**83,316**	16,445	**485,668**	516,797	**29,475**	5,729	**136**	9,080
Australian dollars	**9**	11	**-**	-	**8**	11	**-**	-
Seychelles rupees	**43,740**	87,840	**15,955**	7,920	**-**	-	**-**	-
Mauritian rupees	**1,696,659**	2,129,202	**12,181,185**	10,914,220	**1,612,384**	2,047,245	**12,919,067**	11,498,191
Moroccan dirhams	**705,240**	644,145	**1,170,263**	1,376,802	**-**	-	**-**	-
Others	**14**	18	**-**	-	**17**	19	**139**	-
	4,463,981	3,651,234	**27,409,214**	28,449,542	**4,248,918**	4,563,482	**22,714,112**	23,420,774

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net exposure, excluding Mauritian rupees	**(12,460,707)**	(16,013,290)	**(7,158,511)**	(9,406,346)

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(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 changes in interest rates taken are: 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 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**
30 June 2021			
Interest-bearing loans and borrowings in Rs	0.25%	16,923	16,474
Interest-bearing loans and borrowings in EUR	0.25%	20,898	11,580
Interest-bearing loans and borrowings in MAD	0.25%	1,599	-
Interest-bearing loans and borrowings in USD	0.25%	11	11
Interest-bearing loans and borrowings in GBP	0.25%	81	-
Interest-bearing lease liability in Rs	0.25%	4,572	4,551
Interest-bearing lease liability in EUR	0.25%	696	15,228

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

(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 COVID-19 pandemic has impacted the liquidity of the Group and Company, mostly hotel operations, caused by a reduction in hotel room bookings.

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**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**> 5 Years**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
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**
30 June 2021						
Trade and other payables	-	-	2,495,224	-	-	2,495,224
Borrowings*	4,656,192	279,600	4,940,783	10,376,260	6,160,390	26,413,225
Lease liabilities*	-	52,885	255,473	943,721	7,802,649	9,054,728
	4,656,192	332,485	7,691,480	11,319,981	13,963,039	37,963,177

* Borrowings and lease liabilities include future interest costs.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(c) Liquidity risk (cont'd)

THE COMPANY	**On Demand**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**> 5 Years**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
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**
30 June 2021						
Trade and other payables	-	-	1,038,937	-	-	1,038,937
Borrowings*	4,035,343	215,137	2,022,527	6,061,668	3,730,728	16,065,403
Lease liabilities*	-	129,218	611,558	3,848,467	9,623,224	14,212,467
	4,035,343	344,355	3,673,022	9,910,135	13,353,952	31,316,807

* 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 comprehensive 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 divided by total equity plus debt. The actual gearing is higher than the 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 once operations restart normally post-COVID-19 coupled with cash to be generated from the assets under redevelopment. The Group and Company include, within net debt, interest-bearing loans and borrowings, less their interest costs included and cash and cash equivalents. Total equity is as shown in the statements of financial position. The gearing ratios at 30 June 2022 and 30 June 2021 were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest-bearing loans and borrowings	**24,623,266**	26,413,225	**15,647,814**	16,065,403
Interest-bearing lease liabilities	**8,278,572**	9,054,820	**13,613,022**	14,212,467
Less interest costs included above	**(9,199,539)**	(9,513,727)	**(8,411,576)**	(7,896,033)
Less cash in hand and at banks	**(1,552,050)**	(1,234,520)	**(122,919)**	(607,316)
Net Debt	**22,150,249**	24,719,798	**20,726,341**	21,774,521
IFRS 16 Leases	**(2,357,894)**	(2,406,647)	**(7,573,811)**	(8,011,515)
Net Debt excluding IFRS 16 Leases	**19,792,355**	22,313,151	**13,152,530**	13,763,006
Total equity	**9,277,668**	6,062,566	**8,817,238**	6,522,043
Total equity plus net debt	**31,427,917**	30,782,364	**29,543,579**	28,296,564
Gearing ratio (Net debt/total equity plus net debt)	**70%**	80%	**70%**	77%
Gearing ratio (Net debt excluding IFRS 16 Leases/total equity plus net debt excluding IFRS 16 Leases)	**68%**	79%	**60%**	68%

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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 (2021: Nil).

The shareholders of the Company had at an annual meeting held on 30 July 2020 approved that the dividend of Re 0.15 per ordinary share declared by the Board on 7 February 2020 be cancelled and not legally payable by the Company due to the unforeseeable and unprecedented economic impact of the COVID-19 pandemic on the tourism industry and the Company's financial position.

The dividend had not been derecognised as a liability at 30 June 2020 in accordance with IAS 10. In the financial year ended 30 June 2021, the amount was then reversed accordingly.

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 year ended 30 June 2022 and 2021, the Group was composed of four business segments, which were as follows: hotel operations, tour operations, flight & inland catering and other services 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.
- Flight and inland catering - carried out in Mauritius.
- Other services - principally rental of property in Seychelles.

The below figures are net of intra-group transactions.

Business segments	**Hotel Operations**	**Tour Operating**	**Flight & Inland Catering**	**Other Services**	**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**	**-**	**609,929**
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**

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

12. Segmental reporting (cont'd)

Business segments (cont'd)	Hotel Operations	Tour Operating	Flight & Inland Catering	Other Services	Group
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
For the year ended 30 June 2021					
Revenue	791,986	81,028	108,147	155,671	1,136,832
Loss for the year	(2,782,360)	(158,614)	(34,586)	(154,582)	(3,130,142)
Segment assets	30,038,126	1,117,936	417,178	6,044,284	37,617,524
Investment in associates	-	-	-	634,908	634,908
Total assets					38,252,432
Segment liabilities	26,606,882	1,284,613	157,652	4,140,719	32,189,866
Other segment information:					
Finance revenue	342,213	3,858	-	-	346,071
Finance costs	1,043,779	39,285	-	83,095	1,166,159
Income tax credit/(expense)	498,269	15,786	-	(8,914)	505,141
Capital expenditure	360,217	2,863	547	3	363,630
Depreciation of property, plant and equipment	596,123	26,596	14,521	13,060	650,300
Depreciation of right-of-use assets	125,981	29,678	-	-	155,659
Amortisation of intangible assets	12,369	6,087	20	-	18,476

Geographical segments	**Mauritius**	**Europe**	**Morocco**	**Other Countries**	**Group**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
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**	**-**	**609,929**

Geographical segments	Mauritius	Europe	Morocco	Other Countries	Group
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
For the year ended 30 June 2021					
Segment revenue	670,648	53,791	234,815	177,578	1,136,832
Segment assets	26,631,917	794,930	4,679,712	6,145,873	38,252,432
Segment liabilities	27,577,240	685,154	1,404,636	2,522,836	32,189,866
Capital expenditure	234,157	-	119,804	9,669	363,630

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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 the Company are exposed to foreign currency risk, mainly to the Euro on the Group's and the Company's sales denominated in Euro. The Group and the Company enter into Euro currency borrowings ("hedging instruments") with future principal payments that will match the 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, particularly due to a possible negative impact in expected booking patterns resulting from the COVID-19 pandemic and any related interruptions in the operations of the Group and Company. In making this assessment, the Group and Company have considered the most recent budgets and plans taking into consideration the COVID-19 impact. 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 2022, no amount for both the Group and Company respectively was recognised in profit or loss as ineffectiveness except for an amount of Rs 58m was included in the release to profit and loss due to IFRS 9 derecognition criteria (2021: Rs 224m for both the Group and Company).

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
During the year under review, there was no tourism activity in the first quarter. With the easing of sanitary restrictions and the positioning of the island as a safe destination, tourism activity restarted on the 1 October 2021.

However, with the emergence of the Omicron variant in November 2021, flights from South Africa were suspended shortly followed by travel restrictions from France. These factors impacted negatively on the December prime.

In the second semester, the Company recorded satisfactory bookings especially in the 5-star segment following further easing of the sanitary restrictions and a gradual increase in flight frequency.

As far as the subsidiaries are concerned, Ste Anne benefitted from normal tourism activity in Seychelles by earning a full year rental. Marrakech hotel operations were impacted by frequent lockdowns and operations started to pick up as from February 2022. The Company had to provide financial support to the tune of Rs 147.5m (see Note 31(a)(i)) during the year to finance the operational losses. The Beachcomber Tours offices managed to remain financially autonomous and they all posted operational profits for the year under review.

From a cash flow perspective, the Company remained within its authorised overdraft facilities throughout despite all the challenges experienced in the first semester thanks to:

- receipt of the last two tranches of the redeemable bonds from the MIC totalling Rs 1.0bn;
- receipt of the monthly Government wage assistance up to December 21 totalling Rs 422m;
- successful refinancing of the EUR 20m Notes which arrived at maturity in November 2021; and
- completion of the debt restructuring with its lenders while obtaining the waiver of the financial covenants for FY 2022.

The positive trend recorded in the second semester has helped the Company undertake the light renovation of its hotels and has brought down the credit period with its suppliers to normal level.

On 30 June 2022, the Group and Company had net current liabilities of Rs 7.8bn (30 June 2021: Rs 9.4bn) and Rs 5.5bn (30 June 2021: Rs 6.2bn) respectively.

On the other hand, the net cash position of the Group and Company increased/(decreased) by Rs 113m and Rs (814)m respectively (2021: decreased by Rs (488)m and Rs (239)m respectively).

Outlook
The Company continues to record encouraging bookings with an expected 67% occupancy rate for the first quarter ending 30 September 2022. The authority has also announced increased airline connectivity and flight frequencies from October 2022. On that basis, the Company is confident to achieve a near 75% average occupancy for the second quarter ending 31 December 2022.

Hence, the Company will generate normal operating cash flows, thus enabling it to resume capital repayment of the amortised term loans with the end of moratorium period in FY 2023 and to pursue the renovation of its hotel properties.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

Outlook (cont'd)
The Company has successfully negotiated the refinancing of the second Notes tranche totalling Rs 825m, which will reach maturity in November 2022.

At Group level, all subsidiaries are set to record positive EBITDA during the first semester of FY 2023 and the trend should continue for the second one.

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 months 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.

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 to the 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. The Group's and Company's cash flow forecasts and key assumptions have been amended to consider the impact of the COVID-19 pandemic on business operations.

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 fair settlement. At the time of reporting, an amount of Rs 60m has been provided for in the financial statements (Note 20) following discussions with our tax advisers.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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. Further amounts transferred during the financial year ended 30 June 2022 were regarded as net investment in foreign operations and 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.

15. Other impairment losses reversal/(losses)

The recoverable amount of investments in subsidiaries has been determined based on the higher of value in use calculations or fair value less costs to sell. These calculations require the use of estimates, including discounted cash flows based on management's expectations of future revenue growth, operating costs and profit margins for each subsidiary.

Included in other impairment losses reversal/(losses) are the following:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Impairment of investment in subsidiaries (Note (a) and 31(a))	**-**	-	**-**	(184,637)
Reversal of impairment losses on buildings (Note (b))	**326,624**	-	**-**	-
	326,624	-	**-**	(184,637)

Management has used judgements in its assumptions including the impact of COVID-19 on business operations. These judgements are based on current market conditions as at date and the future effect of COVID-19 is still uncertain and may have further impact on the forecasts made by management.

(a) In 2021, a loss of Rs 184.6m was recognised on impairment of investment in subsidiary. The loss relates to a fall in the net asset value of Beachcomber Limited following the recognition of impairment provision in Beachcomber Tours.

(b) In 2022, a reversal of impairment in buildings of Rs 325.6m and Rs 1.1m were recognised through profit or loss for Beachcomber Hotel S.A. and New Mauritius Hotels-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 and loss due to prevailing market conditions including 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 is 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.

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 event and an estimate of its 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 2022 are as follows:

(i) On 1 July 2022, New Mauritius Hotels Limited, acquired a further 110,000 ordinary shares in Beachcomber Marketing (Pty) Ltd for a consideration of ZAR 13.2m, through Royal Gardens Ltd, thus increasing its stake from 51% to 62%. Had the transaction occurred on 30 June 2022, the net impact of the increase in effective holding would have resulted in an decrease of Rs 33.5m in retained earnings and a decrease in non-controlling interests of Rs 2.4m.

(ii) On 5 July 2022, the Directors authorised to proceed with the sale of 27 villas under the IHS programme at Trou aux Biches Beachcomber Golf Resort & Spa. The sale of the villas is expected to bring a net cash inflow of Rs 1.3bn for the Group and Company.

(iii) The Company has resumed payment of its Preference Share dividends. On 5 July 2022, the Company declared a dividend of Re 0.66 per Preference Share, which represented arrears that should have been paid in June 2020 and December 2020. The amount of Rs 23.4m was fully settled in August 2022.

(iv) On 18 August 2022, The Mauritius Commercial Bank Limited has approved the release of the Sponsor Support amounting to EUR 7.3m which the Company had to furnish to the bank as conditions for the financing of Ste Anne construction works. Thus, the unutilised overdraft facility of same amount has been released on this date.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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.

The following transactions have been entered into with related parties:

		THE GROUP		THE COMPANY	
	Nature of	**2022**	2021	**2022**	2021
(i) Included in revenue are:	**Goods or Services**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Hotel packages	**-**	-	**183**	-
Beachcomber Tours	Hotel packages	**-**	-	**402**	-
Beachcomber Tours Limited	Hotel packages	**-**	-	**259**	-
Santayarea (Mauritius) Limited	Rental	**-**	-	**111**	180
Associate:					
Parure Limitée	Space rental	**279**	279	**279**	279
Other related party:					
Domaine Palm Marrakech S.A.	Other services	**98**	2,156	**-**	-

		THE GROUP		THE COMPANY	
	Nature of	**2022**	2021	**2022**	2021
(ii) Included in other income are:	**Goods or Services**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Management fees	**-**	-	**3,163**	2,526
Santayarea (Mauritius) Limited	Management fees	**-**	-	**807**	1,051
Beachcomber Training Academy Limited	Management fees	**-**	-	**1,221**	1,221
Kingfisher Ltd	Management fees	**-**	-	**483**	467
Beachcomber Holidays Limited	Management fees	**-**	-	**6,324**	-
Beachcomber Hospitality Investments Ltd	Profit on disposal	**-**	-	**149,666**	149,666
Beachcomber Hospitality Investments Ltd	Dividend income	**-**	-	**-**	36,374
Beachcomber Limited	Dividend income	**-**	-	**-**	300,000
Beachcomber Limited	Deemed distribution	**-**	-	**-**	1,342,000
Associate:					
Parure Limitée	Dividend income	**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

		THE GROUP		THE COMPANY	
	Nature of	**2022**	2021	**2022**	2021
(iii) Included in other expenses are:	**Goods or Services**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Subsidiaries:					
Beachcomber Holidays Limited	Incentive commission	-	-	**337**	-
Mautourco Ltd	Transport & carriage	-	-	**53**	56
Other related parties:					
ENL Property Ltd	Consultancy fees	**-**	43	**-**	43
ENL Limited	Secretarial fees	**2,324**	3,501	**2,324**	3,501
Domaine Palm Marrakech S.A.	Other expenses	**78,138**	72,111	**-**	-

		THE GROUP		THE COMPANY	
	Nature of	**2022**	2021	**2022**	2021
(iv) Included in staff costs are:	**Goods or Services**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Subsidiary:					
Beachcomber Training Academy Limited	Training courses	**-**	-	**1,362**	1,441

		THE GROUP		THE COMPANY	
	Nature of	**2022**	2021	**2022**	2021
(v) Included in direct expenses	**Goods or Services**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Subsidiary:					
Santayarea (Mauritius) Limited	Cost of sales	**-**	-	**6,878**	**-**

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

		THE GROUP		THE COMPANY	
(vi) Included in finance costs are:	**Nature of Goods or Services**	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Interest on call account with subsidiaries:					
Mautourco Ltd	Interest on call account	**-**	-	**-**	759
Beachcomber Marketing Interest on (Pty) Ltd	Interest on call account	**-**	-	**18,474**	11,034
Interest on lease liability:					
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Interest on lease liability	**-**	-	**288,421**	289,390
Beachcomber Limited	Interest on lease liability	**-**	-	**351**	422
Other related parties:					
Leisure Property Northern (Mauritius) Ltd	Interest on loan	**115,929**	113,074	**-**	-
New Mauritius Hotels Superannuation Fund	Interest on lease liability	**27,451**	26,868	**27,451**	26,868
Monda Building (Pty) Ltd	Interest on lease liability	**1,061**	1,254	**-**	-
Included in interest on loans and overdrafts:					
Subsidiary:					
Beachcomber Limited	Interest on loans and overdrafts	**-**	-	**8,456**	9,568

		THE GROUP		THE COMPANY	
(vii) Included in finance revenue:	**Nature of Goods or Services**	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Subsidiary:					
Beachcomber Hospitality Investments Ltd	Interest on loan receivable	**-**	-	**143,040**	142,071
Other related party:					
Semaris Ltd	Modification (loss)/gain on loan receivable	**(64,257)**	9,825	**(64,257)**	9,825
Semaris Ltd	Interest on loan receivable	**60,899**	65,163	**60,899**	65,163

	THE GROUP		THE COMPANY	
(viii) Included in financial assets at amortised cost balances are:	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Subsidiaries:				
Beachcomber Tours	**-**	-	**28,658**	-
Beachcomber Tours Limited	**-**	-	**33,069**	-
Beachcomber Marketing (Pty) Ltd	**-**	-	**43,067**	-
Mautourco Ltd	**-**	-	**2,708**	-
Beachcomber Training Academy Limited	**-**	-	**468**	1,345
Kingfisher Ltd	**-**	-	**55**	898
Les Salines Development Ltd	**-**	-	**1,683**	1,678
Les Salines Golf & Resort Limited	**-**	-	**9,890**	-
Plaisance Catering Limited	**-**	-	**76**	76
Royal Garden Ltd	**-**	-	**-**	312
Beachcomber Holidays Limited	**-**	-	**8,053**	-
Société Pur Blanca	**-**	-	**115**	111
Beachcomber Hospitality Investments Ltd	**-**	-	**954**	36,383
Beachcomber Limited	**-**	-	**-**	615
Santayarea (Mauritius) Limited	**-**	-	**576**	922
Domaine de l'Harmonie Ltd	**-**	-	**2**	-

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

	THE GROUP		THE COMPANY	
(viii) Included in financial assets at amortised cost balances are: (cont'd)	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Associates:				
Parure Limitée	**181**	-	**181**	-
Société Cajeva	**12,919**	12,919	**12,919**	12,919
Other related parties:				
Semaris Ltd	**48,969**	37,116	**48,969**	37,116
Les Salines IHS Ltd	**33,750**	33,750	**-**	-
Les Salines PDS Ltd	**76**	-	**76**	-
ENL Agri Ltd	**8**	41	**8**	41
ENL Property Ltd	**-**	551	**-**	551
Fondation Espoir Développement	**104**	118	**104**	118
Kingfisher 3 Ltd	**27**	30	**1**	1
New Mauritius Hotels Superannuation Fund	**184**	403	**184**	403
Praslin Resort Ltd	**6,595**	6,560	**-**	-
Domaine Palm Marrakech S.A.	**94**	2,329	**-**	-

	THE GROUP		THE COMPANY	
(ix) Included in the loan at call payable to subsidiary balance is:	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Subsidiary:				
Loan at call payable to Beachcomber Marketing (Pty) Ltd	**-**	-	**417,954**	290,634
(x) Long-term loan receivable from related party included under financial assets at amortised cost				
Subsidiary:				
Beachcomber Hospitality Investments Ltd	**-**	-	**2,169,639**	2,371,379
Other related party:				
Semaris Ltd	**1,311,431**	1,314,790	**1,311,431**	1,314,790

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

	THE GROUP		THE COMPANY	
	2022 Rs '000	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Ste Anne Resort Limited	**-**	-	**1,368,227**	1,234,853
Beachcomber Hotel S.A.	**-**	-	**340,827**	193,310
Kingfisher Ltd	**-**	-	**124,037**	124,037
Les Salines Golf & Resort Ltd	**-**	-	**230,862**	230,862
New Mauritius Hotel - Italia S.R.L.	**-**	-	**30,940**	30,940

	THE GROUP		THE COMPANY	
(xii) Included in trade and other payables balances are:	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Subsidiaries:				
Beachcomber Tours	**-**	-	**24**	13,320
Beachcomber Tours Limited	**-**	-	**5,819**	4,178
Mautourco Ltd	**-**	-	**1,946**	151
Beachcomber Training Academy Limited	**-**	-	**1,315**	263
Beachcomber Hospitality Investments Ltd	**-**	-	**1,660**	-
Royal Gardens Ltd	**-**	-	**20,153**	-
Beachcomber Holidays Limited	**-**	-	**1,250**	-
Ste Anne Resorts Limited	**-**	-	**116,238**	127,688
New Mauritius Hotel - Italia Srl	**-**	-	**3**	-
Beachcomber Limited	**-**	-	**118,801**	1,925
Santayarea (Mauritius) Limited	**-**	-	**1,697**	-
Other related parties:				
Fondation Espoir Développement (not for profit organisation)	**4,263**	1,889	**4,263**	1,888
ENL Corporate Services Ltd	**60**	575	**60**	575
ENL Property Ltd	**48**	320	**48**	320
ENL Limited	**-**	115	**-**	115
NMH Group Superannuation Fund	**2,918**	17,887	**2,918**	17,887
Gold Coast Resort Limited	**317**	240	**-**	-
Domaine Palm Marrakech S.A.	**349,201**	423,973	**-**	-

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary:				
Loans payable to Beachcomber Limited	**-**	-	**177,769**	190,000
Other related party:				
Loan payable to Leisure Property Northern (Mauritius) Ltd (minority shareholder of Beachcomber Hospitality Investments Ltd)	**1,734,188**	1,895,438	**-**	-

(xiv) Included in "lease liabilities":

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Subsidiaries:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Beachcomber Hospitality Investments Ltd	**-**	-	**5,651,283**	6,091,225
Beachcomber Limited	**-**	-	**5,879**	6,527
Other related parties:				
Monda Building (Pty) Ltd	**15,639**	18,528	**-**	-
New Mauritius Hotels Superannuation Fund	**344,199**	336,608	**344,199**	336,608

Terms and conditions of transactions with related parties
Outstanding balances at period end are unsecured and settlement is occurred in cash. The Company has acted as sponsor for an amount of EUR 7.3m for one of its subsidiaries in Seychelles, Ste Anne Resort Limited, relating to the redevelopment of Ste Anne hotel. For the financial year, the Group and Company assessed recoverability of amounts owed by related parties and no impairment loss was recorded (2021: 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 31.

Loans from related parties
Loan payable at call to Beachcomber Marketing (Pty) Ltd bears an interest rate of 4.10% per annum (2021: 4.10%) (Note 45).

Loans payable to Beachcomber Limited amounting to Rs 150m and Rs 27.8m bear an interest rate of PLR - 1.25% and a fixed rate of 1.5% with maturity dates on 30 December 2027 and 25 September 2024 respectively (Note 43).

Loans to related party
Loan receivable from Beachcomber Hospitality Investments Ltd bears a fixed interest rate of 6.25% per annum (2021: 6.25%) (Note 34).

Loans to other related party
Loan receivable from Semaris Ltd bears a fixed interest rate of 5% per annum (2021: 5%) (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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Short-term employee benefits and termination settlements	**193,294**	141,743	**148,639**	122,335
Post-employment benefits	**21,129**	11,778	**18,847**	9,804
	214,423	153,521	**167,486**	132,139

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

18. Revenue

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Revenue from contracts with customers (Note (a))	**7,703,822**	981,161	**5,658,267**	662,062
Rental income and recoverable lease expenses (Note (c))	**411,665**	155,671	**-**	-
	8,115,487	1,136,832	**5,658,267**	662,062

(a) Revenue from contracts with customers

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Timing of revenue recognition:				
At a point in time	**2,396,913**	471,294	**2,079,039**	373,156
Over time	**5,306,909**	509,867	**3,579,228**	288,906
	7,703,822	981,161	**5,658,267**	662,062

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

18. Revenue (cont'd)

(b) Liabilities related to contracts with customers

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July	**298,878**	349,325	**219,895**	220,102
Amounts included in contract liabilities that were recognised as revenue during the year	**(412,398)**	(37,148)	**(335,541)**	(249)
Cash received in advance of performance and not recognised as revenue during the year	**720,498**	155,700	**623,900**	125,366
Deposits received in advance of performance that were refunded during the year*	**(70,103)**	(182,866)	**(70,103)**	(125,324)
Exchange differences	**(4,401)**	13,867	**-**	-
At 30 June	**532,474**	298,878	**438,151**	219,895

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	
	2022	2021
	Rs '000	Rs '000
Rental income	**383,003**	155,671
Recoverable lease expenses	**28,662**	-
	411,665	155,671

The recoverable property expenses, in line with IFRS 16, relate to expenditure that is directly recoverable from tenants.

19. Staff costs

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Wages, salaries, fees and bonuses	**2,180,023**	1,726,717	**1,601,772**	1,414,127
Social costs	**289,488**	157,082	**231,257**	123,033
Other employee benefits and related expenses	**705,047**	510,715	**621,758**	490,769
	3,174,558	2,394,514	**2,454,787**	2,027,929
Government Wage Assistance Scheme (Note 4(k))	**(449,856)**	(1,043,766)	**(422,444)**	(921,826)
	2,724,702	1,350,748	**2,032,343**	1,106,103

20. Other expenses

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Operating supplies and cleaning expenses	**325,332**	137,809	**272,022**	111,049
Repairs and maintenance	**369,696**	145,590	**320,101**	115,625
Utility costs	**401,881**	231,358	**339,261**	171,134
Marketing expenses *	**736,594**	195,256	**352,496**	158,336
Guest entertainment	**117,908**	25,324	**95,010**	9,892
Administrative expenses**	**465,525**	321,696	**321,760**	175,113
Licences, patents, insurance and taxes	**128,123**	98,071	**111,028**	78,914
	2,545,059	1,155,104	**1,811,678**	820,063
Straight-lining adjustment	**-**	-	**-**	(170,918)
	2,545,059	1,155,104	**1,811,678**	649,145

* Marketing expenses include a provision of Rs 60m for both Group and Company (2021: Nil) 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. Please refer to Note 13 for further details.

** Administrative expenses mainly include legal and professional fees, credit card commissions, security contracts and bank charges.

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

21. Finance revenue

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Exchange gain on retranslation of receivable from subsidiary	**-**	267,422	**-**	267,422
Exchange gain on currency borrowings	**135,667**	-	**135,667**	-
Interest income	**13,664**	78,649	**139,682**	217,059
	149,331	346,071	**275,349**	484,481

Included in interest income of the Company is an amount of Rs 143m (2021: Rs 142.1m) pertaining to interest on shareholder's loan to BHI and interest of Rs 60.9m (2021: Rs 65.2m) on loan to Semaris Ltd, an entity under common control.

In the financial year 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 (2021: modification gain of Rs 9.8m).

22. Finance costs

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Exchange loss on loan at call account	**12,605**	22,747	**-**	-
Exchange loss on currency borrowings	**-**	135,318	**-**	130,185
Exchange loss on retranslation of receivable from subsidiary	**205,232**	-	**205,232**	-
	217,837	158,065	**205,232**	130,185
Dividends on preference shares	**24,457**	24,068	**24,457**	24,068
Interest costs on:				
Bank overdrafts	**74,371**	81,896	**49,735**	56,371
Loans	**629,041**	588,515	**338,056**	284,692
Debentures and fixed-rate secured notes	**211,129**	197,003	**108,594**	128,006
Lease liabilities (Note 28(ii))	**174,834**	178,193	**438,807**	421,082
Call account with subsidiary (Note 17(vi))	**-**	-	**18,474**	11,034
Others	**8,505**	7,416	**17**	3,539
	1,122,337	1,077,091	**978,140**	928,792
Less borrowing costs capitalised (Note 29)	**-**	(68,997)	**-**	-
	1,122,337	1,008,094	**978,140**	928,792
	1,340,174	1,166,159	**1,183,372**	1,058,977

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.

Borrowing costs capitalised are analysed as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest cost on bank loans and overdrafts and debentures included in:				
Investment property (Note 29)	**-**	68,997	**-**	-
Total borrowing costs capitalised	**-**	68,997	**-**	-

23. Other income

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Other operating income	**45,772**	34,602	**23,918**	21,964
Investment income - quoted	**349**	-	**349**	-
- unquoted	**11**	34	**11**	336,408
	46,132	34,636	**24,278**	358,372

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

24. Other gains/(losses)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net fair value (loss)/gain on derivatives	**(1,145)**	781	**(1,145)**	781
Net ineffectiveness on cash flow hedges	**-**	(224,499)	**-**	(224,499)
Cash flow hedges released to profit or loss	**(66,142)**	-	**(66,142)**	-
Net foreign exchange gain/(loss)	**146,032**	(227,906)	**160,902**	(198,224)
	78,745	(451,624)	**93,615**	(421,942)

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.

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 necessitate 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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
The major components of income tax for the year ended 30 June 2022 and 30 June 2021 are:				
Statements of profit or loss:				
Income tax on the adjusted profit for the year at 15% to 30% (2021: 15% to 30%)	**(75,081)**	(20,427)	**-**	-
Corporate Social Responsibility (CSR)	**(7,860)**	(5,252)	**(4,080)**	(2,909)
Deferred tax movement (Note 25 (b))	**62,723**	556,093	**118,858**	601,135
Underprovision of tax and deferred tax in previous year	**-**	(25,273)	**-**	(22,457)
Income tax (expense)/credit	**(20,218)**	505,141	**114,778**	575,769

	THE GROUP		THE COMPANY	
Statements of other comprehensive income:	**2022**	2021	**2022**	2021
Deferred tax relating to items recognised in other comprehensive income	**Rs '000**	Rs '000	**Rs '000**	Rs '000
(Gains)/losses on cash flow hedges	**-**	-	**(89,234)**	117,305
Revaluation of land and buildings	**(318,724)**	-	**(243,500)**	-
Remeasurement of employee benefit liabilities	**(33,300)**	(220,465)	**(31,673)**	(218,586)
	(352,024)	(220,465)	**(364,407)**	(101,281)

	THE GROUP		THE COMPANY	
Statements of financial position:	**2022**	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July	**22,082**	9,599	**6,039**	5,993
Income tax on the adjusted profit for the year at 15% to 30% (2021: 15% to 30%)	**(82,941)**	(28,424)	**(4,080)**	(2,909)
Exchange differences	**(2,389)**	24,703	**-**	-
Payment during the year	**55,659**	16,204	**4,215**	2,955
At 30 June	**(7,589)**	22,082	**6,174**	6,039
Analysis of tax position at year end:				
Income tax prepaid	**10,595**	27,285	**6,174**	6,039
Income tax payable	**(18,184)**	(5,203)	**-**	-
	(7,589)	22,082	**6,174**	6,039

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

25. Income tax (cont'd)

(a) Current 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 year ended 30 June 2022 and 30 June 2021 are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Profit/(Loss) before tax	**65,580**	(3,635,283)	**(737,730)**	(1,383,515)
Tax calculated at a tax rate of 15% to 30% (2021: 15% to 30%)	**(61,364)**	528,160	**110,660**	207,527
Corporate Social Responsibility (CSR)	**(7,860)**	(5,252)	**(4,080)**	(2,909)
Effect of temporary difference on CSR	**14,755**	24,022	**14,755**	24,022
Expenses not deductible for tax purposes	**(50,369)**	(139,033)	**(30,380)**	(54,092)
Deferred tax asset not recognised	**(940)**	(107,350)	**-**	-
Utilisation of previous tax losses	**8,317**	-	**-**	-
Underprovision of tax and deferred tax	**-**	(25,273)	**-**	(22,457)
Other movement	**-**	(19,845)	**-**	-
Adjustment for overlap of profit	**-**	35,399	**-**	23,648
Taxation of lease rental	**-**	10,285	**-**	10,285
Current account written back	**-**	-	**-**	209,097
Income not subject to tax	**77,243**	204,028	**23,823**	180,648
Tax (expense)/credit	**(20,218)**	505,141	**114,778**	575,769

(b) Deferred tax

The Group has determined that deferred tax assets cannot be recognised on tax losses of Rs 2,887m (2021: Rs 2,341m) 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 2,887m (2021: Rs 2,341m) for unrecognised deferred tax assets, an amount of Rs 2,874m (2021: Rs 2,333m) can be utilised indefinitely.

Tax losses for which no deferred tax asset was recognised expire as follows:

	THE GROUP	
	2022	2021
Tax year of assessment	**Rs '000**	Rs '000
Year 1 - 2023/2024	**-**	-
Year 2 - 2024/2025	**17**	-
Year 3 - 2025/2026	**2,406**	18
Year 4 - 2026/2027	**4,537**	2,630
Year 5 - 2027/2028	**5,991**	4,959
	12,951	7,607

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

25. Income tax (cont'd)

(b) Deferred tax (cont'd)

THE GROUP

Deferred taxes as at 30 June 2022 and 30 June 2021 relate to the following:

	Statements of Financial Position		Statements of Profit or Loss		Statements of Other Comprehensive Income	
	2022	2021	**2022**	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Deferred tax liabilities						
Accelerated capital allowances	**1,802,052**	1,843,046	**40,994**	(56,756)	**-**	-
Asset revaluation	**1,246,962**	928,238	**-**	-	**(318,724)**	-
Right-of-use assets	**249,314**	260,580	**11,266**	127,771	**-**	-
Exchange differences	**29,488**	39,318	**-**	-	**9,830**	(5,740)
	3,327,816	3,071,182				
Deferred tax assets						
Losses available for offsetting against future taxable income	**(1,166,117)**	(1,160,932)	**5,185**	499,724	**-**	-
Employee benefit liabilities	**(311,845)**	(340,204)	**4,941**	28,127	**(33,300)**	(220,465)
Provision & others	**(18,060)**	(13,701)	**4,359**	1,537	**-**	-
Lease liabilities	**(303,848)**	(307,870)	**(4,022)**	(66,767)	**-**	-
Exchange differences	**(53,874)**	(57,272)	**-**	-	**(3,398)**	15,498
	(1,853,744)	(1,879,979)				
Deferred tax liabilities (net)	**1,474,072**	1,191,203				
Disclosed as follows:						
Deferred tax assets	**(222,978)**	(247,011)				
Deferred tax liabilities	**1,697,050**	1,438,214				
	1,474,072	1,191,203				
Deferred tax credited to profit or loss			**62,723**	533,636		
Deferred tax charged to other comprehensive income					**(345,592)**	(210,707)

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.

THE COMPANY	Statements of Financial Position		Statements of Profit or Loss		Statements of other Comprehensive Income	
	2022	2021	**2022**	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Deferred tax liabilities						
Accelerated capital allowances	**1,290,684**	1,380,837	**90,153**	26,341	**-**	-
Asset revaluation	**772,250**	528,750	**-**	-	**(243,500)**	-
Right-of-use assets	**1,020,820**	1,032,793	**11,973**	127,771	**-**	-
Deferred tax assets						
Losses available for offsetting against future taxable income	**(889,790)**	(890,827)	**(1,037)**	447,022	**-**	-
Provision & others	**(15,900)**	(13,050)	**2,850**	8,096	**-**	-
Employee benefit liabilities	**(299,740)**	(332,109)	**(696)**	29,789	**(31,673)**	(218,586)
Lease liabilities	**(1,272,629)**	(1,346,248)	**15,615**	(60,341)	**(89,234)**	117,305
Net deferred tax liabilities	**605,695**	360,146				
Deferred tax credited to profit or loss			**118,858**	578,678		
Deferred tax charged to other comprehensive income					**(364,407)**	(101,281)

The tax losses due to operation expire on a rolling basis over 5 years whereas capital allowances can be utilised indefinitely for the Company.

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

26. 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 the 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	
		2022	2021
		Rs '000	Rs '000
Loss attributable to ordinary equity holders of the parent:		**(64,770)**	(3,173,492)
Weighted average number of ordinary shares for basic EPS ('000)		**548,982**	548,982
Basic and diluted loss per share:	Rs	**(0.12)**	(5.78)

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 straight-line method over the lease term of the leasehold land on which the buildings are found.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

27. Property, plant and equipment (cont'd)

Accounting Policy (cont'd)

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 Fairmont Royal Palm Marrakech, renovation work at Paradis Beachcomber Golf Resort & Spa, Shandrani Beachcomber Resort & Spa and preliminary work at Les Salines Golf & Resort Limited.

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 their 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.

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	Buildings	Other Fixed Assets	Motor Vehicles	Work in Progress	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Cost and valuation						
At 1 July 2020	2,439,996	18,908,925	6,478,675	118,218	466,729	28,412,543
Additions	-	30,164	57,724	2,009	275,741	365,638
Transfer	-	42,944	4,402	-	(47,346)	-
Disposals	-	-	(55,926)	(38,579)	-	(94,505)
Scrapped	-	-	(64,018)	-	-	(64,018)
Reclassifications	-	-	1,050	(1,050)	-	-
Transfer from right-of-use assets (Note 28)	-	-	10,842	58,613	-	69,455
Transfer to investment property (Note 30)	-	-	(183,922)	-	(43,935)	(227,857)
Exchange differences	70,507	352,988	244,540	3,421	26,821	698,277
At 30 June 2021	2,510,503	19,335,021	6,493,367	142,632	678,010	29,159,533

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

27. Property, plant and equipment (cont'd)

THE GROUP	Freehold Land	Buildings	Other Fixed Assets	Motor Vehicles	Work in Progress	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 1 July 2021	2,510,503	19,335,021	6,493,367	142,632	678,010	29,159,533
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	**2,640,143**	**21,375,942**	**6,592,775**	**148,184**	**400,962**	**31,158,006**
Depreciation						
At 1 July 2020	-	408,721	4,554,770	27,286	-	4,990,777
Charge for the year	-	203,928	427,132	19,240	-	650,300
Disposals	-	-	(48,023)	(25,306)	-	(73,329)
Scrapped	-	-	(63,760)	-	-	(63,760)
Transfer from right-of-use assets (Note 28)	-	-	9,239	46,930	-	56,169
Transfer to investment property (Note 29)	-	-	(172,037)	-	-	(172,037)
Exchange differences	-	6,280	147,240	2,033	-	155,553
At 30 June 2021	-	618,929	4,854,561	70,183	-	5,543,673
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	**-**	**253,506**	**5,129,829**	**82,983**	**-**	**5,466,318**
Net Book Values						
At 30 June 2022	**2,640,143**	**21,122,436**	**1,462,946**	**65,201**	**400,962**	**25,691,688**
At 30 June 2021	2,510,503	18,716,092	1,638,806	72,449	678,010	23,615,860

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 2020	1,658,478	12,075,809	4,952,379	51,351	79,112	18,817,129
Additions	-	30,114	47,826	-	153,379	231,319
Transfer	-	17,361	2,105	-	(19,466)	-
Transfer from right-of-use assets (Note 28)	-	-	10,842	58,613	-	69,455
Reclassifications	-	-	1,050	(1,050)	-	-
Disposals	-	-	(47,865)	(19,753)	-	(67,618)
Scrapped	-	-	(62,681)	-	-	(62,681)
At 30 June 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**
Depreciation						
At 1 July 2020	-	196,600	3,602,859	34,447	-	3,833,906
Charge for the year	-	122,823	292,518	1,985	-	417,326
Transfer from right-of-use assets (Note 28)	-	-	9,239	46,930	-	56,169
Disposals	-	-	(41,431)	(15,278)	-	(56,709)
Scrapped	-	-	(62,423)	-	-	(62,423)
At 30 June 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**
Net Book Values						
At 30 June 2022	**1,813,601**	**13,553,816**	**980,210**	**18,404**	**161,560**	**16,527,591**
At 30 June 2021	1,658,478	11,803,861	1,102,894	21,077	213,025	14,799,335

(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.

At the end of the financial year 2021, the subsidiary, Ste Anne Resort Limited, transferred part of its other fixed assets and work in progress to investment property. The hotel was rented to Club Med SAS upon completion of renovation work in February 2021.

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 was 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.

THE GROUP

		Year ended 30 June 2022 Range	Year ended 30 June 2021 Range
Significant unobservable valuation input			
Open Market Value basis			
Price per square metre:	- Freehold land	**Rs 1,024 - Rs 7,900**	Rs 1,345 - Rs 3,675
	- Building	**Rs 8,000 - Rs 90,000**	Rs 39,907 - Rs 62,491
Discounted Cash Flow basis - Building			
Discount rate		**12.0%**	11.0%
Growth rate		**2.5%**	2.0%

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 2022 Rs '000	Year ended 30 June 2021 Rs '000	**Year ended 30 June 2022 Rs '000**	Year ended 30 June 2021 Rs '000
Cost	**18,617,182**	18,028,524	**10,013,223**	9,561,096
Accumulated depreciation	**(1,882,321)**	(1,697,269)	**(1,254,408)**	(1,156,619)
Net book values	**16,734,861**	16,331,255	**8,758,815**	8,404,477

(c) Property, plant and equipment given as collateral for bank borrowings are included in assets.

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 they convey 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.

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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Right-of-use assets and lease liabilities (cont'd)

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 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.

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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Right-of-use assets and lease liabilities (cont'd)

(i) **RIGHT-OF-USE-ASSETS**

THE GROUP	**Land and Buildings**	**Leasehold Rights**	**Plant and Machinery and Motor Vehicles**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**
At 1 July 2020	2,192,216	363,450	213,480	2,769,146
Additions	-	-	41,717	41,717
Depreciation	(50,012)	(49,671)	(55,976)	(155,659)
Transfer to property, plant and equipment (Note 27)	-	-	(13,286)	(13,286)
Transfer to investment property (Note 29)	(288,169)	(23,601)	-	(311,770)
Variable lease payment adjustment	6,447	-	-	6,447
Disposals	-	-	(7,560)	(7,560)
Exchange differences	20,966	864	10,442	32,272
At 30 June 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
Write off	-	-	(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**

THE COMPANY	**Land and Buildings ***	**Leasehold Rights**	**Plant Machinery and Motor Vehicles**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**
At 1 July 2020	4,903,963	115,563	97,740	5,117,266
Remeasurement of right-of-use assets	(79,211)	-	-	(79,211)
Additions	-	-	36,020	36,020
Depreciation	(316,449)	(2,342)	(31,418)	(350,209)
Transfer to property, plant and equipment (Note 27)	-	-	(13,286)	(13,286)
Variable lease payment adjustment	6,447	-	-	6,447
At 30 June 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**

* Included in land and buildings is a profit on a sale and leaseback transaction netted off as per IFRS 16 (refer to Note 47).

28. Right-of-use assets and lease liabilities (cont'd)

(ii) **LEASE LIABILITIES**

THE GROUP	Land and Buildings Rs '000	Plant, Machinery and Motor Vehicles Rs '000	Total Rs '000
At 1 July 2020	2,175,115	204,420	2,379,535
Additions	-	40,784	40,784
Interest expense	169,739	8,454	178,193
Lease payments	(33,826)	(66,618)	(100,444)
Variable lease payments adjustment	6,447	-	6,447
Rent concessions**	(126,553)	-	(126,553)
Exchange differences	18,367	10,318	28,685
At 30 June 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**

Disclosed as:	2022 Rs '000	2021 Rs '000
Non-current	**2,277,657**	2,280,396
Current	**80,237**	126,251
	2,357,894	2,406,647

THE COMPANY	Land and Buildings Rs '000	Plant Machinery and Motor Vehicles Rs '000	Total Rs '000
At 1 July 2020	7,487,153	96,860	7,584,013
Remeasurement of lease liabilities	(79,211)	-	(79,211)
Additions	-	35,088	35,088
Interest expense	414,842	6,240	421,082
Lease payments	(435,960)	(45,018)	(480,978)
Variable lease payments adjustment	6,447	-	6,447
Rent concessions**	(164,372)	-	(164,372)
Exchange differences	689,446	-	689,446
At 30 June 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**

Disclosed as:	2022 Rs '000	2021 Rs '000
Non-current	**7,132,372**	7,715,290
Current	**441,439**	296,225
	7,573,811	8,011,515

** Rent concessions relate to waiver and deferral received on leasehold land from the Government and on rental of buildings from other parties respectively.

28. Right-of-use assets and lease liabilities (cont'd)

(ii) **LEASE LIABILITIES (cont'd)**

Maturity analysis of lease liabilities	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Minimum lease payments:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
- Within one year	**265,134**	323,774	**863,256**	741,437
- After one year and before two years	**251,697**	281,476	**864,919**	906,008
- After two years and before five years	**633,714**	730,010	**2,665,068**	2,942,437
- After five years	**7,128,027**	7,719,468	**9,219,779**	9,622,586
	8,278,572	9,054,728	**13,613,022**	14,212,468
Less: Future finance charges on obligations under lease liabilities	**(5,920,678)**	(6,648,081)	**(6,039,211)**	(6,200,953)
Present value of obligations under lease liabilities	**2,357,894**	2,406,647	**7,573,811**	8,011,515
Present value analysed as follows:				
Current				
- Within one year	**80,237**	126,251	**441,439**	296,225
Non-current				
- After one year and before two years	**84,170**	87,027	**466,210**	482,642
- After two years and before five years	**146,555**	155,025	**1,621,629**	1,851,766
- After five years	**2,046,932**	2,038,344	**5,044,533**	5,380,882
	2,277,657	2,280,396	**7,132,372**	7,715,290
	2,357,894	2,406,647	**7,573,811**	8,011,515

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 of 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 2022

THE GROUP	*Lease Contracts Number*	*Fixed Payments %*	*Variable Payments %*	*Sensitivity Rs*
Property leases with payments linked to inflation	12	-	92%	217,329
Property leases with periodic uplifts to market rentals	-	-	-	-
Property leases with fixed payments	1	-	-	653
Leases of plant and equipment	2	3%	-	6,354
Vehicle leases	159	5%	-	11,453
	174	**8%**	**92%**	**235,789**

THE COMPANY	*Lease Contracts Number*	*Fixed Payments %*	*Variable Payments %*	*Sensitivity Rs*
Property leases with payments linked to inflation	10	-	99%	748,017
Property leases with periodic uplifts to market rentals	-	-	-	-
Property leases with fixed payments	1	-	-	588
Leases of plant and equipment	-	-	-	-
Vehicle leases	87	1%	-	8,776
	98	**1%**	**99%**	**757,381**

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)**

30 June 2021

THE GROUP	***Lease Contracts Number***	***Fixed Payments %***	***Variable Payments %***	***Sensitivity Rs***
Property leases with payments linked to inflation	13	-	92%	220,929
Property leases with periodic uplifts to market rentals	-	-	-	-
Property leases with fixed payments	-	-	-	-
Leases of plant and equipment	3	3%	-	7,891
Vehicle leases	150	5%	-	11,846
	166	**8%**	**92%**	**240,666**

THE COMPANY	***Lease Contracts Number***	***Fixed Payments %***	***Variable Payments %***	***Sensitivity Rs***
Property leases with payments linked to inflation	11	-	99%	791,182
Property leases with periodic uplifts to market rentals	-	-	-	-
Property leases with fixed payments	1	-	-	653
Leases of plant and equipment	-	-	-	-
Vehicle leases	127	1%	-	9,317
	139	**1%**	**99%**	**801,152**

(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.

	2022	2021
THE GROUP	**Rs '000**	Rs '000
Interest expense (included in finance cost)	**174,834**	178,193
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	**-**	-
THE COMPANY		
Interest expense (included in finance cost)	**438,807**	421,082
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	**-**	-

The total cash outflow for leases in 2022 was Rs 287.0m for the Group and Rs 774.9m for the Company (2021: Rs 100.4m for the Group and Rs 481.0m 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 when 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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

29. Investment property (cont'd)

Accounting Policy (cont'd)
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.

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	
	2022	2021
	Rs '000	Rs '000
At 1 July	**6,044,214**	3,319,575
Transfer from property, plant and equipment (Note 27)	**-**	55,820
Transfer from right-of-use assets (Note 28)	**-**	311,770
Additions	**64,485**	1,899,422
Change in fair value	**(19,063)**	(95,872)
Exchange differences	**(516,208)**	553,499
At 30 June	**5,573,428**	6,044,214

In 2021, borrowing costs capitalised and included in capital expenditure amounted to Rs 69m. The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.65% which is the weighted average interest rate of the specific borrowing facilities. No borrowings costs were capitalised during the financial year ended 30 June 2022.

(i) Measuring investment property at fair value
Investment property was valued as at 30 June 2022 by Noor Dilmohamed and Associates, Mauritius, an accredited independent valuer with a recognised professional qualification (Certified Practising Valuer (Australia) & Registered Valuer) with relevant experience. The valuation was performed in accordance with the International Valuation Standards Committee requirements, and the valuation model is consistent with the 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 the approach by which investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

In the current year, the valuations include the right of use of land, lease incentives and plant, furniture and fittings.

The discounted fair value of investment property as estimated by the valuer was adjusted with contractual head lease liabilities recognised separately.

(ii) Fair value hierarchy
The fair value measurement hierarchy for investment property as at 30 June 2022 was Level 3 – Significant unobservable inputs (2021: Level 3). There were no transfers between Levels 1, 2 or 3 during the year.

Description of valuation techniques used and key inputs to valuation are as follows:

Nature & Location	**Valuation technique**	**Significant unobservable inputs**	**Range**
Hotel built on Ste Anne Island, Seychelles	DCF method	Rent growth p.a.	2.00%
		Discount rate	9.00%
		Terminal yield	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	THE GROUP	
	2022	2021
	Rs '000	Rs '000
Rental income from operating leases	**383,003**	155,608
Recoverable lease expenses	**28,662**	-
Direct operating expenses that generated rental income	**-**	-
Direct operating expenses that did not generate rental income	**(477)**	(59,736)
Net change from fair value remeasurement	**(19,063)**	(95,872)

(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.

(v) Investment property pledged as security
Refer to Note 43 for information on non-current assets pledged as security by the Company.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

29. Investment property (cont'd)

(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 rentals shall be increased each year, on the annual anniversary date of the commencement date by the higher of 1% or 2/3 of the average Harmonised Index of Consumer Prices (HICP) annual average inflation rate, subject to a maximum increase of 2% in every year. Credit risk is minimised by mandating rental collection at the beginning of each lease period.

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.

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 are 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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

30. Intangible assets (cont'd)

THE GROUP	**Goodwill arising on Acquisition**	**Patents**	**Licences**	**Computer Software**	**Total**
Cost	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
At 1 July 2020	1,253,117	1,580	3,150	125,242	1,383,089
Additions	-	486	-	8,601	9,087
Write-off	-	-	(3,383)	(9,257)	(12,640)
Exchange differences	-	-	233	3,043	3,276
At 30 June 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**
Amortisation					
At 1 July 2020	-	-	3,150	89,910	93,060
Write-off	-	-	(3,383)	(9,257)	(12,640)
Amortisation charge	-	-	-	18,476	18,476
Exchange differences	-	-	233	1,806	2,039
At 30 June 2021	-	-	-	100,935	100,935
Amortisation charge	-	-	-	18,273	18,273
Exchange differences	-	-	-	248	248
At 30 June 2022	**-**	**-**	**-**	**119,456**	**119,456**
Net book values					
At 30 June 2022	**1,253,117**	**2,066**	**-**	**18,409**	**1,273,592**
At 30 June 2021	1,253,117	2,066	-	26,694	1,281,877

THE COMPANY	**Goodwill arising on Acquisition**	**Computer Software**	**Total**
Cost	**Rs '000**	**Rs '000**	**Rs '000**
At 1 July 2020	1,089,892	51,264	1,141,156
Additions	-	6,909	6,909
At 30 June 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**
Amortisation			
At 1 July 2020	-	37,243	37,243
Amortisation charge	-	10,806	10,806
At 30 June 2021	-	48,049	48,049
Amortisation charge	-	12,151	12,151
At 30 June 2022	**-**	**60,200**	**60,200**
Net book values			
At 30 June 2022	**1,089,892**	**6,382**	**1,096,274**
At 30 June 2021	1,089,892	10,124	1,100,016

(a) Cash-generating units	**Allocation of Goodwill**	
	2022	2021
	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.

30. Intangible assets (cont'd)

(a) Cash-generating units (cont'd)

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 11.7% to 11.8% (pre-tax) and 10.4% (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 9.0%. The significant assumptions as follows are deemed conservative: (i) the lease agreement started in February 2021 and lasts for 12 years and rental income will increase by 2% 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, 12.5% (pre-tax) and 12.3% (pre-tax) for France and UK operations respectively.

- 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 of 2.0% was applied in Mauritian entities. A growth rate range of 1.5% to 2.0% growth rate 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 are 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.

	THE COMPANY	
	2022	2021
(a) Cost (Unquoted)	**Rs '000**	Rs '000
At 1 July	**6,933,974**	6,590,548
Additions during the year (Note (ii))	**-**	212,641
Transfer from amount due from subsidiaries (i)	**280,891**	315,422
Impairment losses (Note 15)	**-**	(184,637)
At 30 June	**7,214,865**	6,933,974
Analysed as follows:		
Unquoted equity instruments	**5,226,074**	5,410,711
Interest-free loans	**1,988,791**	1,707,900
Impairment for the year	**-**	(184,637)
	7,214,865	6,933,974

(i) During the year, additional balances of Rs 147.5m for Beachcomber Hotel S.A and Rs 133.4m for Ste Anne Resort Limited 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.

Last year, additional balances of Rs 230.9m for Les Salines Golf & Resort, Rs 69m for Kingfisher Ltd, Rs 15.5m for Beachcomber Hotel S.A 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.

(ii) Additions in 2021 relate mainly to the acquisition of Beachcomber Tours UK (Holding: 100%) from Beachcomber Limited for a consideration of Rs 202.4m (GBP 3.9m) and additional shares of Rs 10.2m in Société Pur Blanca. All additions in the year were non-cash transactions except for the acquisition of additional shares in Société Pur Blanca.

(iii) There was no disposal during both the current and prior year.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

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.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
(a) At 1 July	**634,908**	633,338	**18,307**	18,307
Share of results of associates recognised in profit or loss	**14,767**	(1,668)	**-**	-
Share of results of associates recognised in other comprehensive income	**69,457**	3,238	**-**	-
Dividends	**(2,416)**	-	**-**	-
At 30 June	**716,716**	634,908	**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 2022	**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	**989,093**	**4,653,655**	**710,193**	**639,332**	**201,663**	**577,564**	**66,246**	**427,228**	**493,474**	**-**
30 June 2021										
South West Tourism Development Ltd and its subsidiaries	501,207	5,155,850	1,469,698	589,273	120,630	625,481	(8,325)	16,914	8,589	-

The summarised financial information above represents amounts shown in the associates' financial statements prepared in accordance with IFRSs.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

32. Investment in associates (cont'd)

(c) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

30 June 2022	Opening Net Assets Rs '000	Profit/(Loss) for the Year Rs '000	Other Comprehensive Income Rs '000	Total Comprehensive Income Rs '000	Dividends Rs '000	Closing Net Assets Rs '000	Ownership Interest %	Interest in Associates Rs '000	Carrying Value Rs '000
South West Tourism Development Ltd and its subsidiaries	**3,598,086**	**66,246**	**427,228**	**493,474**	**-**	**4,091,560**	**16.30%**	**666,918**	**666,918**
30 June 2021									
South West Tourism Development Ltd and its subsidiaries	3,589,497	(8,325)	16,914	8,589	-	3,598,086	16.30%	586,488	586,488

(d) Aggregate information of associates that are not individually material

	THE GROUP	
	2022	2021
	Rs '000	Rs '000
Carrying amount of interests	**49,798**	48,420
Share of loss	**3,968**	(172)
Share of other comprehensive income	**(182)**	480
Share of total comprehensive income	**3,786**	308
Share of dividends	**-**	-

(e) Share of loss not recognised amounted to Rs 481k (2021: Nil) for Société Cajeva and Sports-Event Management Operation Co. Ltd. The accumulated share of loss not recognised amounts to Rs 856k (2021: Rs 375k).

(f) None of the associates is listed on a primary market and therefore no quoted price is available for the shares.

33. Financial assets at fair value through other comprehensive income

(i) Equity investments at fair value through other comprehensive income

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July	**9,128**	9,094	**8,942**	8,932
Change in fair value recognised in other comprehensive income	**632**	34	**632**	10
At 30 June	**9,760**	9,128	**9,574**	8,942

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Quoted:				
Compagnie des Villages de Vacances de l'Isle de France Limitée (COVIFRA)	**9,488**	8,856	**9,482**	8,856
State Bank of Mauritius	**262**	262	**82**	76
Unquoted:				
Fondation Espoir Développement Beachcomber (FED)	**10**	10	**10**	10
	9,760	9,128	**9,574**	8,942

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

33. Financial assets at fair value through other comprehensive income (cont'd)

(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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Non-Current				
Long-term loan receivable (Note a)	**1,311,431**	1,318,119	**3,481,070**	3,686,169
	1,311,431	1,318,119	**3,481,070**	3,686,169
Current				
Other receivables (Note b)	**599,098**	781,188	**21,419**	59,387
Amount due from other related parties (Note 17 (viii))	**89,807**	80,898	**49,342**	38,230
Amount due from associates (Note 17 (viii))	**13,100**	12,919	**13,100**	12,919
Amount due from subsidiaries* (Note 17 (viii))	**-**	-	**129,374**	42,340
	702,005	875,005	**213,235**	152,876
Total financial assets at amortised cost	**2,013,436**	2,193,124	**3,694,305**	3,839,045

* During the financial year ended 2022, the Company did not incur any impairment loss in respect of amount due from subsidiaries (2021: Rs 31.6m).

(a) Long-term loan receivable

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Receivable from subsidiary* (Note i)	**-**	-	**2,169,639**	2,371,379
Receivable from other related party n(Note ii)	**1,311,431**	1,314,790	**1,311,431**	1,314,790
Others	**-**	3,329	**-**	-
	1,311,431	1,318,119	**3,481,070**	3,686,169

* During the current financial year, advances were provided to the subsidiary of Eur 1.3m which was fully repaid during the year itself.

(i) On 2 December 2016, the Company entered into a shareholder loan agreement with its subsidiary Beachcomber Hospitality Investments Ltd, a company incorporated in Mauritius. The loan balance as at 30 June 2022 has a final maturity of 5 years.

Terms and conditions of the loan:
- The loan bears an interest rate of 6.25% per annum.
- The loan is unsecured.
- Interest shall be paid one month in advance on an annual basis until final maturity.

(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 was 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 in the terms of repayment of capital and interest to match the revised project feasibility following delay in the project. As at 30 June 2022, the Company recognised a remeasurement loss of Rs 64.3m (2021: gain of Rs 9.8m) 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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

34. Financial assets at amortised cost (cont'd)

(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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Euros	**-**	3,336	**2,169,639**	2,371,379
Mauritian rupees	**2,013,436**	2,189,788	**1,524,666**	1,467,666
	2,013,436	2,193,124	**3,694,305**	3,839,045

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 2022 amounted to Group and Company: Rs 351m (2021: Rs 361m) and Rs 249m (2021: Rs 252m) 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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Food and beverages	**112,126**	48,574	**103,772**	41,654
Operating equipment	**60,814**	66,077	**60,814**	66,077
Operating supplies, sales products and others	**107,052**	110,796	**93,067**	95,710
Spare parts	**45,500**	34,261	**43,891**	34,261
Goods in transit	**8,940**	-	**8,940**	-
	334,432	259,708	**310,484**	237,702

(a) During the financial year ended 2021, the Company sold the 2.04 Arpents of land at Les Salines, Mauritius with a carrying value of Rs 35.7m for a consideration of Rs 32.2m, realising a loss of Rs 3.5m.

(b) Inventories are included in assets given as collaterals for bank borrowings.

(c) No interest cost was capitalised during the year in inventories for the Group and Company (2021: Nil).

(d) Cost of inventories expensed amounts to Rs 1,234m (2021: Rs 223m) and Rs 967m (2021: Rs 194m) for the Group and Company respectively.

36. Trade receivables

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade receivables	**932,065**	273,212	**456,001**	161,706
Less: Loss allowance (Note (i))	**(43,573)**	(59,531)	**(34,124)**	(54,308)
Trade receivables - net	**888,492**	213,681	**421,877**	107,398

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 the 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 the Company that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment such 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.

36. Trade receivables (cont'd)

(i) *Impairment of trade receivables (cont'd)*
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 2022 or 01 July 2021 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 the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the 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 2022 and 30 June 2021 was determined as follows for trade receivables:

THE GROUP	**0-30 Days**	**30-60 Days**	**60-90 Days**	**90-120 Days**	**More than 120 Days**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**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**

	0-30 Days	**30-60 Days**	**60-90 Days**	**90-120 Days**	**More than 120 Days**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
At 30 June 2021						
Expected loss rate	0% - 38.42%	0% - 26.12%	13.94% - 100%	13.94% - 100%	13.94% - 100%	0% - 100%
Gross carrying amount						
- trade receivables	158,386	7,328	8,019	8,750	90,729	273,212
Less: guest in-house receivables	(10,371)	-	-	-	-	(10,371)
Less: receivables identified for specific provision	-	(993)	(2,551)	(4,920)	(58,804)	(67,268)
Net carrying amount	148,015	6,335	5,468	3,830	31,925	195,573
Loss allowance	752	55	225	101	10,949	12,082
Specific provision	-	-	-	-	47,449	47,449
Total impairment	752	55	225	101	58,398	59,531

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

36. Trade receivables (cont'd)

(i) *Impairment of trade receivables (cont'd)*

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 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**

	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 2021						
Expected loss rate	18.84%-23.90%	18.84%-23.90%	18.84%-23.90%	18.84%-23.90%	19.71%-23.90%	**18.84%-23.90%**
Gross carrying amount						
- trade receivables	54,237	7,048	7,962	8,735	83,724	**161,706**
Less: guest in-house receivables	(10,371)	-	-	-	-	**(10,371)**
Less: receivables identified for specific provision	-	(993)	(2,551)	(4,920)	(58,804)	**(67,268)**
Net carrying amount	43,866	6,055	5,411	3,815	24,920	**84,067**
Loss allowance	67	20	168	86	6,668	**7,009**
Specific provision	-	-	-	-	47,299	**47,299**
Total impairment	67	20	168	86	53,967	**54,308**

The closing loss allowances for trade receivables as at 30 June 2022 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	2022 Rs '000	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Loss allowance as at 1 July	**59,531**	94,359	**54,308**	69,584
Loss allowance recognised in profit or loss during the year for contracts with customers	**18,337**	27,892	**18,957**	(15,276)
Receivables written off during the year as uncollectible	**(28,100)**	(62,720)	**(28,050)**	-
Unused amount reversed	**(14,486)**	-	**(11,091)**	-
Exchange differences	**8,291**	-	**-**	-
At 30 June	**43,573**	59,531	**34,124**	54,308

Loss allowances recognised in profit or loss during the year:

	THE GROUP		THE COMPANY	
	2022 Rs '000	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Loss allowance recognised in profit or loss during the year for contracts with customers	**18,337**	27,892	**18,957**	(15,276)
Unused amount reversed	**(14,486)**	-	**(11,091)**	-
Trade receivable written off during the year for which no loss allowance was recognised	**21,921**	-	**21,921**	-
Loss allowance recognised in profit or loss during the year for amount due from related parties (Note 34)	**-**	-	**-**	31,552
At 30 June	**25,772**	27,892	**29,787**	16,276

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

37. Other assets

	THE GROUP		THE COMPANY	
	2022 Rs '000	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Prepaid expenses	**162,788**	129,028	**127,611**	100,561

38. Derivative financial instruments

	THE GROUP		THE COMPANY	
(i) **Derivatives at fair value through profit or loss:**	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Derivatives not designated as hedges:				
Foreign exchange currency contracts				
- Forwards	**(1,145)**	781	**(1,145)**	781
Total derivatives at fair value through profit or loss (Notes 9 and 46)	**(1,145)**	781	**(1,145)**	781

The notional amounts of the outstanding forward foreign exchange contracts not designated as hedges at 30 June 2022 were EUR 4.8m and GBP 0.4m for the Group (2021: EUR 0.4m) and EUR 4.8m and GBP 0.4m for the Company (2021: EUR 0.4m).

	THE GROUP		THE COMPANY	
(ii) **Derivatives designated as hedges:**	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Foreign exchange currency contracts				
- Forwards	**-**	-	**-**	-
Total derivatives designated as hedges	**-**	-	**-**	-
Total derivative financial instruments	**(1,145)**	781	**(1,145)**	781

The notional amounts of the outstanding forward foreign exchange contracts designated as hedges at 30 June 2022 were Nil (2021: Nil).

	THE GROUP		THE COMPANY	
Disclosed as follows:	**2022 Rs '000**	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Current assets	**243**	781	**243**	781
Current liabilities	**(1,388)**	-	**(1,388)**	-
	(1,145)	781	**(1,145)**	781

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	
	2022 Rs '000	2021 Rs '000	**2022 Rs '000**	2021 Rs '000
Cash in hand and at banks	**1,552,050**	1,234,520	**122,919**	607,316
Bank overdrafts (Note 43)	**(2,244,094)**	(2,079,376)	**(1,753,109)**	(1,458,521)
	(692,044)	(844,856)	**(1,630,190)**	(851,205)

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 1,552m (2021: Rs 1,235m) for the Group and Rs 123m (2021: Rs 607m) for the Company.

Refer to Note 9 on foreign currency risk for interest rates on bank overdrafts.

At 30 June 2022, there was an undrawn loan facility of Rs 500m for the Company and none for the other members of the Group (2021: there was no undrawn loan facility for the Company and the other members of the Group). Undrawn overdraft facilities amounted to Rs 650m and Rs 547m for the Group and Company respectively (2021: Rs 864m and Rs 841m for Group and Company respectively).

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

39. Cash and cash equivalents (cont'd)

(b) Non-cash transactions
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.

In the financial year ended 2021, the following were non-cash transactions settled through intercompany current account payable to Beachcomber Limited, a wholly-owned subsidiary, written back:

(i) The acquisition of shares in Beachcomber Tours Limited (UK) from Beachcomber Limited amounting to Rs 202.4m (Note 31).

(ii) Deemed distribution amounting to Rs 1.3bn and dividend distribution amounting to Rs 300m by Beachcomber Limited to the Company (Note 45).

(c) Reconciliation of liabilities arising from financing activities:

(i) **THE GROUP**

	1 July 2021 Rs '000	Cash Flows* Rs '000	Non-Cash Changes: Acquisition Rs '000	Write off Rs '000	Variable Lease Payment Adjustment Rs '000	Amortisation Cost Rs '000	Interest Accrued Rs '000	Foreign Exchange Movement Rs '000	30 June 2022 Rs '000
Term loans (Note 43(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 43(d))	424,039	-	-	-	-	665	23,792	-	448,496
Debentures (Note 43(c))	5,235,458	(1,192,668)	-	-	-	2,696	203,734	(191,169)	4,058,051
Loan from related party (Note 43(b))	1,895,438	(115,943)	-	-	-	-	115,943	(161,250)	1,734,188
	24,977,559	**(1,777,894)**	**53,356**	**(815)**	**27,364**	**3,361**	**1,051,010**	**(1,042,944)**	**23,290,997**

	1 July 2020 Rs '000	Cash Flows* Rs '000	Non-Cash Changes: Acquisition Rs '000	Rent Concessions Rs '000	Variable Lease Payment Adjustment Rs '000	Amortisation Cost Rs '000	Interest Accrued Rs '000	Foreign Exchange Movement Rs '000	30 June 2021 Rs '000
Term loans (Note 43(b))	10,407,319	2,016,982	-	-	-	-	284,401	816,775	13,525,477
Lease liabilities (28(ii))	2,379,535	(100,444)	40,784	(126,553)	6,447	-	178,193	28,685	2,406,647
Redeemable convertible secured bonds (Note 41)	-	1,490,500	-	-	-	-	-	-	1,490,500
Preference shares (Note 43(d))	399,971	-	-	-	-	665	23,403	-	424,039
Debentures (Note 43(c))	4,871,611	(215,491)	-	-	-	2,569	220,748	356,021	5,235,458
Loan from related party (Note 43(b))	1,681,688	-	-	-	-	-	-	213,750	1,895,438
	19,740,124	**3,191,547**	**40,784**	**(126,553)**	**6,447**	**3,234**	**706,745**	**1,415,231**	**24,977,559**

(ii) **THE COMPANY**

	1 July 2021 Rs '000	Cash Flows* Rs '000	Non-Cash Changes: Acquisition Rs '000	Write off Rs '000	Variable Lease Payment Adjustment Rs '000	Amortisation Cost Rs '000	Interest Accrued Rs '000	Foreign Exchange Movement Rs '000	30 June 2022 Rs '000
Term loans (Note 43(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 43(d))	424,039	-	-	-	-	665	23,792	-	448,496
Debentures (Note 43(c))	3,218,172	(1,100,655)	-	-	-	2,696	105,898	(19,300)	2,206,811
	22,025,933	**(1,582,832)**	**24,402**	**(815)**	**399,747**	**3,361**	**906,845**	**(847,698)**	**20,928,943**

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):

	1 July 2020 Rs '000	Cash Flows* Rs '000	Non-Cash Changes: Acquisition Rs '000	Rent Concessions Rs '000	Remeasurement of Lease Liabilities Rs '000	Variable Lease Payment Adjustment Rs '000	Amortisation Cost Rs '000	Interest Accrued Rs '000	Foreign Exchange Movement Rs '000	30 June 2021 Rs '000
Term loans (Note 43(b))	7,803,489	416,817	-	-	-	-	-	284,400	377,001	8,881,707
Lease liabilities (Note 28(ii)	7,584,013	(481,564)	35,088	(164,372)	(79,211)	6,447	-	421,082	690,032	8,011,515
Redeemable convertible secured bonds (Note 41)	-	1,490,500	-	-	-	-	-	-	-	1,490,500
Preference shares (Note 43(d))	399,971	-	-	-	-	-	665	23,403	-	424,039
Debentures (Note 43(c))	3,101,683	(125,004)	-	-	-	-	2,569	125,437	113,487	3,218,172
	18,889,156	**1,300,749**	**35,088**	**(164,372)**	**(79,211)**	**6,447**	**3,234**	**854,322**	**1,180,520**	**22,025,933**

* Cash flows also include interest paid on bank borrowings excluding bank overdrafts.

40. Stated capital	Authorised and Issued Number of Shares 2022	Authorised and Issued Number of Shares 2021	Issued and Fully Paid 2022 Rs '000	Issued and Fully Paid 2021 Rs '000
Authorised issued and fully paid share capital				
At June 30	**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.

41. Redeemable convertible secured bonds

	THE GROUP AND THE COMPANY 2022 Rs '000	2021 Rs '000
At 1 July	**1,490,500**	-
Amount subscribed during the year	**1,000,000**	1,500,000
Less cost attributed to the redeemable convertible secured bonds	**-**	(9,500)
Interest accrued during the year	**23,536**	-
Interest paid during the year	**(35,729)**	-
As at 30 June	**2,478,307**	1,490,500

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 2022 Rs '000	2021 Rs '000
Equity conversion component on initial recognition	**1,832,792**	1,102,617
Liability component on initial recognition:	**645,515**	387,883
Non-current Liability	**536,500**	351,440
Current Liability	**109,015**	36,443
	2,478,307	1,490,500

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 had 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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

41. Redeemable convertible secured bonds (cont'd)

Key terms and conditions of the funding arrangements are as follows: (cont'd)
- 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.

42. Other components of equity

Nature and purpose of reserves	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	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	**(12,291)**	(25,017)	**7,045**	6,413
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.	**3,852,502**	2,234,013	**2,126,975**	813,353
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.	**(191,997)**	(445,050)	**(820,247)**	(1,508,970)
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.	**(1,282,452)**	(1,219,989)	**-**	-
Total other components of equity	**2,990,345**	1,168,540	**1,313,773**	(689,204)

43. Borrowings

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Current portion				
Bank overdrafts (Note (a)/Note 39)	**2,244,094**	2,079,376	**1,753,109**	1,458,521
Bank loans (Note (b))	**3,951,752**	6,076,843	**1,296,252**	3,370,792
Debentures and fixed-rate secured notes (Note (c))	**851,557**	1,029,831	**835,633**	1,024,287
	7,047,403	9,186,050	**3,884,994**	5,853,600
Non-current portion				
Bank loans (Note (b))	**8,262,309**	7,448,634	**6,925,266**	5,510,915
Subordinated loan (Note (b)/Note 17(xiii))	**1,734,188**	1,895,438	**-**	-
	9,996,497	9,344,072	**6,925,266**	5,510,915
Debentures and fixed-rate secured notes (Note (c))	**3,206,494**	4,205,627	**1,371,178**	2,193,885
	13,202,991	13,549,699	**8,296,444**	7,704,800
Preference shares (Note (d))	**448,496**	424,039	**448,496**	424,039
	13,651,487	13,973,738	**8,744,940**	8,128,839
Total borrowings (Note 46)	**20,698,890**	23,159,788	**12,629,934**	13,982,439

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

43. Borrowings (cont'd)

(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 4.10% and 9.00% per annum.

(b) Term loans

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Term loans can be analysed as follows:				
Current				
- Within one year	**3,951,752**	6,076,843	**1,296,252**	3,370,792
Non-current				
- After one year and before two years	**2,095,154**	773,915	**1,800,396**	611,711
- After two years and before five years	**4,658,651**	3,622,190	**1,882,176**	1,852,523
- After five years	**3,242,692**	4,947,967	**3,242,694**	3,046,681
	9,996,497	9,344,072	**6,925,266**	5,510,915
Total term loans	**13,948,249**	15,420,915	**8,221,518**	8,881,707

Terms loans are denominated as follows:			THE GROUP		THE COMPANY	
Denominated in:	**Effective Interest Rate %**	**Maturity**	**Year ended 30 June 2022 Rs '000**	Year ended 30 June 2021 Rs '000	**Year ended 30 June 2022 Rs '000**	Year ended 30 June 2021 Rs '000
Mauritian rupees	2.85% - 4.50%	On demand	**664,843**	1,585,493	**664,843**	1,585,493
Mauritian rupees	1.50% - 5.50 %	2022-2033	**4,086,686**	4,128,219	**4,047,587**	4,099,511
Euros	2.85%	On demand	**144,775**	-	**144,775**	-
Euros	EURO LIBOR + (3.25% to 3.95%)	2024-2031	**812,955**	955,076	**812,955**	903,025
Euros	EURIBOR + (3.35% to 4.25%)	2023-2029	**2,156,791**	2,317,953	**2,131,865**	2,293,674
Euros	0.31% - 6.25%	2024-2027	**5,503,277**	5,762,117	**419,493**	-
GBP	3.50%	2023	**26,821**	-	**-**	-
USD	3.50%	2021	**-**	32,355	**-**	4
MAD	3.50% - 6.50%	2023-2027	**552,101**	639,702	**-**	-
			13,948,249	15,420,915	**8,221,518**	8,881,707

The term loans are secured by fixed and floating charges over the Group's and Company's assets.

The subordinated loan refers to a loan from the minority shareholder of BHI Ltd. It is unsecured and subordinated to the bank loans. It is repayable on the 10th anniversary of the loan agreement dated 2 December 2016.

The term loans include loans amounting to Rs 178m (2021: Rs 190m) from Beachcomber Limited (Note 17).

In the current financial year, the Company completed the financial re-engineering programme with:

(i) the extension of the tenure of its term loans
(ii) the refinancing of the EUR 20m Notes which reached maturity in November 2021 and
(iii) the conversion of certain money market lines into term loans.

These measure have helped the Company alleviate cash flow pressures and pursue some light renovation of its hotel properties.

(c) Debentures and fixed-rate secured notes

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Term debentures and fixed-rate secured notes can be analysed as follows:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Current				
- Within one year	**851,557**	1,029,831	**835,633**	1,024,287
Non-current				
- After one year and before two years	**1,371,178**	822,605	**1,371,178**	822,605
- After two years and before five years	**1,835,316**	3,383,022	**-**	1,371,280
- After five years	**-**	-	**-**	-
	3,206,494	4,205,627	**1,371,178**	2,193,885
	4,058,051	5,235,458	**2,206,811**	3,218,172

43. Borrowings (cont'd)

(c) Debentures and fixed-rate secured notes (cont'd)

These are denominated as follows:

	Interest Rate %	Maturity	THE GROUP 2022 Rs '000	THE GROUP 2021 Rs '000	THE COMPANY 2022 Rs '000	THE COMPANY 2021 Rs '000
Debentures						
Mauritian rupees						
FLRNMUR5Y	Repo rate + 0.85%	15 November 2022	**225,324**	225,124	**225,324**	225,124
FRNMUR5Y	Fixed rate 4.75%	15 November 2022	**602,154**	601,812	**602,154**	601,812
FLRNMUR7Y	Repo rate + 1.40%	15 November 2024	**751,588**	750,909	**751,588**	750,909
FRNMUR7Y	Fixed rate 5.40%	15 November 2024	**627,745**	627,378	**627,745**	627,378
FRNEUR4Y [EURO]	Fixed rate 3.35%	15 November 2021	**-**	1,012,949	**-**	1,012,949
			2,206,811	3,218,172	**2,206,811**	3,218,172
Fixed-rate secured notes						
FRNEUR5Y - TA	4.00%	31 October 2024	**921,132**	1,003,590	**-**	-
FRNEURSY - TB	4.75%	31 October 2024	**466,328**	508,208	**-**	-
FRNEURSY - TC	6.00%	31 October 2024	**463,780**	505,488	**-**	-
			1,851,240	2,017,286	**-**	-
Total debentures and fixed-rate secured notes			**4,058,051**	5,235,458	**2,206,811**	3,218,172

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.

(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 as 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 the 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 the 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

The Group and Company have obtained an extension of the waiver of financial covenants for the financial year 2022 from all their lenders on account of the restart of tourist 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.

44. 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.

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 (that is when the employee retires). If the benefits have already vested, immediately 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 from 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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

44. Employee benefit liabilities (cont'd)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs'000**	Rs'000
Funded obligation (Note (a))	**1,800,568**	1,964,784	**1,760,404**	1,951,333
Unfunded obligation (Note (b))	**24,317**	33,245	**2,773**	2,252
	1,824,885	1,998,029	**1,763,177**	1,953,585

(a) Funded Obligation

(i) The amounts recognised in the statements of financial position in respect of funded obligation are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Defined benefit obligation	**5,743,127**	5,390,004	**5,645,313**	5,336,716
Fair value of plan assets	**(3,942,559)**	(3,425,220)	**(3,884,909)**	(3,385,383)
Employee benefit liabilities	**1,800,568**	1,964,784	**1,760,404**	1,951,333

(ii) Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
At 1 July	**1,964,784**	3,077,989	**1,951,333**	3,051,450
Amount recognised in profit or loss	**265,800**	307,650	**228,419**	304,835
Amount recognised in other comprehensive income	**(190,050)**	(1,285,343)	**(184,658)**	(1,274,679)
Employer's contributions	**(239,966)**	(135,512)	**(234,690)**	(130,273)
At 30 June	**1,800,568**	1,964,784	**1,760,404**	1,951,333

(iii) The amounts recognised in the statements of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Current service cost	**171,705**	172,533	**120,236**	170,800
Effect of curtailments/settlements	**-**	3	**-**	-
Scheme expenses	**20,205**	23,841	**20,316**	23,618
Interest cost on defined benefit obligation	**252,781**	226,469	**248,550**	224,176
Return on plan assets	**(178,891)**	(115,196)	**(160,683)**	(113,759)
Net benefit expense	**265,800**	307,650	**228,419**	304,835

(iv) The amounts recognised in the statements of other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Gains on pension scheme assets	**(421,173)**	(230,836)	**(415,380)**	(231,826)
Experience losses on the liabilities	**178,682**	1,905	**177,653**	1,937
Changes in assumptions underlying the present value of the scheme	**52,441**	(1,056,412)	**53,069**	(1,044,790)
	(190,050)	(1,285,343)	**(184,658)**	(1,274,679)

(v) Cumulative actuarial losses recognised:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Cumulative actuarial losses at 1 July	**1,677,936**	2,963,279	**1,654,934**	2,929,613
Actuarial gains recognised in current year	**(190,050)**	(1,285,343)	**(184,658)**	(1,274,679)
Cumulative actuarial losses at 30 June	**1,487,886**	1,677,936	**1,470,276**	1,654,934

(vi) Reconciliation of the present value of defined benefit obligation:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Present value of obligation at 1 July	**5,390,004**	6,225,603	**5,336,716**	6,160,175
Current service cost	**171,705**	172,533	**120,236**	170,800
Interest cost on defined benefit obligation	**252,781**	226,469	**248,550**	224,176
Effect of curtailments/settlements	**-**	3	**-**	-
Employees' contribution	**30,567**	29,566	**30,026**	28,988
Actuarial losses/(gains)	**231,123**	(1,054,507)	**230,722**	(1,042,853)
Benefits paid	**(333,053)**	(209,663)	**(320,937)**	(204,570)
Present value of obligation at 30 June	**5,743,127**	5,390,004	**5,645,313**	5,336,716

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

44. Employee benefit liabilities (cont'd)

(a) Funded Obligation (cont'd)

(vii) Reconciliation of fair value of plan assets:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs'000**	Rs'000
Fair value of plan assets at 1 July	**3,425,220**	3,147,614	**3,385,383**	3,108,725
Return on plan assets	**178,891**	115,196	**160,683**	113,759
Employer's contributions	**239,966**	135,512	**234,690**	130,273
Scheme expenses	**(20,205)**	(23,841)	**(20,316)**	(23,618)
Employees' contribution	**30,567**	29,566	**30,026**	28,988
Actuarial gains	**421,173**	230,836	**415,380**	231,826
Benefits paid	**(333,053)**	(209,663)	**(320,937)**	(204,570)
Fair value of plan assets at 30 June	**3,942,559**	3,425,220	**3,884,909**	3,385,383

The actual return on the plan assets was Rs 44m (2021: Rs 277m) for the current financial year.

(viii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Discount rate	**4.10% - 5.00%**	4.80%	**5.00%**	4.80%
Future salary increase	**1.00% - 3.00%**	1.00%	**1.00%**	1.00%
Post-retirement mortality tables	**PNMA00/PNFA00**	PMA92/PFA92	**PNMA00/PNFA00**	PMA92/PFA92

(ix) A quantitative sensitivity analysis for significant assumptions as at 30 June is shown below:

Assumptions	**Discount Rate**			
	THE GROUP		THE COMPANY	
Sensitivity	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**
30 June 2022				
Impact on defined benefit obligation	**890,390**	**(827,568)**	**875,473**	**(812,112)**
30 June 2021				
Impact on defined benefit obligation	503,820	(587,062)	497,669	(579,421)

	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 2022				
Impact on defined benefit obligation	**238,574**	**(242,465)**	**230,174**	**(234,812)**
30 June 2021				
Impact on defined benefit obligation	243,951	(227,891)	241,884	(226,081)

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	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Employee benefit liabilities	**24,317**	33,245	**2,773**	2,252

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

44. Employee benefit liabilities (cont'd)

	THE GROUP		THE COMPANY	
(b) Unfunded obligation (cont'd)	**2022**	2021	**2022**	2021
(ii) Movement in the liabilities recognised in the statements of financial position:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
At 1 July	**33,245**	55,244	**2,252**	12,705
Amount recognised in profit or loss	**17,447**	16,605	**2,177**	953
Benefits paid	**(20,004)**	(23,791)	**-**	(287)
Amount recognised in other comprehensive income	**(5,882)**	(11,254)	**(1,656)**	(11,119)
Exchange differences	**(489)**	(3,559)	**-**	-
At 30 June	**24,317**	33,245	**2,773**	2,252
(iii) The amounts recognised in the statements of profit or loss are as follows:				
Current service cost	**16,697**	15,489	**2,100**	538
Interest cost on defined benefit obligation	**750**	1,116	**77**	415
Net benefit expenses	**17,447**	16,605	**2,177**	953
(iv) The amounts recognised in the statements of other comprehensive income are as follows:				
Liabilities experience loss	**(3,741)**	(11,458)	**129**	(11,323)
Changes in assumptions underlying the present value of the scheme	**(2,141)**	204	**(1,785)**	204
Actuarial gains recognised in other comprehensive income	**(5,882)**	(11,254)	**(1,656)**	(11,119)
(v) Reconciliation of the present value of defined benefit obligation:				
Present value of obligation at 1 July	**33,245**	55,244	**2,252**	12,705
Current service cost	**16,697**	15,489	**2,100**	538
Interest cost	**750**	1,116	**77**	415
Actuarial gains	**(5,882)**	(11,254)	**(1,656)**	(11,119)
Benefits paid	**(20,004)**	(23,791)	**-**	(287)
Exchange differences	**(489)**	(3,559)	**-**	-
Present value of obligation at 30 June	**24,317**	33,245	**2,773**	2,252

(vi) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Discount rate	**1.3% - 5.4%**	3.4% -4.8%	**5.4%**	3.4%
Future salary increase	**1.0% - 3.0%**	1.0% - 3.0%	**1.0%**	1.0%
Post-retirement mortality tables	**Swan Annuity Rates 2022**	Swan Annuity Rates 2021	**Swan Annuity Rates 2022**	Swan Annuity Rates 2021

(vii) A quantitative sensitivity analysis for significant assumptions as at 30 June is shown as follows 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 2022				
Impact on defined benefit obligation	**2,222**	**(2,906)**	**210**	**(519)**
30 June 2021				
Impact on defined benefit obligation	2,967	(3,787)	255	(616)

	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 2022				
Impact on defined benefit obligation	**2,948**	**(2,279)**	**542**	**(217)**
30 June 2021				
Impact on defined benefit obligation	3,821	(3,037)	628	(261)

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)

44. Employee benefit liabilities (cont'd)

	THE GROUP AND THE COMPANY	
	2022	2021
(c) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	**%**	%
Local equities	**43**	40
Overseas bonds and equities	**20**	24
Fixed interest	**19**	18
Property and other	**18**	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 2022 is 1-19 years.

(e) Expected contribution for next year

The Group is expected to contribute Rs 175m (2021: Rs 178m) 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 (2021: Rs 503m). 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 are 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.

45. Trade and other payables	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade payables	**2,334,935**	1,107,388	**636,539**	310,518
Other payables	**1,013,785**	942,837	**532,776**	269,475
Loan at call payable to subsidiary (Note 17(ix))	**-**	-	**417,954**	290,634
Amount due to subsidiaries (Note 17(xii))/Note (d)	**-**	-	**268,906**	147,525
Amount due to other related parties (Note 17(xii))	**356,807**	444,999	**7,289**	20,785
	3,705,527	2,495,224	**1,863,464**	1,038,937

During the current financial year, advances were provided to a subsidiary amounting to Rs 144.8m.

(a) Trade payables are non-interest-bearing and are generally on 30 to 90 days' term.
(b) The loan at call bears interest rate of 4.10% per annum (2021: 4.10%).
(c) For terms and conditions pertaining to related party payables, refer to Note 17(ix) and (xii).
(d) As at 30 June 2020, an amount of Rs 1.5bn was payable from the Company to its wholly-owned subsidiary, Beachcomber Limited.

It was resolved on 30 June 2021 that a dividend of Rs 300m be paid by Beachcomber Limited to the Company and the amount be offset against the above amount payable.

On 30 June 2021, the Company has entered into an agreement with its fully-owned subsidiary, Beachcomber Limited, for the forgiveness of an amount of Rs 1,342m which originated from the transfer of activities of Beachcomber Limited to the Company on 1 October 2004. The inter-company current account in both books has been reduced by this amount and is a non-cash flow transaction.

In the statement of profit or loss of the Company for the financial year ended 2021, amounts of Rs 1,342m and Rs 300m were recognised respectively in the line items: (i) deemed distribution from subsidiary, and (ii) dividend income.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

46. 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 determine 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.

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			
			2022		2021		2022		2021	
	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	**9,760**	**9,760**	9,128	9,128	**9,574**	**9,574**	8,942	8,942
Financial assets at amortised cost - non-current	Amortised cost	Level 3	**1,311,431**	**1,411,556**	1,318,119	1,260,627	**3,481,070**	**3,698,408**	3,686,169	3,834,686
Financial assets at amortised cost - current	Amortised cost	Level 3	**702,005**	**702,005**	875,005	875,005	**213,235**	**213,235**	152,876	152,876
Trade receivables	Amortised cost	Level 3	**888,492**	**888,492**	213,681	213,681	**421,877**	**421,877**	107,398	107,398
Derivative financial instruments	Fair value	Level 2	**243**	**243**	781	781	**243**	**243**	781	781
Cash in hand and at banks	Amortised cost	Level 3	**1,552,050**	**1,552,050**	1,234,520	1,234,520	**122,919**	**122,919**	607,316	607,316
			4,463,981	**4,564,106**	3,651,234	3,593,742	**4,248,918**	**4,466,256**	4,563,482	4,711,999
Financial Liabilities										
Redeemable convertible secured bonds	Amortised cost	Level 3	**645,515**	**645,515**	387,883	387,883	**645,515**	**645,515**	387,883	387,883
Convertible preference shares	Amortised cost	Level 1	**448,496**	**340,406**	424,039	311,330	**448,496**	**340,406**	424,039	311,330
Subordinated loan	Amortised cost	Level 3	**1,734,188**	**1,827,876**	1,895,438	1,883,812	**-**	**-**	-	-
Borrowings	Amortised cost	Level 3	**18,516,206**	**18,534,172**	20,840,311	20,965,530	**12,181,438**	**12,198,255**	13,558,400	13,623,606
Lease liabilities	Amortised cost	Level 3	**2,357,894**	**2,357,894**	2,406,647	2,406,647	**7,573,811**	**7,573,811**	8,011,515	8,011,515
Trade and other payables	Amortised cost	Level 3	**3,705,527**	**3,705,527**	2,495,224	2,495,224	**1,863,464**	**1,863,464**	1,038,937	1,038,937
Derivative financial instruments	Fair value	Level 2	**1,388**	**1,388**	-	-	**1,388**	**1,388**	-	-
			27,409,214	**27,412,778**	28,449,542	28,450,426	**22,714,112**	**22,622,839**	23,420,774	23,373,271

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 and contract liabilities.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

46. Fair value of assets and liabilities (cont'd)

Accounting Policy

Fair value measurement
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.

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 2022, there was no transfer between Level 1 and Level 2 fair value measurements.

47. 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 transferred 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.

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 has been netted off against the respective right-of-use asset (Note 28) as per IFRS 16.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

47. Sale and leaseback transaction between the Company and Beachcomber Hospitality Investments Ltd (cont'd)

Accounting Policy (cont'd)
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) adjust 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).

48. Commitments and contingencies

(a) Capital commitments

There was no outstanding capital commitment for both the Group and the Company as at 30 June 2022 (30 June 2021: None for both Group and Company).

(b) Contingencies

Sub-leasing of Sainte Anne Island
Ste Anne Resort Limited ("SARL") has been served with a Restriction Order (the "Order") by the Land Registrar in Seychelles following the proposed registration of its lease agreement with Club Med. The Order has 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, pursuant to all applicable legal requirements.

The case is still ongoing and management is confident of a settlement in their favour.

49. Changes in ownership interest in subsidiaries that do not result in a loss of control

During the financial year ended 2021, the Group gained 10% of its interest in Beachcomber Hotel Marrakech S.A. through a capital reduction process by the latter, thus increasing its continuing interest to 100%. An amount of Rs (1.5m) (being the proportionate share of the carrying amount of the net liabilities of Beachcomber Hotel Marrakech S.A.) has been transferred to retained earnings. This is a non-cash transaction.

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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