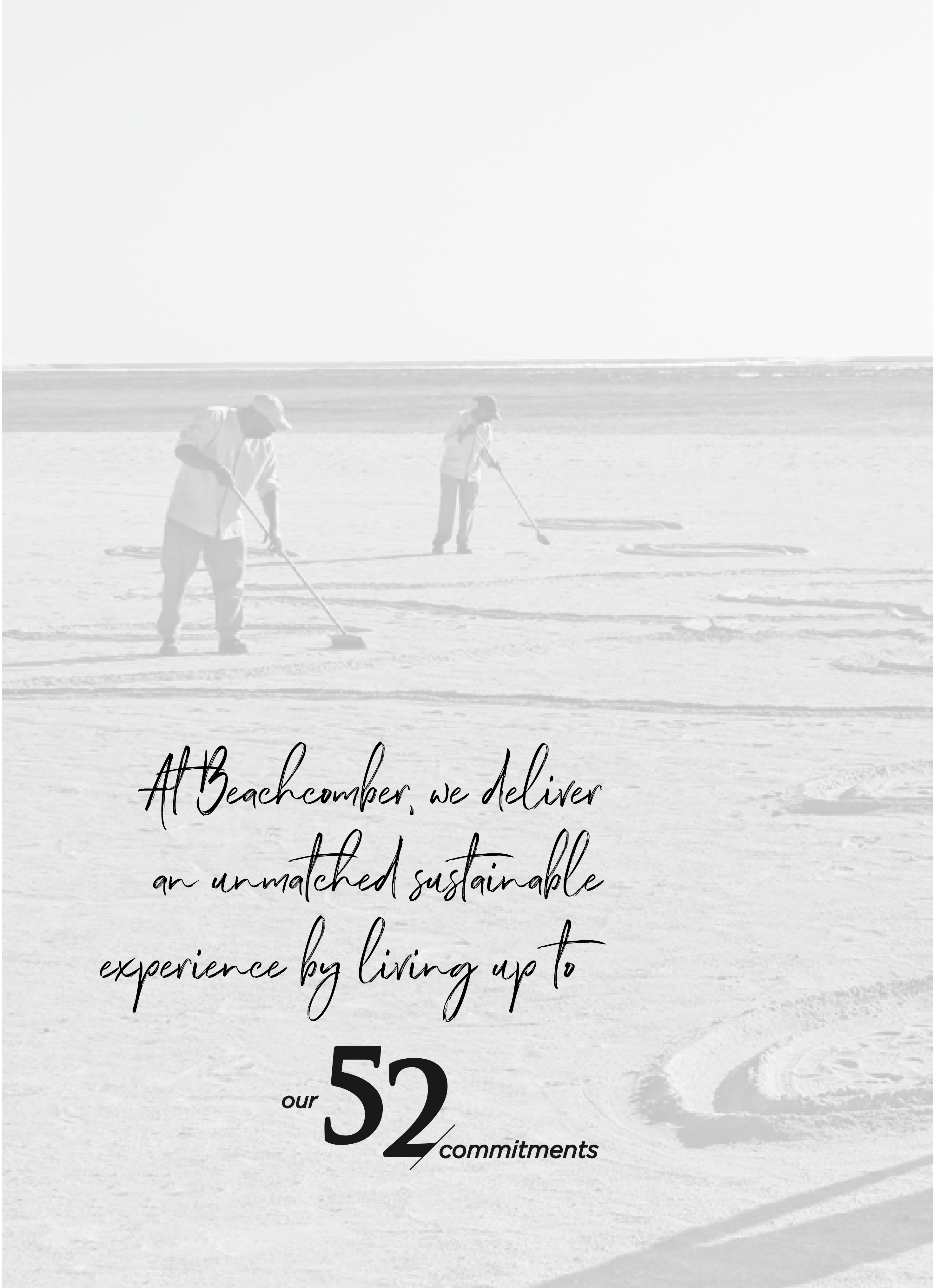
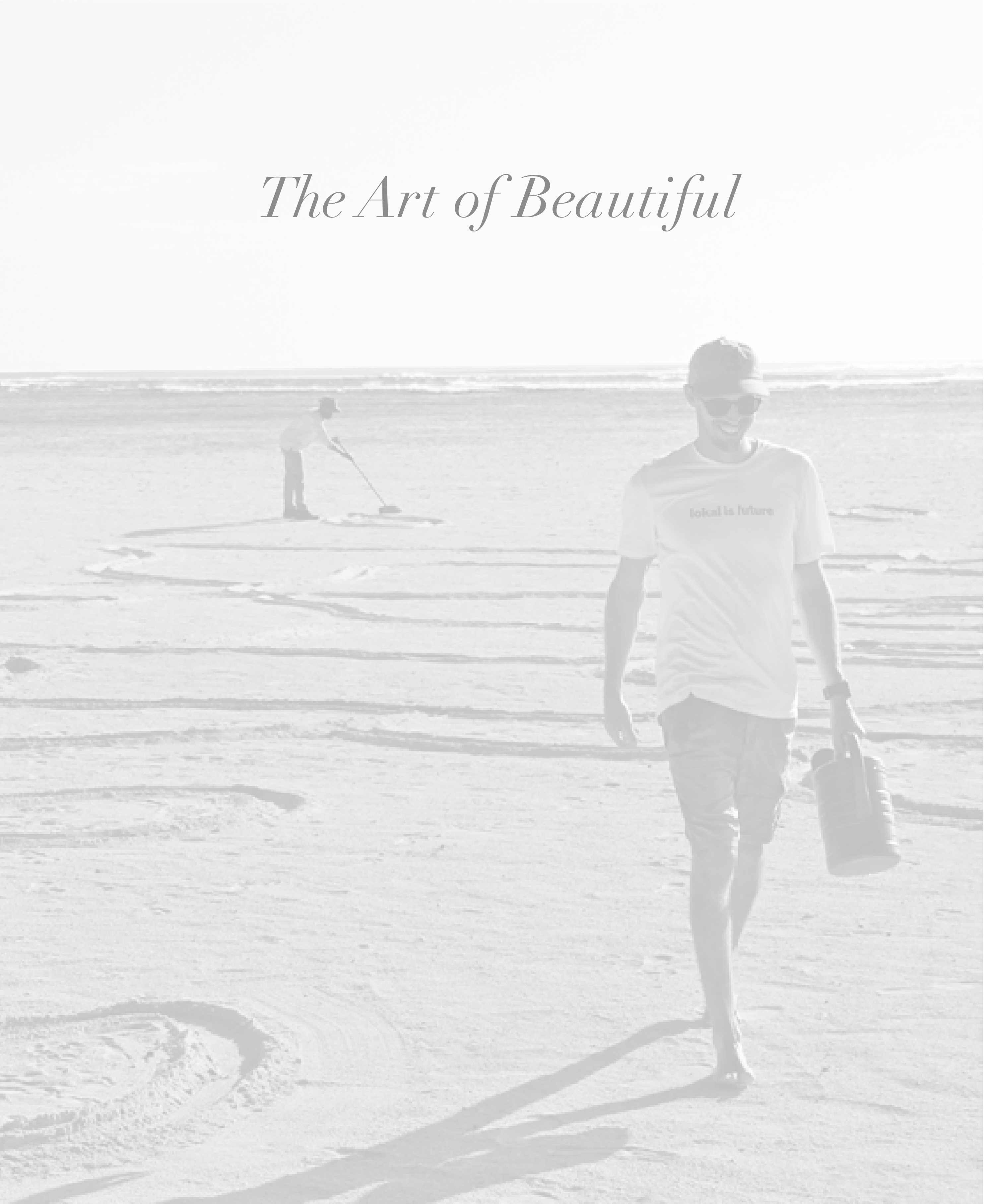
Integrated Annual Report 2021

NEW MAURITIUS HOTELS LIMITED


At Beachcomber, we deliver
an unmatched sustainable
experience by living up to
our 52 commitments

The Art of Beautiful



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 November 2021.
We look forward to meeting you at our next Annual Meeting to be held on 24 March 2022.

Yours sincerely,

Hector ESPITALIER-NOËL
Chairman
30 November 2021

About OUR REPORT

Towards Integrated Reporting

The Integrated Annual Report 2021 of the NMH Group was developed to communicate with the providers of financial capital while taking into consideration the needs of all our stakeholders. We have therefore produced a set of reports embedding the guiding principles and fundamental concepts contained in the International Integrated Reporting Council ("IIRC") framework.

Forward-Looking Statements

This report may contain forward-looking statements. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements.

While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

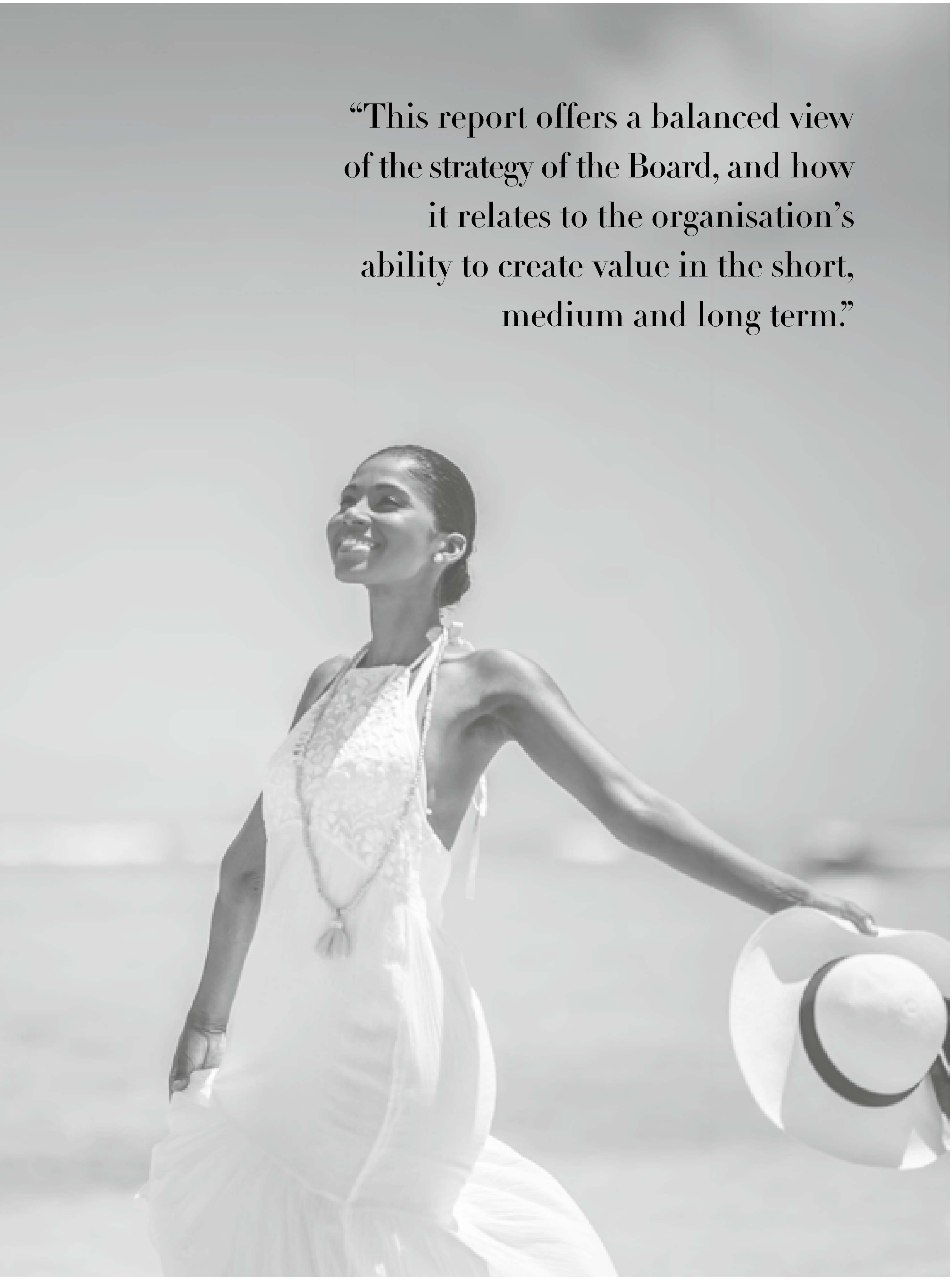
We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein, as they have not been reviewed or reported on by the independent external auditor of NMH.

Feedback

Your feedback is important to us and will help us enhance our reporting processes and ensure that we report on issues that matter to you. To get in touch with us, please visit:
www.beachcomber.com

Board Responsibility Statement

The Board of Directors of NMH acknowledges its responsibility to ensure the integrity of this Integrated Report. The Board has accordingly applied its collective mind and, in its opinion, this report addresses all material issues, offers a balanced view of its strategy, and how it relates to the organisation's ability to create value in the short, medium and long term. The report adequately addresses the use of and effects on the capitals and the manner in which the availability of these capitals is impacting the strategy and business model of NMH. We, as the Board, believe that this report has been prepared in accordance with the IIRC framework.



"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."

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

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 Market	Official Market of the Stock Exchange of Mauritius 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


BEACHCOMBER

Pursuing PASSION

Chairman's REPORT

Dear Valued Shareholders,

The Board of Directors is pleased to present the Integrated Annual Report 2021 for New Mauritius Hotels Limited ("NMH", the "Group" or the "Company") for the year ended 30 June 2021. The report 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.

COVID-19 pandemic

During the year under review, all operations across the Group continued to be severely impacted due to continuing uncertainty and ensuing economic losses caused by the pandemic. Most countries imposed border closures and reopenings under constraining conditions in an attempt to curb the spread of the disease and protect lives, which significantly impacted operators within the travel and tourism industry.

In Mauritius, the national lockdown was lifted in June 2020 and commercial flights partially resumed in October 2020, with strict 14-day in-room quarantine policy imposed on inbound travellers and a primary focus on keeping the island COVID-safe. In the absence of incoming tourists, only three out of our eight resorts were opened during the year to cater for the demand from local residents. Unfortunately, as the island was hit by a second wave in March 2021, all operations went back into a standstill, which lasted until the end of the financial year.

In Marrakech, operations were also severely disrupted by the closure of borders as well as the restrictions on movement across provinces imposed by the Kingdom of Morocco during the first quarter of FY20/21. Whilst some optimism was regained in the second quarter with an easing in travel restrictions, the sector remained fragile with regular announcements of border closures with countries showing increased risks of the disease.

On the other hand, despite the challenging conditions, the project in Seychelles was successfully completed and the 295-key resort was handed over in February 2021. The resort is currently in full operation and all lease payments terms are being met by the tenant.

Against this backdrop, losses were unavoidable for the year and amounted to Rs 3.1bn.

Focus on Risk Management

Given the uncertainty that prevailed during the year, the Board has met more frequently to continually assess the impact of the pandemic on the affairs of the Group, review the emerging risks and discuss mitigation plans. The priority remained the safety of guests, Artisans as well as their families and as such management has held ongoing discussions with the authorities to establish policies and procedures conducive to a safe environment within the organisation. Vaccination programmes for our employees and their families were facilitated and to date, over 98% of our employees have been vaccinated. The Board has also reviewed the strategies to ensure adequate liquidity during these unprecedented times. The issue of Rs 2.5bn redeemable and convertible secured bonds to MIC was approved by the Board and the shareholders in May 2021 which enabled the Group to meet its commitments. Management continues to implement strategic measures to streamline costs in order to weather the crisis.

Business readiness

In preparedness for the reopening of borders, no effort has been spared to ensure that our guests are welcomed back in our resorts for a memorable stay. Over 57,000 training hours have

been delivered to our Artisans, including a course on the new sanitary protocols to be implemented to ensure safety for all, and a tailor-made Beachcomber Leadership Development Programme for tomorrow's leaders. The Group has also prioritised its investment in technology and hotel infrastructure provide guests with a comfortable stay. Management continues to collaborate with the health and tourism authorities on travel conditions to ensure that the destination remains attractive and safe.

Commitment to Sustainability

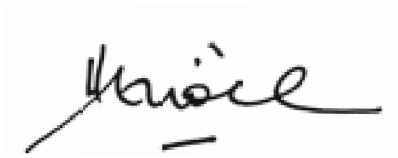
In line with our long term engagement to help the community, the Group continues to support Fondation Espoir Développement Beachcomber, whose principal objective is to pursue social and economic inclusion. A campaign "Vulnerable Life Matters" was recently launched with the assistance of EU funding amounting to EUR 400,000. The Group has also maintained its Silver Award Certification by EarthCheck, a reflection of our commitment towards our environmental and sustainability objectives.

Looking ahead

The full re-opening of borders in October has given a new impetus to the tourism sector in Mauritius and augurs well for the rest of the financial year, should all conditions remain unchanged. Vaccination rates worldwide continue to rise and significant investments continue to be made in research and development for new vaccines and medicines, which is encouraging for the travel and tourism sector. Although visibility on bookings is improving, recovery to pre-COVID-19 levels is not expected until at least the next financial year.

Acknowledgement

Finally, I would like to thank my fellow Directors for their continued support throughout the year and welcome Mr Jitendra Bissessur who joined the Board in November 2021. I also thank the CEO and his team for their commitment and contribution during these challenging times. I would like to convey my deepest appreciation to the Artisans of the Group for their engagement and dedication, our business partners for their support and our shareholders for their trust.



Hector ESPITALIER-NOËL
Chairman
30 November 2021

Key FIGURES

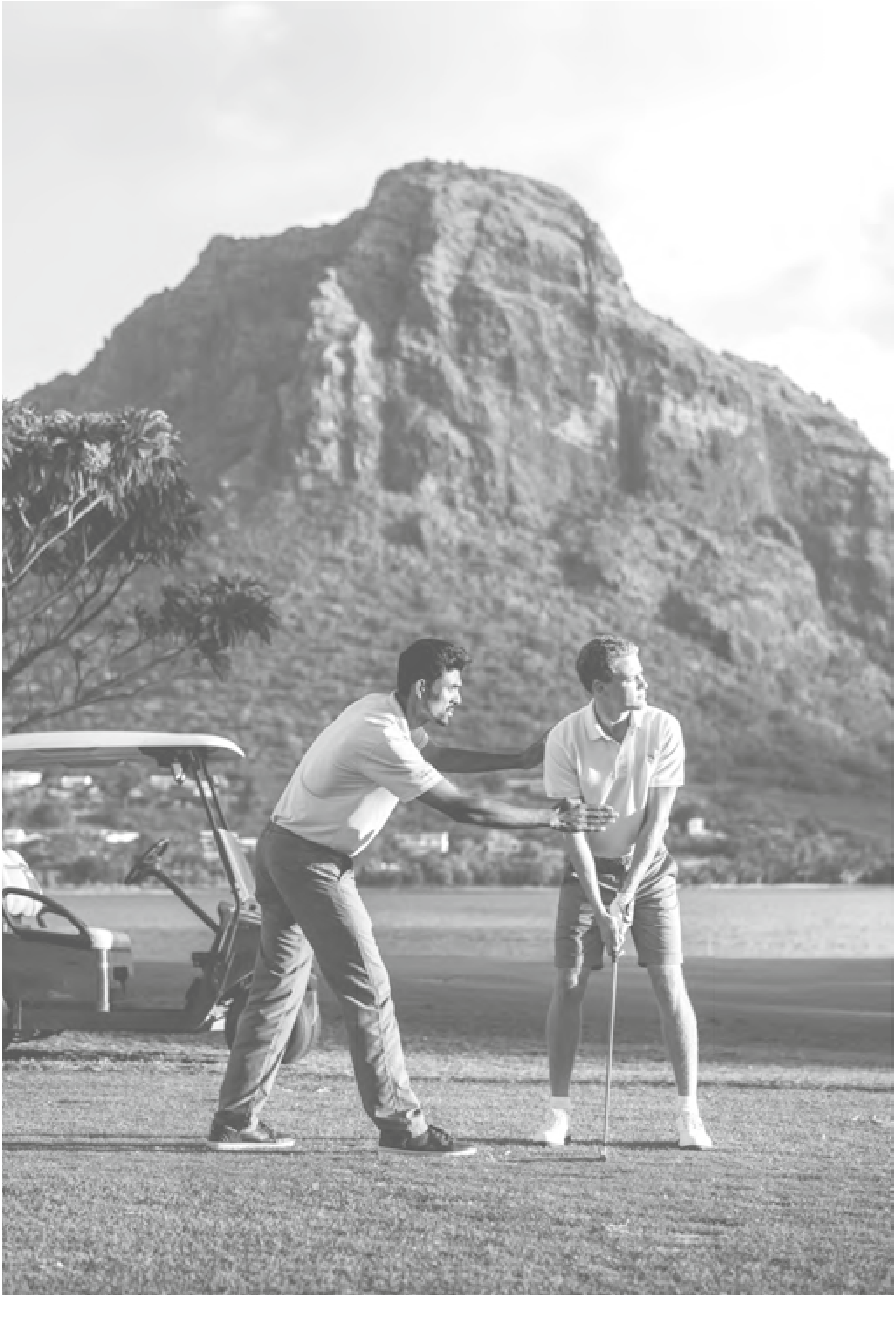
THE GROUP

STATEMENT OF PROFIT OR LOSS	**Year ended 30 June 2021 Rs m**	Period ended 30 June 2020 Rs m	Year ended 30 September 2019 Rs m
Revenue	**1,137**	5,633	9,688
(Loss)/Earnings before interest, tax, depreciation and amortisation	**(1,991)**	271	1,743
(Loss)/Profit before tax	**(3,635)**	(773)	260
Income tax credit/(expense)	**505**	87	(103)
(Loss)/Profit for the year/period	**(3,130)**	(686)	157
Non-controlling interests	**43**	44	124
(Loss)/Profit attributable to owners of the parent	**(3,173)**	(730)	33

STATEMENT OF FINANCIAL POSITION	**As At 30 June 2021 Rs'm**	As At 30 June 2020 Rs'm	Restated As At 30 September 2019 Rs'm
Non-current assets	**35,512**	32,838	29,635
Current assets	**2,740**	3,122	3,419
Stated capital	**2,780**	2,780	2,780
Redeemable convertible secured bonds	**1,103**	-	-
Retained earnings	**1,070**	3,030	4,888
Other components of equity	**1,169**	1,095	1,412
Shareholders' funds	**6,121**	6,906	9,080
Non-controlling interests	**(59)**	264	644
Total equity	**6,063**	7,169	9,724
Non-current liabilities	**20,042**	16,577	16,908
Current liabilities	**12,148**	12,214	6,421
DISTRIBUTION TO SHAREHOLDERS			
Cancellation of dividend payable	**82**	-	-
Dividends (Note 1)	**-**	(82)	(121)

KEY FINANCIAL RATIOS	**2021**	2020	2019
Head count	**5,052**	5,327	5,490
Number of room keys available	**2,148**	2,148	2,148
Room nights available	**782,742**	571,712	775,191
Number of guest nights	**132,541**	517,013	1,192,840
Occupancy (%)	**10**	44	71
TRevPAR (Rs)	**979**	8,125	10,328
(Loss)/Earnings per share (Rs)	**(5.78)**	(1.33)	0.06
Dividends per share (Rs)	**-**	0.15	0.22
Interest cover (x)	**(2.04)**	0.42	2.41
Net asset value per share (Rs)	**11**	13	18
Return on equity (%)	**(51.63)**	(9.57)	1.62
Return on assets (%)	**(8.18)**	(1.91)	0.48
Net debt/Total assets (%)	**58**	49	46
Gearing ratio (%)	**79**	71	61
Net debt/Equity ratio (%)	**368**	246	156

Note 1: Dividend for FY20 has been subsequently cancelled.



Executives' Report

The hospitality sector has undoubtedly faced one of its most challenging years in history. Most countries closed their borders for several months or longer and only reopened with restrictions on travel and sanitary protocols in place. As a result, the worldwide travel and tourism industry has seen unprecedented levels of disruption. The local tourism sector has not been spared and all hotel and non-hotel operations of the Group have also been severely impacted. Group turnover dropped to Rs 1.1bn for FY21 (9MFY20: Rs 5.6bn) and Group loss after tax for the year was Rs 3.1bn (9MFY20: loss of Rs 686m).

Mauritius

The national borders closed in March 2020 and only reopened in July 2021 with loosened sanitary restrictions. Operations in Mauritius were consequently brought to a standstill during the year under review. In the first quarter of the financial year, around 400 beds were made available to the local authorities in response to the sanitary crisis. Subsequently, upon the establishment of Beachcomber Resorts as a “Safe Place”, only three out of eight resorts, namely Canonnier Beachcomber, Paradis Beachcomber and Royal Palm Beachcomber were partially opened to local residents. Unfortunately, in March 2021, with the announcement of a second national lockdown, all hotels were closed until the financial year end. Against this backdrop, the revenue from operations in Mauritius remained low at Rs 671m for FY21 (9MFY20: Rs 4.7bn) and EBITDA was negative at Rs 1.8bn (9MFY20: positive EBITDA of Rs 228m).

During this challenging period, management continued to focus on cost management. With the increase in the number of leavers seeking early retirement and opportunities in other sectors, processes continued to be reviewed and streamlined through enhanced use of technology and outsourcing of non-critical tasks. Continued support was received from the authorities in the form of wage assistance and rent relief on State land leases to alleviate costs. Losses were however unavoidable for the year.

Morocco

Our Moroccan operations benefited from an earlier reopening of the country’s borders in September 2020. With the vaccination campaign gaining momentum in Morocco and neighbouring European countries, tourist arrivals in Marrakech showed encouraging signs, albeit not reaching pre-COVID-19 levels. Operations however continued to be hampered by the restriction of movement between provinces, curfews and sporadic border closures which created market uncertainty. Revenue from operations in Morocco dropped to Rs 235m for the year under review (9MFY20: Rs 455m), with a negative EBITDA of Rs 115m (9MFY20: positive EBITDA of Rs 38m).

Seychelles

In February 2021, the 295-key resort on Sainte Anne Island was completed and delivered to Club Med amidst challenging conditions. Operations in Seychelles thus recorded five months of rental income amounting to Rs 155m. However, EBITDA was negative at Rs 46m on account of one-off charges related mostly to project completion costs.

Review for the first quarter ended 30 September 2021.

Group revenue for the quarter stood at Rs 485m (Q1FY20: Rs 213m), mostly on account of increased activity in Morocco and rental income of Rs 104m registered in Seychelles. A recurring quarterly profit of Rs 49m is expected from our operations in Seychelles. Our resorts in Mauritius resumed operations in a phased manner from 15 July 2021, save for Shandrani Beachcomber, Dinarobin Beachcomber, Mauricia Beachcomber and Royal Palm Beachcomber which were undergoing refurbishment work. However, the strict in-resort conditions of stay did not attract many foreign guests during the quarter. Loss after tax was Rs 755m, in line with expectations given subdued activity across the Group.

Update on projects

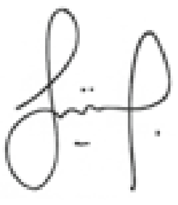
Over the past 18 months, the Group undertook refurbishment work in several of its hotels. Shandrani Beachcomber reopened on 15 October 2021 with a new offer and positioning. Refurbishment work was also undertaken at Dinarobin Beachcomber. The Les Salines Beachcomber hotel project in Black River has been temporarily put on hold. On the other hand, the Company has obtained approval from the Economic Development Board to proceed with an Invest Hotel Scheme (“IHS”) at Trou aux Biches Beachcomber, whereby the 27 existing villas will be on offer under a sale-and-leaseback arrangement. The project is being finalised and the units will be brought to market in early January 2022. The Group also continues to uplift the infrastructure across its resorts and much progress has been made during hotel closure ahead of the full reopening and forthcoming peak season. Much emphasis is also being placed on expanding the digital footprint to enhance the customer experience and improve operational efficiency.

Cash flow management

Shareholders approved the issue of Convertible and Redeemable bonds amounting to Rs 2.5bn to Mauritius Investment Corporation Ltd ("MIC"), a wholly-owned subsidiary of the Bank of Mauritius, at a meeting held in May 2021. An amount of Rs 1.5bn was disbursed in June 2021 and the remaining Rs 1bn was subsequently disbursed in 2 tranches of Rs 500m each in August and November 2021 respectively. The MIC Bonds are deemed to be a compound instrument and as such, the interest obligation for the duration of the bond has been classified as liability and the remaining amount has been classified as equity. Secured bonds amounting to EUR 20m, issued in November 2017, were redeemed at maturity on 15 November 2021. Banks have agreed to refinance the full amount of the bonds fallen due. In addition, moratorium periods have been negotiated and granted by banks, thereby ensuring adequate liquidity for the year ahead.

Outlook

As of October 2021, travel and sanitary restrictions have been eased in Mauritius given that over 70% of the population had completed vaccination. With increased air access to the island and the positioning of Mauritius as a safe destination, tourist arrivals have shown a steep upward trend. While bookings in hand for the second quarter still exceed expectations, we are following with concern the emergence of the Omicron variant which led to the suspension of flights from South Africa. Additionally, the recent decision of Morocco to close its borders to all international arrivals for two weeks will impact the Group turnover in December. Notwithstanding such uncertainty, the Group should post profits during the second quarter to 31 December 2021 generated by the high season and the strength of major currencies vis-à-vis the Mauritian rupee. The losses incurred in the first quarter will be partially recouped unless travel conditions continue to deteriorate and provided steps are taken to ensure adequate airline seat capacity.



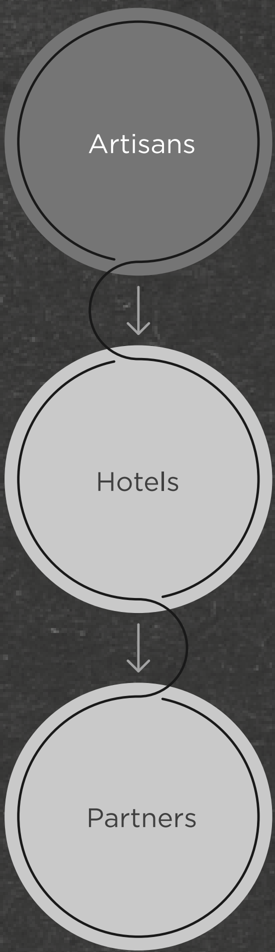
Gilbert ESPITALIER-NOËL
Director and CEO

Pauline SEEYAVE
Director and CFO

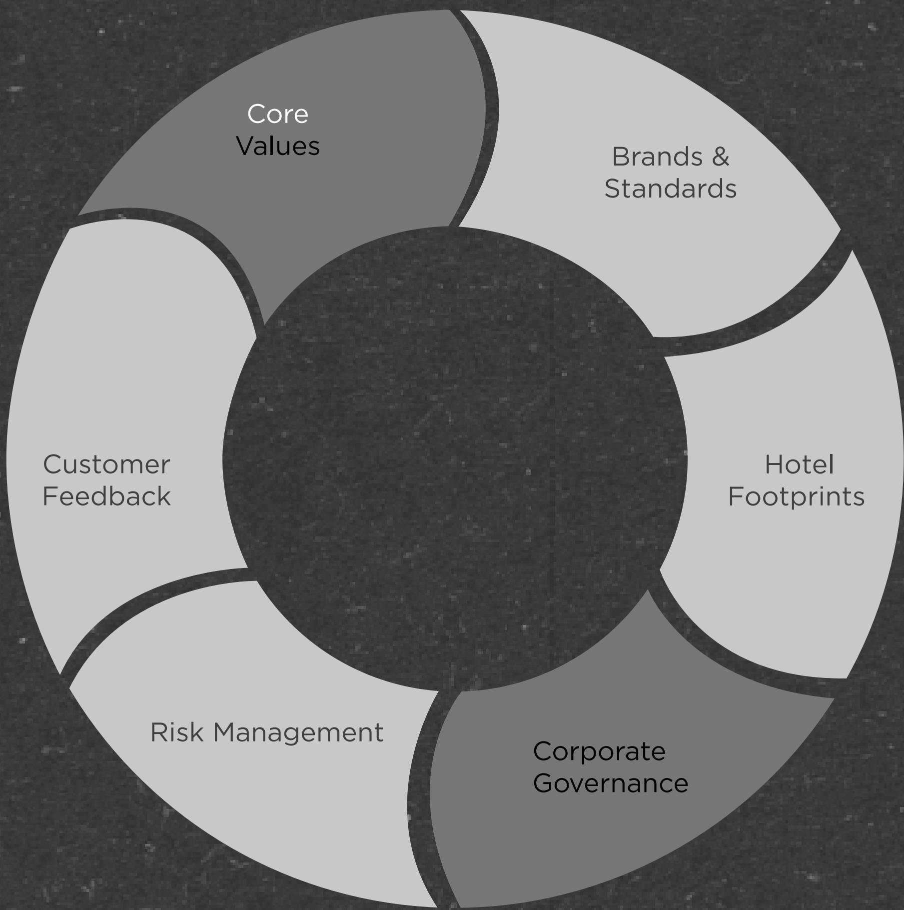
30 November 2021

Value CREATION MAP

Resource Optimisation



Process Efficiency



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

Social Capital
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.

Natural Capital
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.

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

Manufactured Capital
We maintain our portfolio of hotels while investing in our support systems, such as our website and booking network.

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

Artisans

Hotels

Partners

Value Deliverables

Community

Shareholders

Revenue
Rs
1.1bn

Fund Providers

Artisans

Regulators

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

Human Capital
Better working environment for our Artisans. Competent and experienced team members.

Social Capital
Promoting economic development of local communities.

Natural Capital
Youth empowerment. Optimisation of our resource usage.

Intellectual Capital
Stronger brand awareness, data and knowledge of the customer.

Manufactured Capital
Prestigious resorts.

Financial Capital
Superior returns to our stakeholders.

Financial CAPITAL

The Group's sources of capital include shareholders' equity, debt through bank borrowings and bonds, leasing facilities and capital from preference shareholders. They also include cash flow generated through the operation of our portfolio of hotels. These funds are available to finance strategic developments and future growth projects.

Key figures for FY21	Rs bn
Revenue	1.1
Normalised loss before interest, tax, depreciation and amortisation	2.0
Loss after tax	3.1
Net cash flows used in operating activities	1.1
Net cash flows used in investing activities	2.2
Net cash flows generated from financing activities	2.8
Net borrowings (excluding subordinated debt and preference shares)	19.6
MIC bonds classified as:	
- Equity	1.1
- Liability	0.4
Total assets (excluding RoU Assets)	35.9
Total equity	6.1

Cash flow management

One of the key areas of focus during the year was on liquidity management to meet operating expenses including payroll costs, repairs and maintenance and other unavoidable fixed costs. Redevelopment projects, for which funding had already been secured pre-COVID-19, were completed. Such projects included the renovation and extension of Sainte Anne and the recurring capital expenditure for replacement of obsolete equipment and infrastructure. The Group utilised its existing credit facilities and received support from the Government in the form of wage assistance, rent relief and long-term finance in order to meet its obligations. Negotiations are ongoing with financial institutions and to date, moratorium periods and loan maturity extensions have been obtained which will assist the liquidity position of the Group.

Issuance of Rs 2.5bn of Redeemable and Convertible Secured Notes to MIC

In May 2021, the shareholders approved the issue of 250 notes with a nominal value of Rs 10m each to the Mauritius Investment Corporation (MIC) for a total amount of Rs 2.5bn, secured by a floating charge on the assets of the Company. The bonds carry a fixed interest rate of 3.5% per annum. They will mature in June 2030 and in the event that redemption is not made before or at maturity, any outstanding bonds would be converted into ordinary shares of the Company at a pre-agreed fixed valuation of Rs 7.45 per share.

On 29 June 2021, MIC subscribed to Rs 1.5bn worth of notes and the remaining notes were fully subscribed by November 2021. The proceeds of the bonds were used to finance operating expenses, lease payments, normal capital expenditure and repay interests and bridging loans.

Equity

Losses incurred by the Group over the last 18 months have significantly impacted the retained earnings of the Group. During the financial year, the erosion has been contained by the revaluation of our foreign subsidiaries, actuarial gains arising on the reassessment of the Group Defined Benefit Superannuation Fund and the issue of quasi-equity instruments to MIC. The Group continues to explore avenues to consolidate its equity base, including reorganisation of its assets.

Challenges and risks facing the Group

- Market uncertainty

As of date, whilst visibility of bookings has improved, uncertainties still persist with the emergence of new COVID-19 variants resulting in sporadic closure of borders worldwide. In case of protracted crisis, the Group will become highly dependent on Government assistance schemes and financial institutions for financial support. Should all such support become unavailable, the Group will resort to the disposal of its core and non-core assets to generate cash to meet its obligations. The immediate focus is to continue to reduce fixed costs and put in place contingency funds to ensure a stable liquidity position.

- Inefficiencies in currency cash flow hedges

A significant portion of sales is generated from Europe in a normal year of operations and hence, funding has been raised in foreign currency to provide a natural hedge. With the decrease in tourist arrivals and reduction of revenue in foreign currency, the currency hedging techniques may become ineffective, causing an erosion of equity.

- Changes in interest rates

The Group is exposed to changes in interest rates because part of its borrowings are at floating rate in euro and rupees. Given the prevailing economic conditions, the Group may experience some volatility in its funding costs in the coming year. However, opportunities will be sought to close the interest rate gap especially on projects earning fixed and inflation-indexed revenue.

Key initiatives for the year 2021/22

- Finalisation of the financial re-engineering further to MIC funding
- Deleveraging initiatives through planned sale of non-core assets
- Cost reduction initiative and increased digitalisation across the organisation

“Management continues to adjust its strategies to weather the crisis and position the Group for opportunities in the post-pandemic world.”

Pauline SEEYAVE

CHIEF FINANCIAL OFFICER

Human CAPITAL

This has been a tough year for our Human Capital. The negative impact of the COVID-19 and post-COVID-19 sanitary and economic crises and the restrictive associated legal and regulatory framework have persisted during the period under review. Staffing levels have continued to decline and further voluntary separation exercises, coupled with strictly controlled recruitment, are planned over the coming year. These schemes have the benefit of reducing staff-related costs over time, but they also cause talent loss, which is always a collateral damage. In spite of this, the long-term focus on developing and embedding the Art of Beautiful, our Brand Promise and Core Values has been maintained and much training has been deployed for this purpose.

2020-2021 ACTIONS AND WAY FORWARD

COST-SAVING AND CONTROL MEASURES

The strict non-recruitment and non-replacement policy has been maintained. The restructuring of a number of departments such as Maintenance, Human Resources, Finance and Operations including Gardens and Information Technology has continued so as to further enhance productivity. These measures will have to be continued to contain and reduce operating costs, mitigate adverse cash flow impact and operate in a leaner manner.

Measures implemented since last year at our overseas representation offices and our three Beachcomber Tours offices have been maintained.

The following measures were taken by our Group's overseas operations:

- In Seychelles, since the taking over of Ste Anne by Club Med in February 2021, we no longer have any hotel staff on our payroll; and
- in Morocco, the government's support scheme, alongside the implementation of reduced hours for reduced pay for all and 50% cut on management salaries, helped contain costs. Some Artisans were sent as support team for the opening of the new Fairmont property on the coast. At the time of writing, in light of the forecasts which are better than expected and taking into account the deteriorating social conditions, we have decided to restore salaries. Thanks to constant dialogue with the Artisans, all these measures met with a positive response. The general election of staff representatives held recently confirmed that management took the right decisions during the crisis.

REMUNERATION

As a result of the departures and restructuring, many Artisans willingly took on additional responsibilities without added remuneration. Adjustments have been budgeted for the coming year.

INDUSTRIAL RELATIONS

Negotiations have resumed with a view to reaching a new Procedural Agreement, a Transition Collective Agreement (that takes stock of the new labour laws, the 2019 Award yet to be implemented and the precarious current business situation), as well as a new Collective Agreement to project beyond the above-mentioned situation. Issues of labour mobility and flexibility and the revamping of the current salary structure and bonus scheme remain pivotal to those negotiations.

ARTISAN ENGAGEMENT

Emphasis on constant internal communication has been maintained.

LEARNING AND DEVELOPMENT

2020 has been a year of change and unprecedented challenges for Learning & Development. While we have seen a reduction in our training budget because of the COVID-19 pandemic, Training Academy Beachcomber forged on to keep learning vivid and ongoing despite Artisans being off-site. New modes of training were introduced through a digital transition, with online workshops and blended learning.

KEY FIGURES - TRAINING

Details

2020-2021

No. of training courses delivered	**104**
No. of Artisans trained	**3,775**
Total training hours delivered	**57,338**
Average training hours per Artisan trained	**15**

Though relatively fewer Artisans were trained during the period 2020-2021 compared to the previous year, the learning strategy remained impactful. In the given context, Safety, Hygiene and Security Procedures at the workplace scored highest learning hours, followed by Leadership Development and Brand Promise and Core Values. Engagement was further reinforced with the creation of the Beachcomber Trainers Club, the pool of in-house resources of Training Academy Beachcomber, with 32 Internal Trainers. The second edition of LEAD – the Beachcomber Leadership Development Programme – resumed and was completed successfully. The 2021-2022 batch will take off in July 2021 with a blend of participants from all Business Units.

HUMAN CAPITAL RISKS AND RESPONSES

The risks highlighted in the 2018-2019 and 2020-2021 reports as regards labour costs have not diminished and driving enhanced productivity and efficiency remains of paramount importance.

The voluntary separation exercises have reduced payroll costs, but have also resulted in unavoidable talent loss, which is to be compensated by further development and empowerment of in-house talent, selective recruitment and creative reorganisation and manpower planning in 2021-2022.

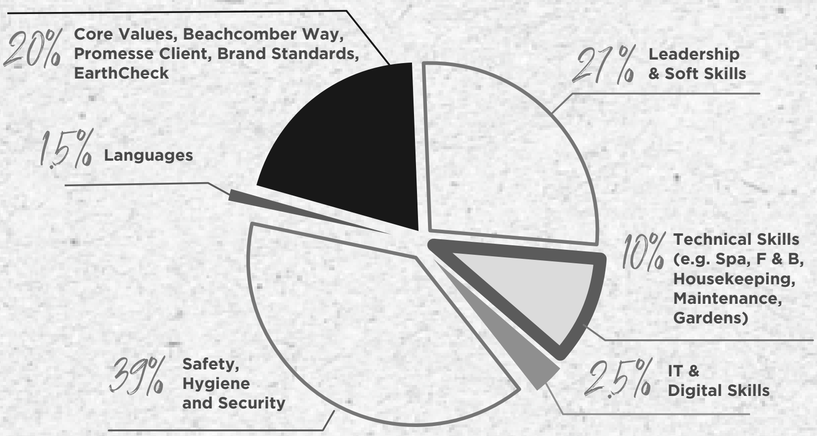
“ The voluntary separation exercises have reduced payroll costs, but have also resulted in unavoidable talent loss, which is to be compensated by further development and empowerment of in-house talent, selective recruitment and creative reorganisation and manpower planning in 2021-2022. ”

Bertrand PIAT

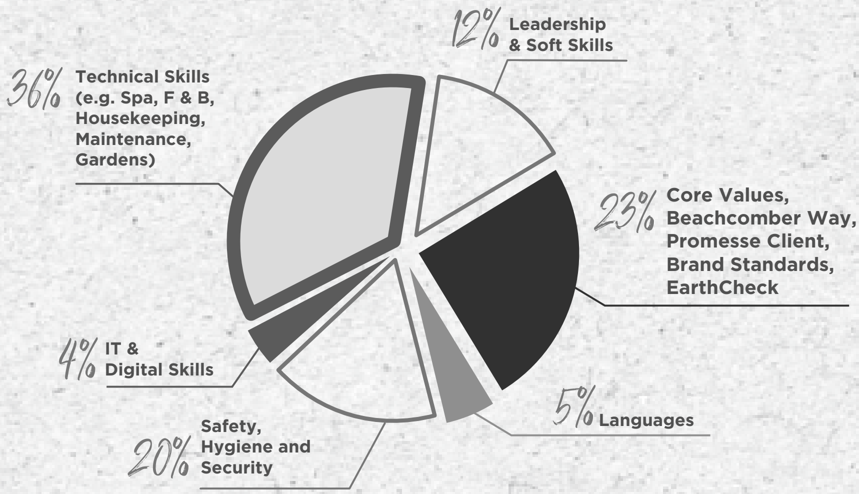
CHIEF HUMAN RESOURCES OFFICER

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

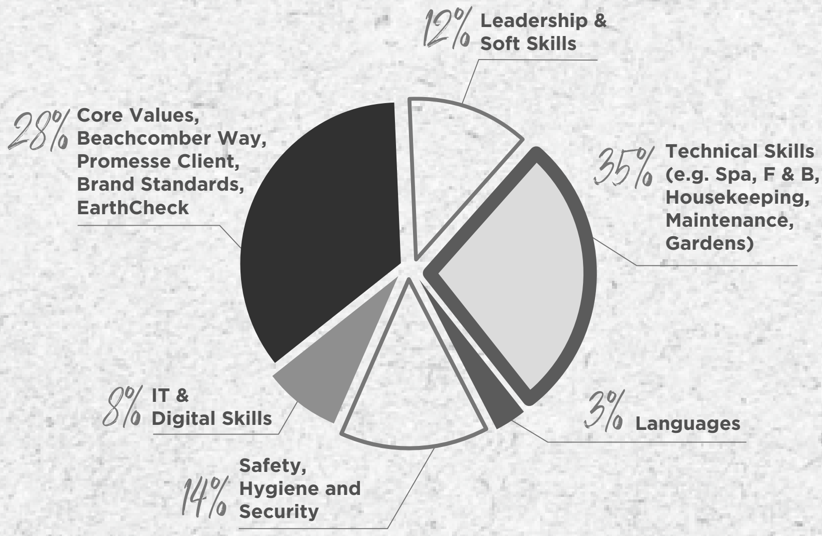
2021

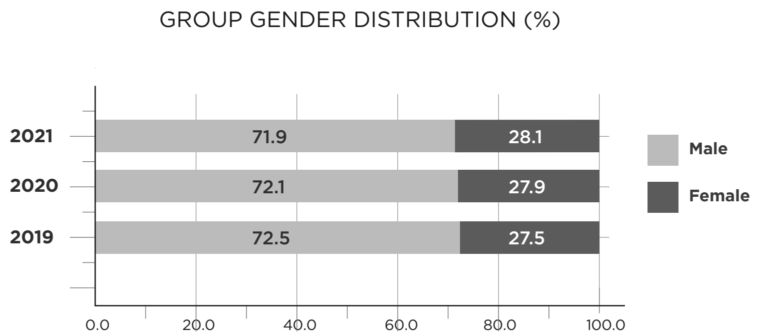


2020

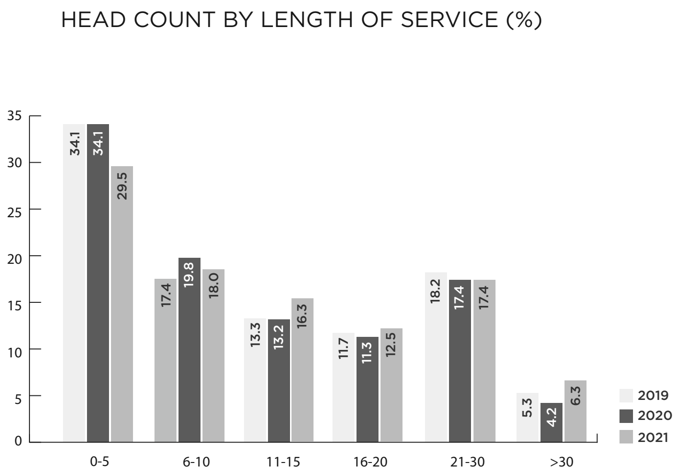


2019

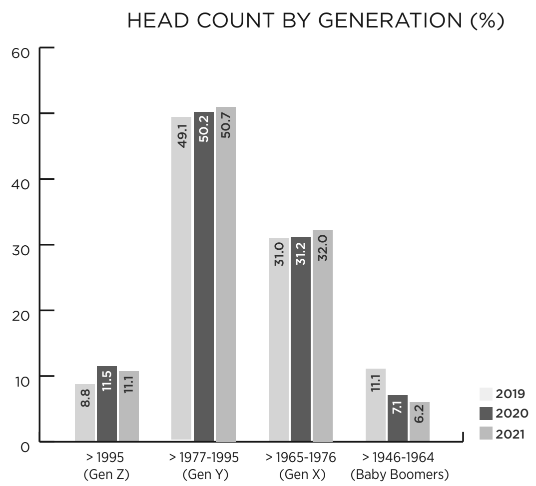




GROUP GENDER DISTRIBUTION (%)
2021
71.9
28.1
2020
72.1
27.9
2019
72.5
27.5
Male
Female
0.0
20.0
40.0
60.0
80.0
100.0

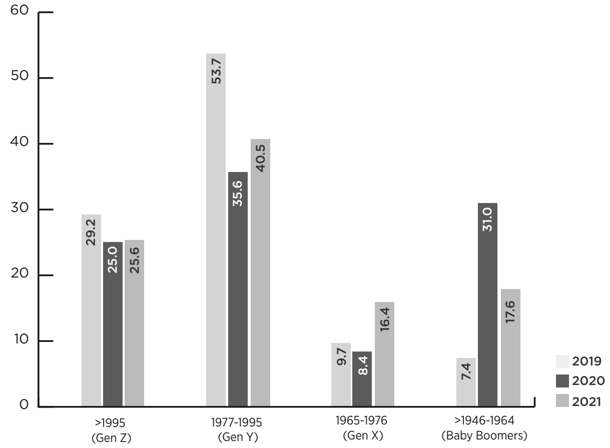


HEAD COUNT BY LENGTH OF SERVICE (%)
0-5: 34.1, 34.1, 29.5
6-10: 17.4, 19.8, 18.0
11-15: 13.3, 13.2, 16.3
16-20: 11.7, 11.3, 12.5
21-30: 18.2, 17.4, 17.4
>30: 5.3, 4.2, 6.3
2019
2020
2021

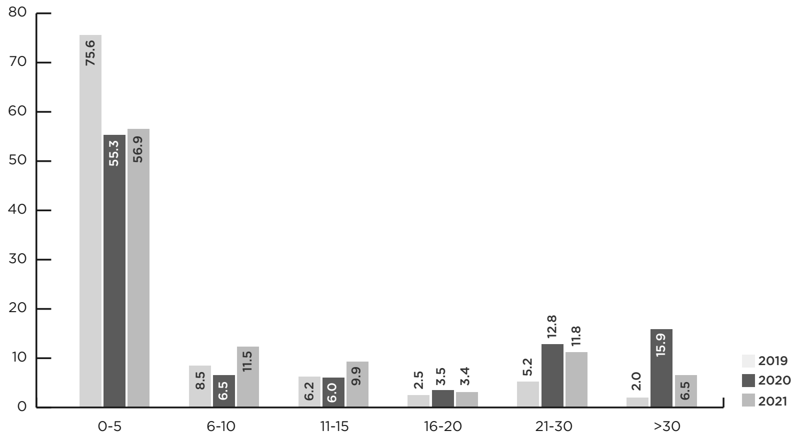


HEAD COUNT BY GENERATION (%)
> 1995 (Gen Z): 8.8, 11.5, 11.1
> 1977-1995 (Gen Y): 49.1, 50.2, 50.7
> 1965-1976 (Gen X): 31.0, 31.2, 32.0
> 1946-1964 (Baby Boomers): 11.1, 7.1, 6.2
2019
2020
2021

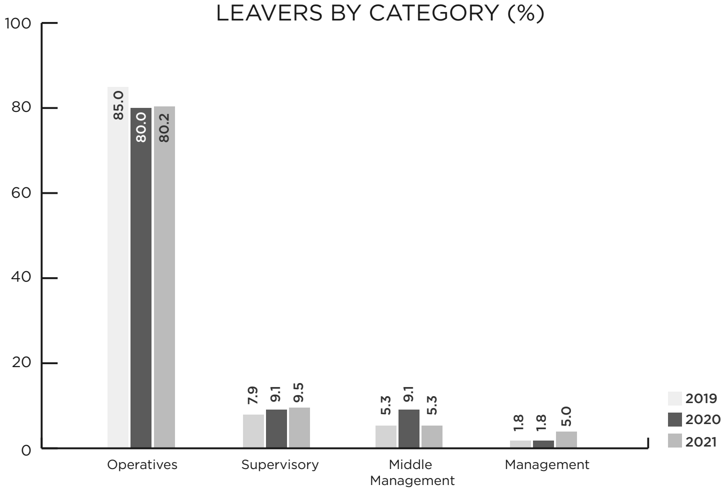
LEAVERS BY GENERATION (%)



LEAVERS BY LENGTH OF SERVICE (%)



LEAVERS BY CATEGORY (%)



Social CAPITAL

1. Presentation of FED

FED was created in June 1999 to support the inclusion of vulnerable groups into the socio-economic mainstream.

It plays a significant role in the sustainability policy of Beachcomber by contributing to the recruitment of local youths (Projet Employabilité Jeunes – PEJ), supplying locally produced goods from recycled materials (Beautiful LocalHands) as well as connecting with our communities through its regional committees and with our guests through the Top FED initiative.

The Foundation's priority areas are as follows:
- education and training;
- health, including the fight against drug abuse and disability;
- socio-economic development; and
- conservation and promotion of the natural and cultural heritage of the country.

This long-standing commitment is sustainable only because our Artisans are deeply committed to the socio-economic development of their communities. FED works closely with them and with Beachcomber hotels to implement social programmes in the surrounding regions.

2. Resilience and Adjusting Priorities

Since the first lockdown in March 2020, FED has been deprived of funds save for the National Social Inclusion Foundation (NSIF) grant for the PEJ project. Top FED donations were minimal with only two hotels open to the Mauritian market for a few months. However, FED has managed to adjust its strategy and priorities in order to maintain its most important projects despite limited funds.

3. Projects

Projet Employabilité Jeunes

PEJ is an ongoing project launched in 2004 to improve the employability of beneficiaries, who are mostly out-of-school youths from vulnerable backgrounds. They are prepared to workplace realities through training in the social and academic skills required for a rewarding personal and work life, as well as placements, mainly in Beachcomber hotels.

For the year under review, FED was able to maintain the PEJ training programme through funding from the NSIF. After renegotiating the fees for renting training centres and hiring external trainers, and after cancellation of the award ceremony which was scheduled for March 2021, total funding from the foundation amounted to Rs 502,859. Training courses were provided to 226 youths between August 2020 and February 2021. A total of 173 youths completed the employability programme while knowing that there would be no placement in Beachcomber hotels.

The PEJ was once again postponed this year as a consequence of the second lockdown. Training courses started in August with only 160 participants in order to comply with sanitary protocols and social distancing requirements in classrooms. The programme received a grant of Rs 1,048,355 from the NSIF for 2021.

- Beautiful LocalHands

Beautiful LocalHands aims to promote local handicraft on the tourism market, especially in Beachcomber hotels, through production and marketing support to small-scale craftspeople.

In July 2020, the activities were reorganised and have since been carried out by a FED subsidiary, Beautiful LocalHands Ltd.

The project has however been adversely impacted by the pandemic given that the beneficiaries' products are mainly intended for the

"FED adjusted its priorities to maintain its ongoing projects despite the challenging times."

Viren VYTHELINGUM

CSR MANAGER

tourist market. Many of the Artisans working regularly with FED have also had to find other sources of revenue to sustain a living in the meantime. The orientation and priorities of the project were tobe readjusted according to demand trends with the reopening of the country's borders to tourists.

- Duke of Edinburgh's International Award Mauritius

The project, under the aegis of the Ministry of Youth, brings together a total of 130 beneficiaries aged 14 to 24 years old mainly from the South-West and South-East regions. The youths have to develop a skill, practice a sport and carry out a community service activity once a week. They are mentored by 30 leaders comprising FED committee members and adults from neighbouring communities.

Activities were placed on hold during the first lockdown period and resumed in June 2020 with mainly community service initiatives in the South-West region.

- Educational Support

FED supports a remedial programme at Pointe aux Piments Government School for low-achieving pupils in Grades 4, 5 and 6. The Foundation also provided funding for the services of a liaison officer to motivate the parents of the 270 pupils to send their children to school. Consequently, this ZEP school recorded an overall pass rate of 65% for the PSAC Grade 6 exams. Given the positive outcome of this project since it started five years ago, FED will extend its support this year again.

4. Regional Committees

The regional committees comprise Beachcomber Artisans who are interested in the social field. In collaboration with FED, they identify and set up their own social development projects, with a primary focus on youth development.

A regional committee has been set up at the Head Office in Curepipe to assess and identify social needs in the surrounding neighbourhoods and to carry out social development projects.

Natural CAPITAL

NMH is considered a pioneer in the hospitality industry and an example to follow in terms of environmental stewardship. We continue to seek new opportunities and set the trend in terms of carbon footprint reduction. We maintain our focus on the impact of the actions we are taking today on future generations. With that in mind, we keep working hard to reduce our energy consumption and in parallel, cut down on the different types of waste generated by our activities. The COVID-19 pandemic and two national lockdowns have affected the entire industry, and NMH has been no exception. Since the very first day of the 2020 lockdown, we have started thinking about ways to reduce our impact on the environment by simply operating differently.

Collaboration with EarthCheck, the world's leading scientific benchmarking, certification and advisory group for travel and tourism, has continued for a seventh year. However, due to the pandemic and lockdowns, only a few hotels were physically audited by an EarthCheck representative. The audit for the others was carried out remotely by the same auditor. The eight properties successfully passed the audits and retained their Silver Certification for another year. Interestingly, the remote audits allowed us to identify some key points to be improved and areas to be reinforced.

Unfortunately, most of our hotels were closed during the year. Only a few of them were used as quarantine facilities for some months and some others welcomed local guests only. Consequently, energy consumptions have considerably decreased. The hotels have only been using a limited amount of energy in order to keep the minimum services in function – limited lighting, essential distribution and lifting pumps, desalination plants in some hotels, fire-fighting and fire alarm equipment. The lack of occupancy in our hotels has resulted in KPIs which were not meaningful based on guest and room nights, making comparison with the previous years practically impossible. However, we can still make some comparison when it comes to energy and potable water consumption per hotel covered surface area. Finally, it enabled some of the hotels to determine their threshold energy consumption, i.e. the minimum amount of energy required to operate our hotels with zero guests and a minimum level of staffing.

ENERGY

Electricity

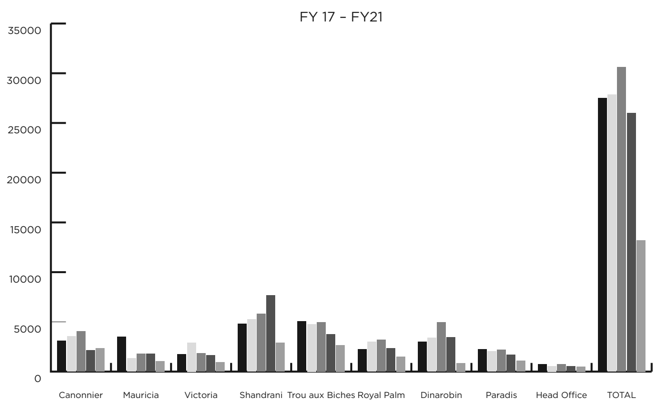
There was a significant decrease in our energy consumption, which cannot be compared to any other year. As a matter of fact, the energy consumption level decreased by 21% between 2018-2019 and 2019-2020 and by 45% between 2019-2020 and 2020-2021. This drop is primarily associated with the shutting down of some electricity, gas, or diesel-powered equipment because of the lack of occupancy at our hotels.

Some of our hotels have completed the installation of rooftop PV panels, thus contributing to the national Medium-Scale Distributed Generation Scheme to reduce our dependency on fossil fuels for electricity production.

Water

Potable water consumption has shifted by a mere 15% between 2018-2019 and 2019-2020 and by an impressive 49% in the following period. The two hotels that showed the largest decline in water consumption are Shandrani Beachcomber Resort & Spa and Dinarobin Beachcomber Golf Resort & Spa.

Figure 1: Potable Water Consumption (Litres)



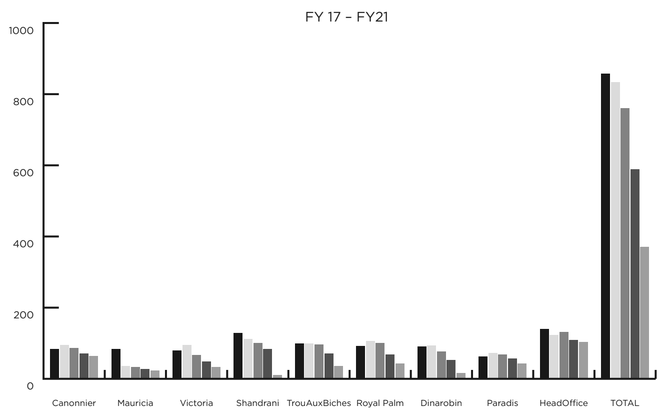
Our in-house water bottling project is being extended to more hotels like Shandrani Beachcomber to offer its own still and sparkling water in glass bottles instead of traditional plastic ones. This ongoing initiative will continue to enable us to reduce our dependency on plastic bottles, which continue to be a source of pollution on the island.

Figure 2: Energy Consumption (MJ)

The two hotels that showed the highest decrease in energy consumption are Shandrani Beachcomber and Dinarobin Beachcomber, which have closed down since the first lockdown and have undergone some important renovation work. They are only scheduled to reopen in October 2021. In the absence of guests at these hotels, energy consumption will remain at the lower end until their reopening.

As previously mentioned, the lockdowns have enabled us to determine our threshold energy consumption, i.e. the minimum amount of electricity and water required to run our hotels with zero guests and a minimum level of staffing.

The challenge will now be to manage our energy consumption with the gradual increase in the number of guests and consequently hotel operations. The target will remain an ultimate use of the utilities in proportion to the percentage of hotel facilities in operation, and to reach a lower total energy consumption – both with respect to the number of guests and surface area – than in the year 2018-2019.



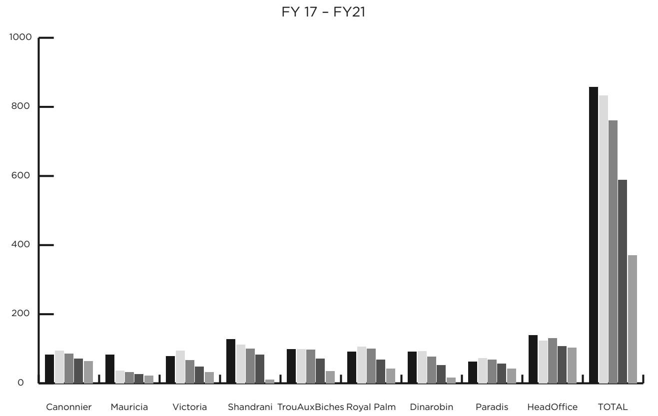
WASTE

The waste to landfill has unfortunately shown an increase compared to previous years. This rise can be explained by the fact that the hotels have taken advantage of the absence of guests to perform heavy cleaning of back-of-the-house areas, trimming and carting away of trees.

GREENHOUSE GAS EMISSIONS

Similarly to electricity and potable water consumption, greenhouse gas emissions have significantly decreased by approximately 26% between the last two financial years. This drop shows what results can be achieved by taking the proper measures to reduce energy consumption and review some functional and operational activities.

Figure 3: Greenhouse Gas Emission



ROLE OF OUR ARTISANS

Never has the role of our Artisans been more important than today. They have been working relentlessly since the lifting of lockdown – and are still doing so – to restore the hotels to a good condition to welcome guests again.

Moreover, with the reduction in staff levels within the Maintenance and Technical Department resulting from the implementation of different schemes by management, we have had to think out of the box and redefine the priority of activities for our Artisans. We thus need to redefine our field of expertise and dare to outsource activities for which we know we do not necessarily have the expertise and know-how.

We need to keep the focus on our common goal, which is the satisfaction and experience provided to our guests, who are becoming increasingly aware of the impact of the hospitality industry on the environment.

ROLE OF OUR HOTELS

Unfortunately, the financial impact of COVID-19 has required NMH to review its investment in some major projects for the next couple of years. The major initiatives earmarked in the previous financial years were, for example, the refurbishment of two restaurants at Paradis Beachcomber Golf Resort & Spa and major renovation at Shandrani Beachcomber.

However, we must continue to investigate the different

"Never has the role of our Artisans been more important than today. They have been working relentlessly since the lifting of lockdown – and are still doing so – to restore the hotels to a good condition to welcome guests again."

Bertrand VINEY

GROUP ENGINEERING MANAGER

technologies that will enable us to reduce our energy dependence and thus optimise our consumption without affecting the guest experience. The development of our customised BMS in the coming year will help us better control our energy use.

Moreover, the introduction of the BMS will facilitate the control and management of some utilities, such as cold room temperature, swimming pool water quality and energy management in the Suites through lighting and temperature control.

MAIN TARGETS AND PRIORITIES

With the reopening of our borders, and resumption of hotel activities, the priority will remain the satisfaction of our guests through their experience within our resorts. However, we must continue to strive to improve our operational efficiency. The main targets and priorities for the coming year(s) are:

- the review of our modus operandi to be more efficient and effective despite the reduction in staff levels and respond positively to our guests' and management's expectations;
- the development of our own BMS and CMMS to deal with the same issue as above. Those effective tools will enable better management of our stock of assets and better control of their utilisation and associated expenses;
- continuing to improve our energy efficiency and decreasing our carbon footprint to improve our scores and thus retain our EarthCheck Silver Certification; and
- PV installation as part of the National MSDG projects at Dinarobin Beachcomber, Shandrani Beachcomber & Beachcomber Catering.

Intellectual CAPITAL

Intellectual Capital is the capital that adds to the wealth of the organisation. It includes relational capital, structural capital as well as human and social capital. Decisions, actions and procedures that add to the competitive advantage of the Company and contribute to generating revenue can be included as intellectual capital.

Never has the Company ever had to face such disastrous situations at several levels, mainly the human, operational and financial dimensions. The pandemic is far from over and vaccination seems to be key to a return to some kind of normality or new normal. Initiated on 26 January 2021, Mauritius' vaccination programme gained momentum and has been decisive to a safe and secure reopening of our borders.

During and after the national COVID-19 lockdown in March 2021, members of the Beachcomber Sales & Marketing team were constantly readjusting the sales mechanisms and pricing policies to adapt to the situation while being proactive and flexible in various decisions and actions. Decision-making must always remain swift and sustained – when to launch specific and special offers, when to adjust them and when to stop them to shift to something else.

With the subsequent travel restrictions at our borders, various offers were developed to propose interesting packages to the local population that generated some interesting, though moderate revenue. Canonnier Beachcomber opened to locals from July 2020 and later on, Paradis Beachcomber and Royal Palm Beachcomber Luxury offered stays in Suites, Apartments and Villas for couples and families willing to enjoy relaxing and pampering experiences.

On many occasions and in several meetings, Beachcomber Resorts & Hotels worked in close collaboration with the MTPA and the Ministries of Health and Tourism to discuss the conditions to be applied when reopening Mauritian borders.

In times of crisis, drastic and unpredictable measures have to be taken when deciding which hotel is going to accommodate quarantine requirements, positive cases, etc. The opening and closure of hotels following their change of status had to be relayed on our digital platforms: social media, website, direct mailing. The Reservation Centre and Hotel Operations in general expended considerable effort to constantly adapt and readjust.

Restrictions on inbound international travel were eased out in September and a mere seven-day quarantine period in a "resort bubble" was required for fully vaccinated travellers. Since October 2021, they are free to move around our paradise island without restrictions on arrival, provided they submit proof of a negative PCR test within 72 hours prior to travelling to Mauritius..

In light of this full reopening of borders to vaccinated tourists, Beachcomber Resorts & Hotels has launched a full-fledged advertising campaign across its key markets to reassure guests by re-instilling trust and confidence. The first phase was unveiled in June 2021 to prompt with humour, creativity and positivity the desire to travel again in these post-pandemic times. The campaign focuses on the unique Beachcomber Experiences to inspire guests, encouraging them to book their next holidays. It is also aligned with our strong commitment to sustainability and restores confidence through emphasis on our SAFE PLACE label. The successful implementation of this enhanced sanitary protocol across our collection of resorts guarantees the safety and security of our guests and staff while reassuring them.

The second phase of the campaign launched in October 2021 showcases the passion, talent and motivation of our teams as flag bearers of The Art of Beautiful as well as our greatest assets. Through short video clips, the campaign highlights the unique dedication of our Artisans to make a difference by elevating the guest experience beyond the expected, offering unparalleled moments and creating unforgettable memories. It salutes and celebrates the commitment to excellence of our staff, inspiring travellers to choose our collection of resorts for their next holiday trip.

Unveiled across our main markets, the two-phase advertising campaign has enabled us to deepen our special relationship with

our regular guests and created new bonds with future ones who would like to know more about the Beachcomber brand. Concurrently, the roll-out of the advertising plan further strengthened our market positioning in the family segment, which is our main target. Throughout our almost 70-year history, families have been one of our most important markets. The newly launched campaign builds on our well-established reputation as the ultimate family resorts in the region while also defining our unique offerings for kids, teens and adults.

As Mauritius fully reopens its borders, we are ready to welcome back our guests and provide them with authentic and meaningful holidays.

> "In light of this full reopening of borders to vaccinated tourists, Beachcomber Resorts & Hotels has launched a full-fledged advertising campaign across its key markets to reassure guests by re-instilling trust and confidence."

Karine PERRIER CURÉ

CHIEF BRAND & COMMUNICATION OFFICER

"With Mauritius reopening its doors to tourism, we want to ensure that Beachcomber Resorts & Hotels and destination Mauritius are top of mind in our main markets."

François VENIN

CHIEF SALES AND MARKETING OFFICER

Manufactured CAPITAL

Our manufactured capital consists of 10 resorts with unique locations and infrastructure. Excellence of service and operational efficiency are our key priority while ensuring long-term value creation.

Key Indicators:
Compared to the 2019-2020 report, all key indicators relating to our portfolio remained unchanged.

Major Achievements:
Most of our renovation projects came to a halt with the declaration of a total lockdown in Mauritius. Funding was reallocated to projects at Shandrani Beachcomber Resort & Spa and Dinarobin Beachcomber Golf Resort & Spa.

Most hotel facilities and back-of-the-house equipment may be damaged if they remain idle for a certain time. We therefore concentrated available funds towards maintenance work at all our hotels in order to ensure full sales potential from 1 October 2021.

Thirty Artisans travelled by charter flight to St Anne resort in the Seychelles for a period of 4 months to assist and support our project there. Despite major setbacks (not the least being a change of main contractor midway through the project) and numerous logistical complications, we were able to deliver the project to our lessee, Club Med SAS on 1 February 2021. Even with some minor pending issues we remain confident that all snagging will be completed by November 2021.

We have had to defer the refurbishment of Blue Marlin restaurant and the Tropical Rooms at Paradis Beachcomber Golf Resort & Spa.

With 6 weeks left to complete the conference room at Fairmont Royal Palm Marrakech, Morocco was placed in lockdown. The project has since been completed but is still not in use due to sanitary restrictions.

With the closing down of Royal Palm Beachcomber Luxury, we seized the opportunity to completely review the beach restaurant concept, which was operational again in October 2021, adding a new dining option to this prestigious property.

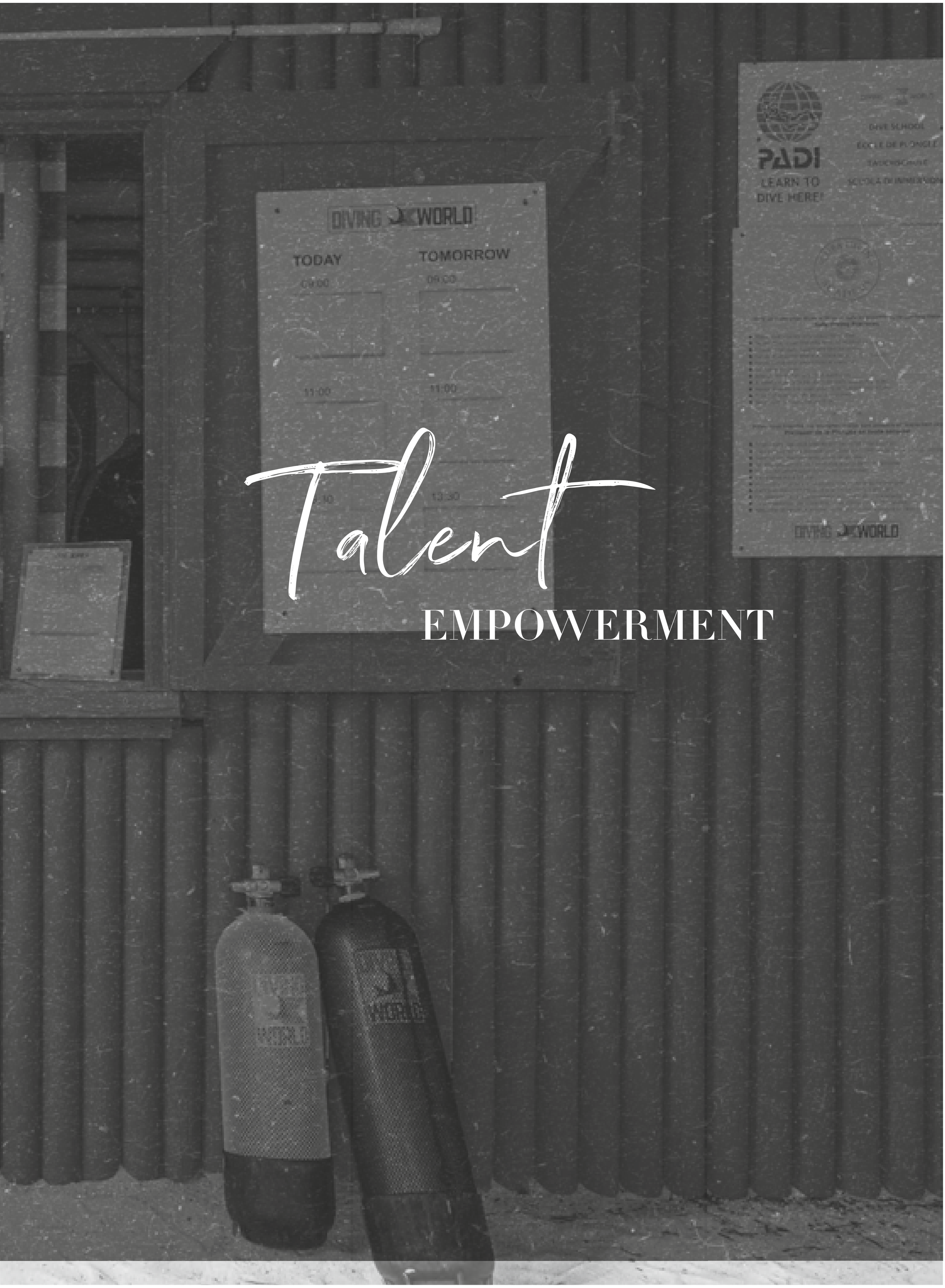
At the time of writing, we had already responded swiftly to the Government's call and offered Mauricia Beachcomber Resort & Spa, Canonnier Beachcomber Golf Resort & Spa, Victoria Beachcomber Resort & Spa and Trou aux Biches Beachcomber Golf Resort & Spa for use as quarantine/contact tracing or treatment centres. Our teams have demonstrated considerable flexibility and have taken suitable initiatives to react to these new, unique and very demanding circumstances.

"Most of our renovation projects came to a halt with the declaration of a total lockdown in Mauritius."

Jean Louis PISMONT

CHIEF OPERATIONS OFFICER


BEACHCOMBER
DIVING
WORLD



Talent EMPOWERMENT

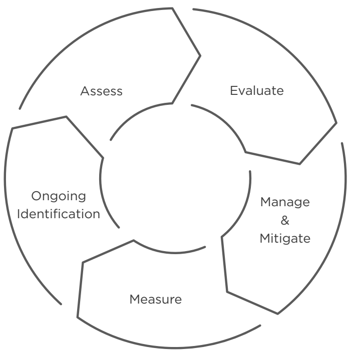
Risk MANAGEMENT REPORT

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. The sustainability of the Group rests on proper risk management and considerable efforts have been put in by our Artisans at all stages of the process.



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 appraise their adequacy. Our Artisans are therefore given a defined framework to work within and are encouraged to keep abreast of major disruptions in the hospitality industry. We are thus continually on the lookout for emerging risks. Business processes are also constantly analysed and consolidated following recommendations made by internal and external auditors or other specialised service providers.

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

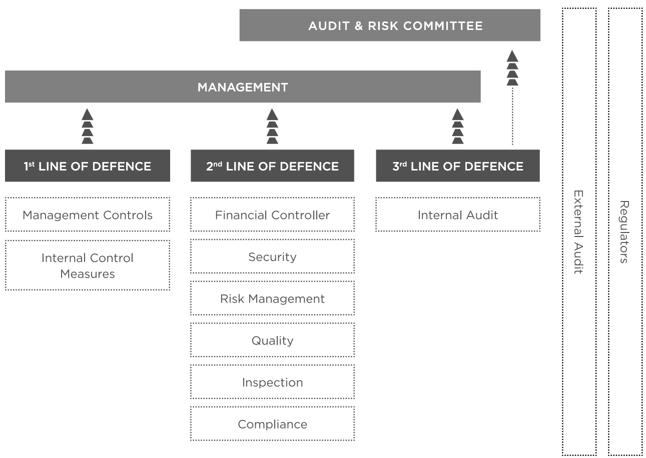
Our Risk Maturity Level

As part of our risk management journey, NMH has gradually shifted from a fragmented to a more strategic approach. While this remains the aim, we realise that embedding risk management 'in everything we do' is a long-term process which requires constant monitoring and fine-tuning.

We strongly believe that with the aligning of our technology maturity in Audit and Risk Management, coupled with a blend of robotics in our data automation, our risk management framework will help take our risk management maturity to the next level.

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 Audit and Risk Committee ("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.

Non-financial risks are covered by qualified professionals working under the umbrella of the Operational Excellence Department. 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 Operational Excellence 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.

The Group has been actively preparing for the reopening of its resorts. Beachcomber has refreshed its crisis and incident management procedures and has developed the SAFE PLACE label in partnership with LIBA, an ISO 17025-accredited international bioanalytical laboratory. The Group has taken the lead in terms of health and safety requirements with that certification.

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 understands 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.

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.

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

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 47 to 50 lists the main inherent risks for the Group.

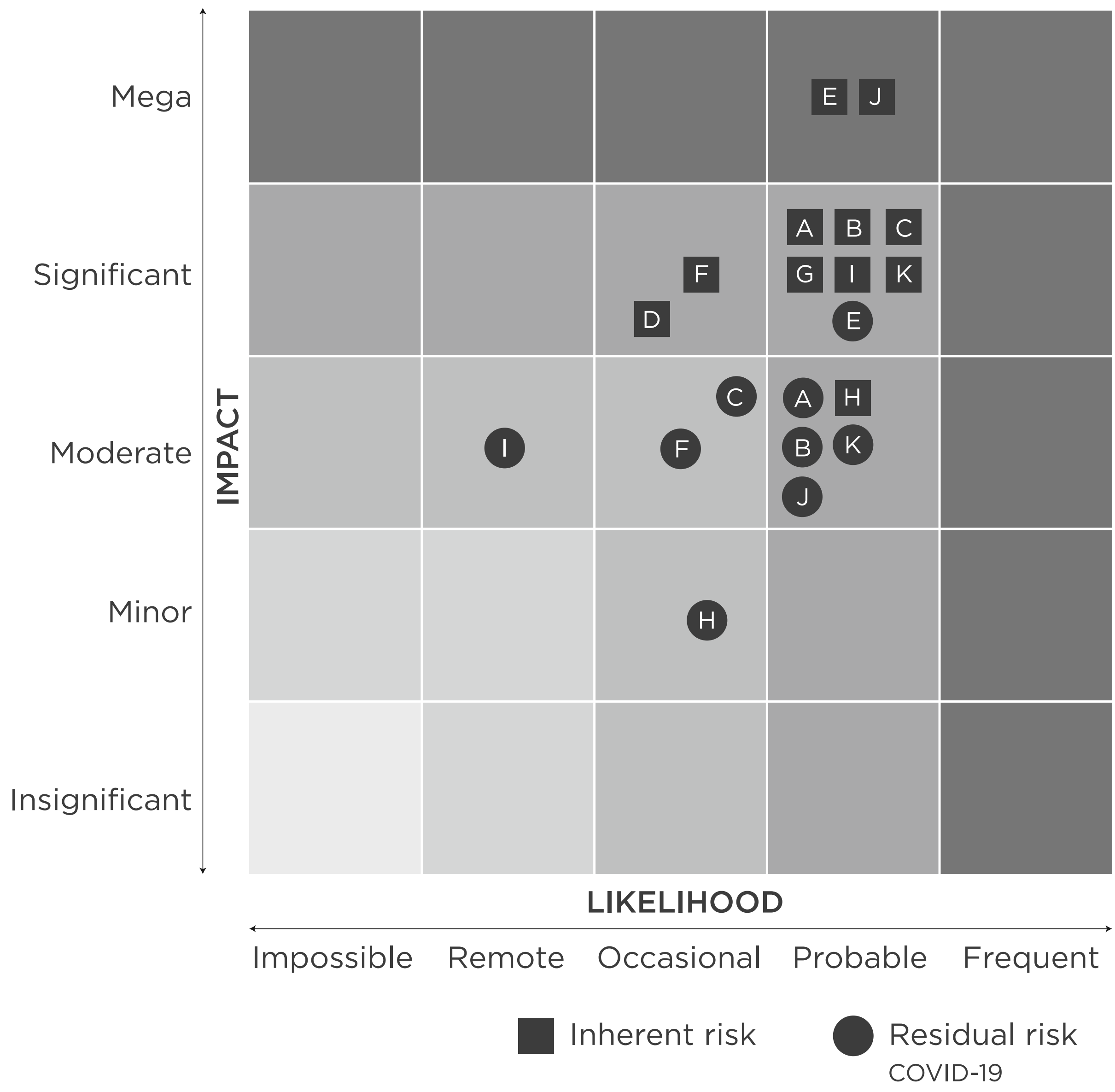
Top Risk	Description and Risk Context	Opportunities	Risk Responses
		Strategic Risks	
A **Commercial**	• Inability to innovate products and services • Inability to sustain competitive edge • Inability to increase our market penetration	• Capitalise on our savoir-faire to consolidate our existing markets 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 norms • 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, Training Academy Beachcomber, 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 over-exposure • 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 front line 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

RISK HEAT MAP



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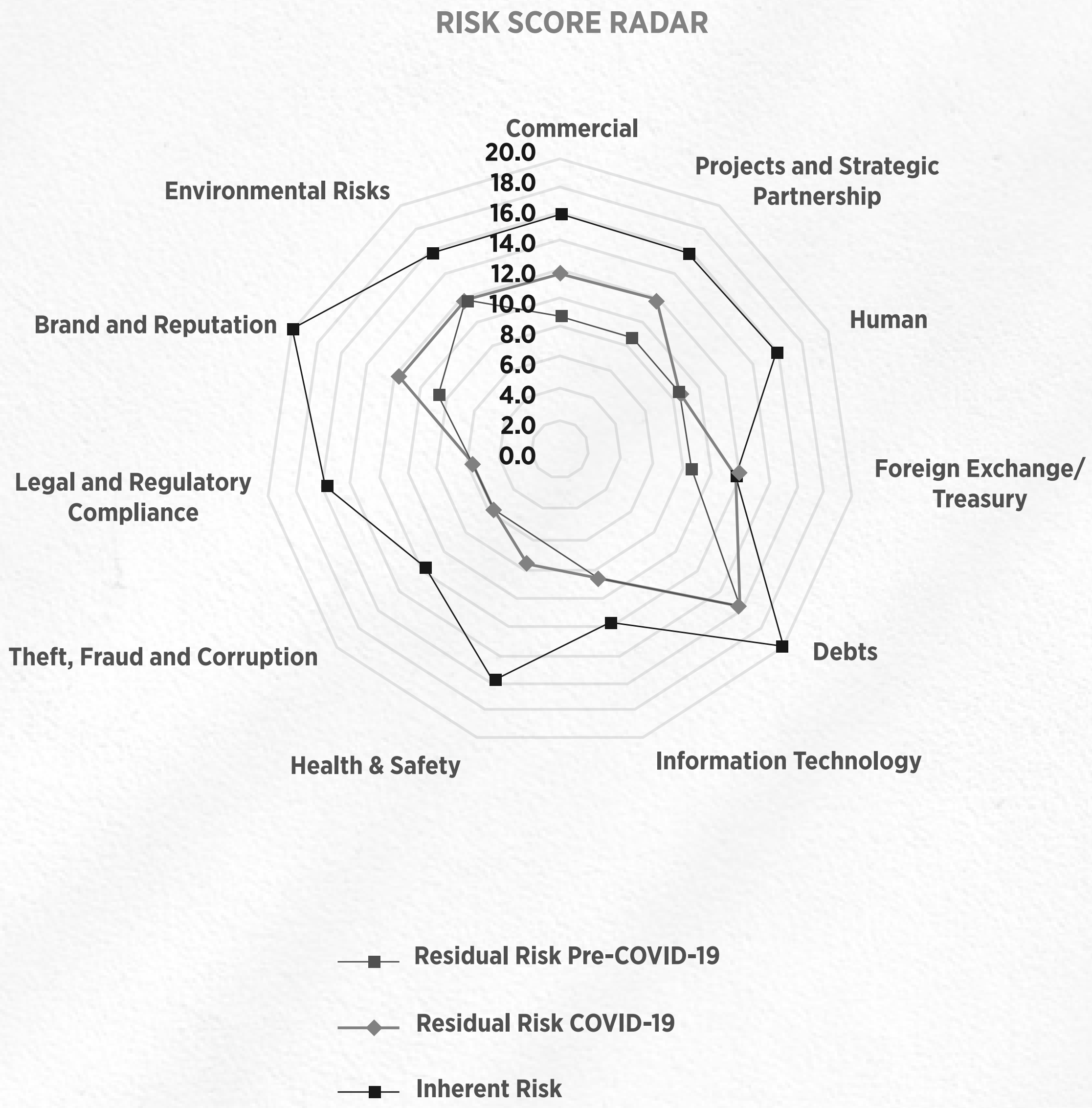
"NMH has adopted a cross-functional approach to managing risks. This has had the effect of promoting better risk understanding and further strengthening our lines of defence."

Jamil TAUJOO
CHIEF INTERNAL AUDIT OFFICER

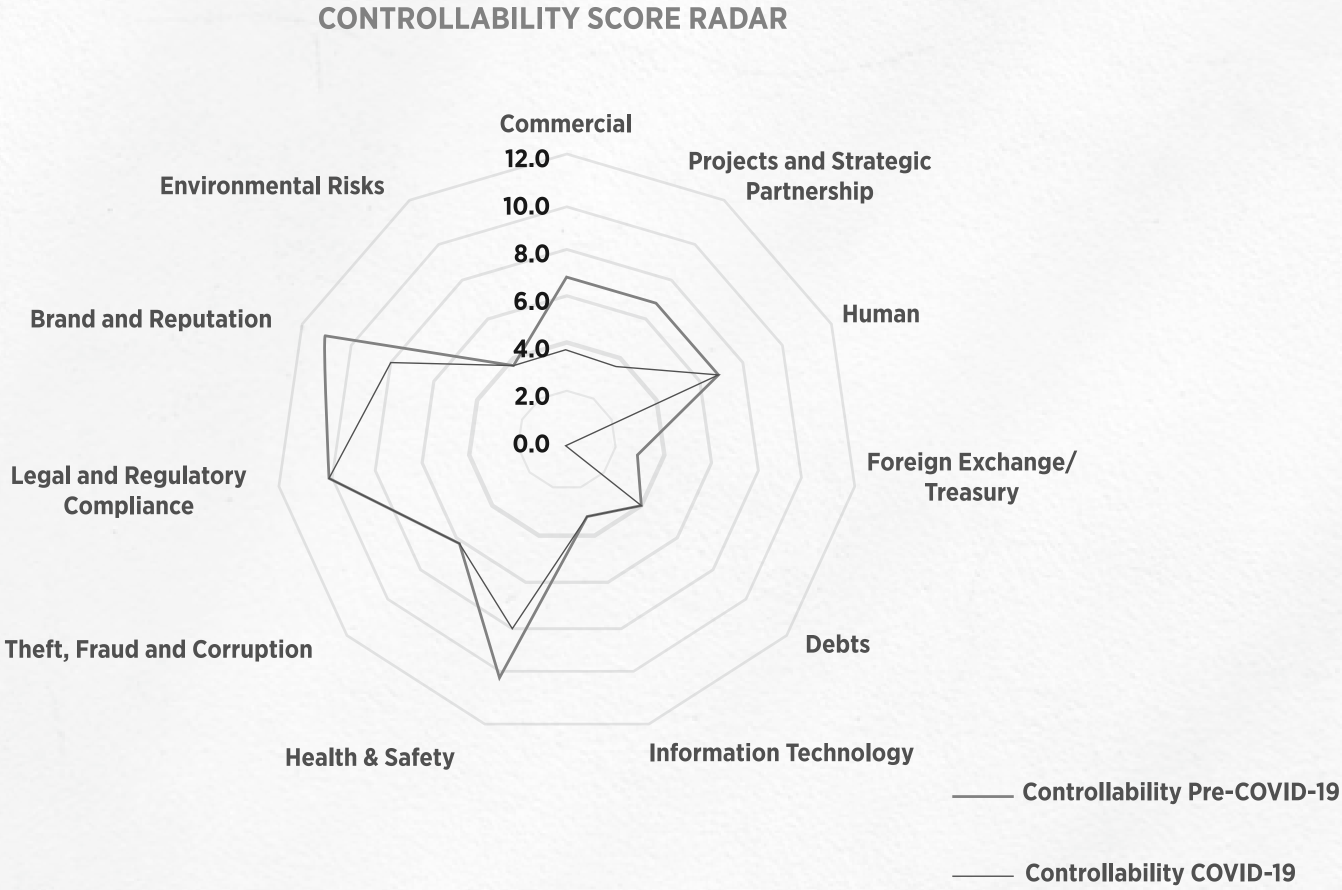
Risk Score Radar

The Risk Score Radar is a visual representation of the inherent risks in the 11 main risk areas that populate our risk register, together with the residual risks COVID-19 and Pre-COVID-19. Each risk has been assessed based on its likelihood of occurrence (scale 1-5) and the potential financial impact (scale 1-5). The Risk Score is a product of the likelihood of occurrence and the potential financial impact, where a score of 25 represents the maximum possible risk score.



Controllability Score Radar

The Controllability Score Radar depicts the controllability score of each of the top 11 risks of the Group. The controllability score is the difference between the inherent risk score and the residual risk score and since the 'residual risks' for certain risk captions have been affected by COVID-19, the below radar shows both a COVID-19 controllability score and a pre-COVID-19 controllability score.



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. The Group has recently automated its internal IT support with the introduction of a service desk. This has further harmonised the business processes with the overall IT infrastructure.

Audit and Risk Committee

For internal control, internal audit and risk management issues, please refer to page 55 (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 over certain practices that came to light through our whistle-blowing programme. 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 of automating 'technology' solutions 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:

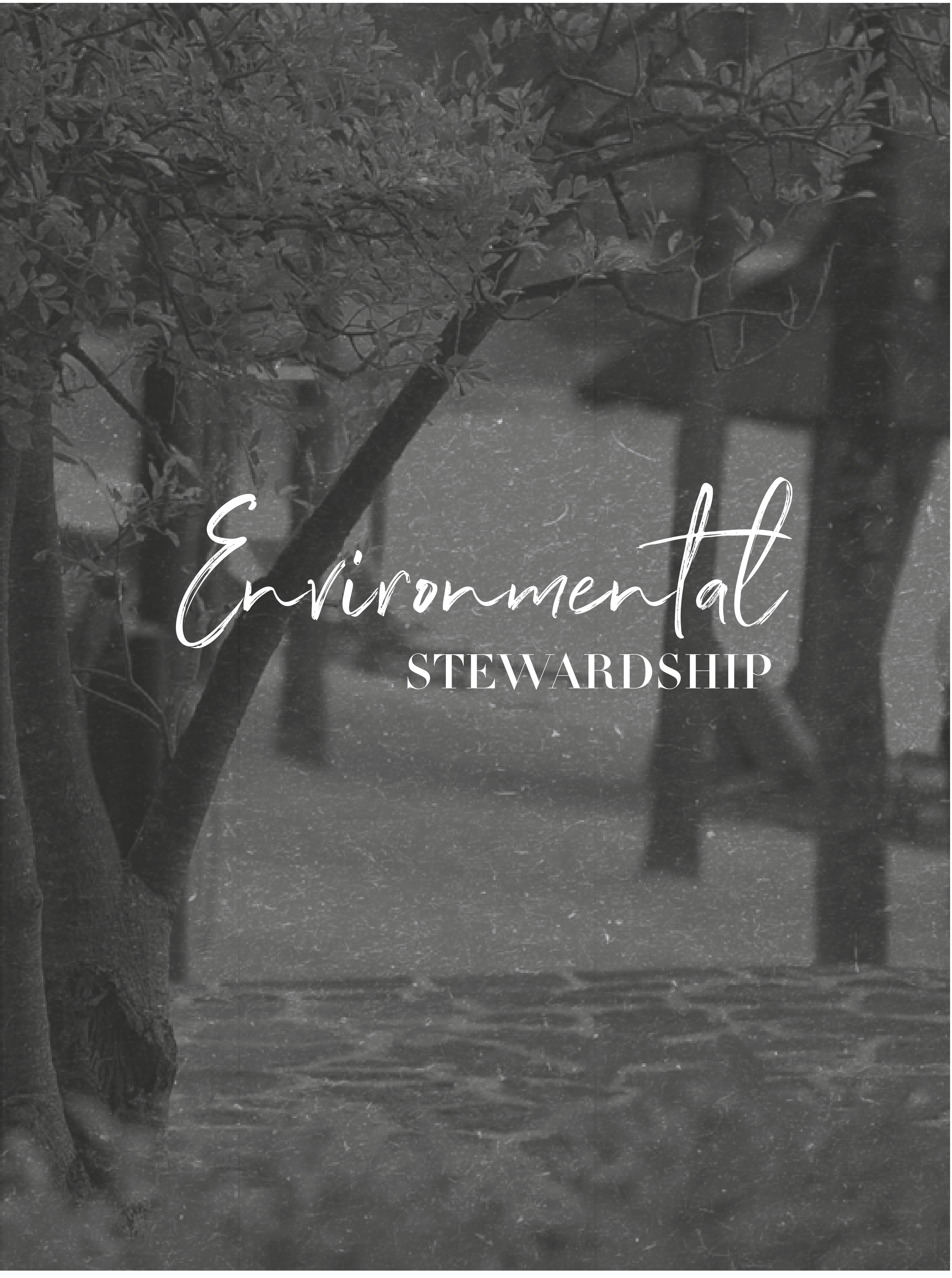
Business Units	FY20	FY21
Hotels	2 Business Cycles across 8 hotels	-
Catering	-	1
Special Audits	8	6

In FY21, the internal audit team performed a total of 6 special audits across the Group and 1 audit intervention at Beachcomber Catering. The 6 special audits included 4 audits that were carried out following information received through our whistle-blowing programme and ultimately led to disciplinary actions taken against those involved. The remaining 2 special audits focused on the review of our Hotel Management System (HMS) procedures and a review of the adequacy of CCTV positioning and resolution at our receiving bays. Audit of our Overseas Tour Operating activities have been reported due to COVID-19 travel restrictions.

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.



Environmental STEWARDSHIP

Corporate GOVERNANCE REPORT

New Mauritius Hotels Limited ("NMH" or the "Company") is a public interest entity under the provisions of the Financial Reporting Act 2004. 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").

The Board worked in sync with management during this second year of the COVID-19 pandemic in order to maintain the Company's staying power as borders remained closed. Digital communication and online meetings enabled the Board to remain connected and close to the decision-making process, and to contribute to the timely implementation of the Company's strategy to see the crisis through.

The Company held its annual meeting in June 2021 at Paradis Beachcomber Golf Resort & Spa following special arrangements made as prescribed by the then prevailing sanitary protocol. A total of 13 villas were equipped with state-of-the-art video conferencing technology, allowing shareholders to interact with the Board.

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:

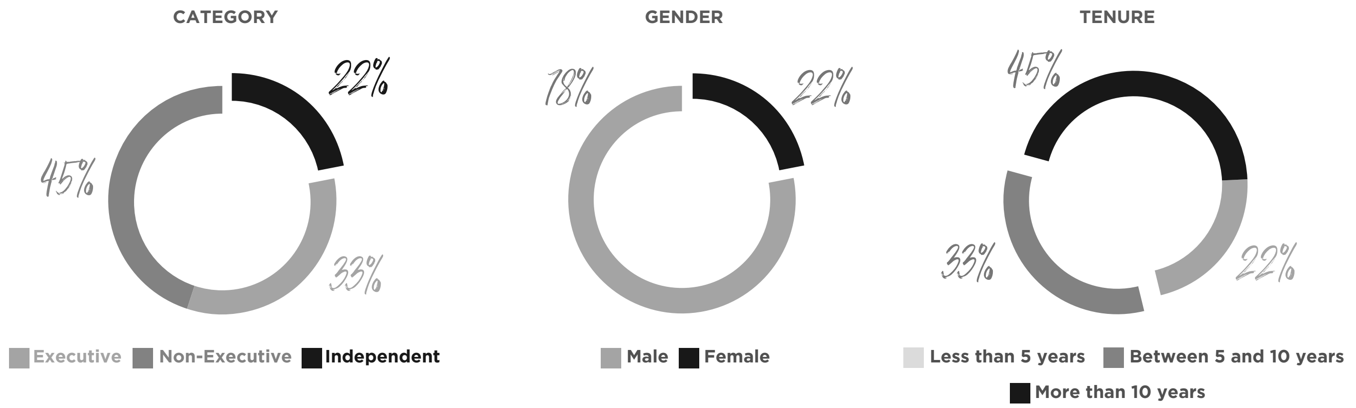
- adopted a Board Charter which sets out the objectives, roles and responsibilities, as well as composition of the Board of Directors;
- identified its key Senior Governance positions;
- approved an Organisational and Governance Structure *(as disclosed on page 70 of the Integrated Annual Report)*; and
- 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

As at 30 June 2021, the Board composition was as follows:



As at 30 June 2021, NMH was headed by a unitary Board comprising nine Directors, including two female Directors. The Board of Directors comprises 3 Executive Directors, 4 Non-Executive Directors and 2 Independent Non-Executive Directors. The size of the Board is determined by NMH's Constitution, which is available for consultation on the Company's website: www.beachcomber.com

Board members have a diverse mix of skills and experience and are distinguished by their professional ability, integrity and independence of opinion. Together, they ensure high standards of governance at NMH. All Directors of NMH ordinarily reside in Mauritius. Their names and profiles are disclosed on pages 74 and 75 of the Integrated Annual Report.

On 29 November 2021, Mr Jitendra Bissessur was appointed as additional Director of NMH.

For more information on directorships held by the Directors, please refer to NMH's website: www.beachcomber.com

2.2 Board Committees

In order to facilitate efficient decision-making, the Board has delegated some of its powers and responsibilities to two Committees, namely the Corporate Governance Committee ("CGC"), which also acts as Remuneration and Nomination Committee, and the Audit and Risk Committee ("ARC"). These Committees operate within defined terms of reference which are available for consultation on NMH's website: www.beachcomber.com. The Charters of the said Committees are reviewed annually by the Committees and any proposed amendments are recommended to the Board for approval.

Proceedings of the Committees are reported to the Board to allow other Directors to be informed and seek clarifications from the Committee members. Each Director has access to all Committee meetings and records.

2.2.1 Corporate Governance Committee

The CGC is composed of:

Jean-Pierre Montocchio ❍	Non-Executive Director
Herbert Couacaud	Non-Executive Director
Hector Espitalier-Noël	Non-Executive Director
Sunil Banymandhub	Non-Executive Director
Gilbert Espitalier-Noël	Executive Director

❍ Chairman

During the financial year under review, the CGC met 2 times and

- reviewed the Corporate Governance Report for the year ended 30 June 2020;
- recommended the re-election/reappointment of Messrs Jean-Pierre Montocchio, Alain Rey, 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;
- reviewed and approved the Board calendar 2021;
- reviewed the CGC's Charter and NMH's Code of Ethics;
- reviewed the succession plan for NMH executives and approved the appointment/promotion of some key NMH executives;
- reviewed the plan to reduce overall payroll costs in the context of the COVID-19 pandemic; and
- assisted in the preparation of the meeting of shareholders.


BEACHCOMBER
KERSLEY
VICTORIA
BEACHCOMBER

2.2.2 Audit and Risk Committee

The ARC is composed of:

Alain Rey ❍	Independent Non-Executive Director
Jyoti Jeetun	Independent Non-Executive Director
Sunil Banymandhub*	Non-Executive Director

❍ Chairman

** Appointed in November 2020*

During the year, the Chairman of the ARC 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.

In the course of the financial year under review, the ARC met 2 times and:
- reviewed the audited financial statements for the year ended 30 June 2020;
- reviewed and recommended to the Board the approval of the publication of the unaudited quarterly consolidated results of the Company;
- examined reports issued by the Internal Audit function;
- reviewed the effectiveness of the internal control and risk management systems; and
- reviewed the ARC's Charter.

2.3 Board Deliberations

During the year under review, the Board met 8 times and:

- **Strategy & Finance**
- approved the audited financial statements/Annual Report for the period ended 30 June 2020;
- approved the unaudited quarterly consolidated results of the Company for publication purposes;
- reviewed the Group's operations as reported by the CEO and assessed the group structure regularly;
- reviewed the strategy of the NMH Group;
- approved banking facilities, opening of bank accounts, re-established the signatories and mode of operation of the various bank accounts of NMH;
- recommended to the shareholders the cancellation of payment of a dividend of Re 0.15 per ordinary share;
- approved the appointment of The Mauritius Commercial Bank Limited in replacement of BLC Robert & Associates as Noteholders' Representative;
- approved the sale of land at Les Salines;
- approved finance lease facilities;
- obtained the approval of the Noteholders and regulatory authorities to waive the gearing covenant to the Notes issued under the MUR 6 billion Multi-Currency Note Programme dated 9 October 2017;
- approved refurbishment work at Paradis Beachcomber Golf Resort & Spa and Shandrani Beachcomber Resort & Spa; and
- reviewed, assessed and approved strategic initiatives for debt reduction.

- **Governance, Compliance and Risk**

\- prepared meetings of shareholders;
\- approved various off-market transfers/transmissions of shares;
\- approved press releases following delays in publication of financial reports;
\- reviewed the composition of the ARC;

- reviewed and reconfirmed the terms of reference of the ARC;
- approved and recommended the appointment of BDO & Co. as auditors for the year ending 30 June 2021; and
- reviewed the risk management framework of the Company.

• **Standing Agenda Items**
- received the reports/recommendations of the ARC and CGC; and
- received reports from the Chief Executive Officer.

• **COVID-19 Pandemic**
- regularly assessed the potential impact of the COVID-19 pandemic on the affairs of NMH and discussed mitigation plans;
- reviewed and approved an early voluntary retirement scheme and a plan to reduce overall payroll costs in the context of the COVID-19 pandemic;
- in a spirit of solidarity, approved a reduction in the Directors' fees payable by NMH;
- funding request to the Mauritius Investment Corporation Ltd ("MIC"):
  - approved the terms and conditions and signature of transaction documents for the issue of redeemable and convertible bonds to the MIC for a total subscription amount of MUR 2.5 billion, secured by a floating charge on the assets of the Company; and
  - approved the issue and allotment, by way of reserved issue, of 250 redeemable convertible secured bonds of MUR 10 million each to MIC for an aggregate principal amount of MUR 2.5 billion.

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 at the forthcoming shareholders' meeting scheduled for March 2022:
• the re-election of Dr Jyoti Jeetun and Mr Gilbert Espitalier-Noël as Directors of the Company in accordance with Section 23.6 of the Company's Constitution;
• the reappointment of Messrs Herbert Couacaud and Sunil Banymandhub, who are over 70 years old, as Directors of the Company; and
• the reappointment of Mr Jitendra Bissessur as Director of the Company in accordance with Sections 23.3 and 23.4 of the Company's Constitution.

The Chairman of the Corporate Governance Committee confirms that Dr Jyoti Jeetun, Mr Gilbert Espitalier-Noël, Mr Sunil Banymandhub and Mr Herbert Couacaud continue to be performing and remain committed to their role as Directors of the Company.

2.4.2 Board Induction

All new Directors, upon joining the Board, benefit from an induction programme aimed at deepening their understanding of the businesses, environment and markets in which the Group operates. As part of the induction programme, they receive a comprehensive induction pack from the Company Secretary which contains essential Board and Company information, meet the Company's key executives and have a briefing session with the Chief Executive Officer.

2.4.3 Professional Development

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 2021 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	12,500	0.00	-	-	-	-	-	-
Herbert Couacaud	34,841,856	6.35	384,030	0.07	-	-	-	-
Gilbert Espitalier-Noël	401,526	0.07	14,185,698	2.58	-	-	1,773	0.01
Hector Espitalier-Noël	70,456	0.01	16,446,407	3.00	1,439	0.00	21,878	0.06
Jyoti Jeetun	-	-	-	-	-	-	-	-
Jean-Pierre Montocchio	10,212	0.00	516,043	0.09	330	0.00	142	0.00
Alain Rey	-	-	-	-	-	-	-	-
Louis Rivalland*	411,961	0.08	54,898	0.01	-	-	-	-
Pauline Seeyave	3,314	0.00	-	-	65	0.00	-	-
François Venin	-	-	-	-	-	-	-	-

** Resigned as Director of NMH, effective 3 August 2020.*

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**
Hector Espitalier-Noël	66,126*	-	-	-
Gilbert Espitalier-Noël	66,128*	-	-	-
Jean-Pierre Montocchio	10,212*	330*	303,850**	184**

** Indirectly through inheritance.*

*** Indirectly through associates.*

Note 17 to the financial statements for the year ended 30 June 2021, set out on pages 124 to 128 of the Integrated Annual Report 2021, details all the 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.
- ***Digital Culture:*** The digitalisation of the Group is disseminated to a larger audience, democratising IT tools, skills and knowledge. "Go and See" events allow Artisans to become more familiar with the initiative deployed throughout the Group. Business unit and department champions are identified to participate in the development of future solutions (e.g. automated reports). 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 will enable guests to digitally book activities (golf, spa, etc.) allowing for automated stock management and billing. Furthermore, ordering applications will allow waiters to order from the beach or pool, with orders flowing automatically to kitchens. As a result, guests will be served faster. They will soon be able to choose between ordering through their phone or being served by an Artisan.

  Leaner and paperless processes will make things easier for Artisans while managing and planning their workload. Managers will follow work orders in a digital way, have access to reports and devote more time to continuous improvement processes. 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 found on pages 44 to 50.
- ***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 24/7 operations 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 through 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 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 the 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.

The Chairperson of the Board is paid a special level of fees appropriate to his office.

Particulars of Directors' remuneration are entered into the Interests Register of the Company.

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.

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 ARC	35,000
Members not sitting on any Committee	25,000

In view of the significant adverse impact of the COVID-19 pandemic on the affairs of the Company and in a spirit of solidarity, only 75% of the monthly fee was paid to the Directors for the period ended December 2020. The Executive Directors have also consented to a reduction in their salaries. In respect of financial year 2021, no bonuses have been paid.

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 below:

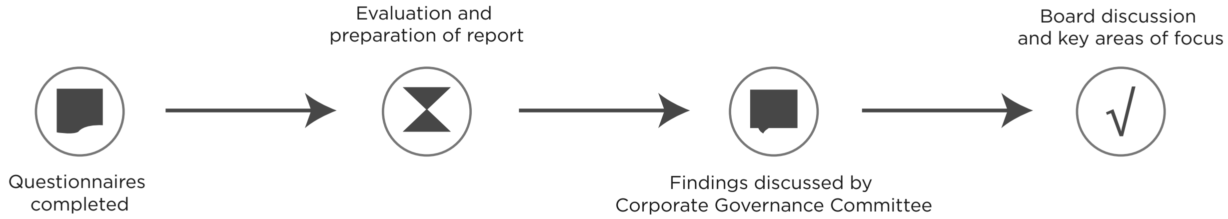
Category	**Director**	**Attendance**			**Remuneration & Benefits Perceived**		
		Board	**ARC**	**CGC**	**Received during the year Rs**	**Receivable at 30 June 2021 Rs**	**Total Rs**
Executive	Gilbert Espitalier-Noël	8/8	n/a	2/2	10,479,279	6,200,000	16,679,279
	Pauline Seeyave	8/8	n/a	n/a	8,423,364	2,806,800	11,230,164
	François Venin	8/8	n/a	n/a	13,651,562	2,426,573	16,078,135
Non-Executive	Sunil Banymandhub	8/8	2/2	2/2	367,500	-	367,500
	Herbert Couacaud	8/8	n/a	1/2	367,500	-	367,500
	Hector Espitalier-Noël	❍ 8/8	n/a	2/2	420,000	-	420,000
	Jean-Pierre Montocchio	8/8	n/a	❍ 2/2	367,500	-	367,500
	Louis Rivalland*	0/1	n/a	n/a	52,500	-	52,500
Independent	Alain Rey	8/8	❍ 2/2	n/a	367,500	-	367,500
	Jyoti Jeetun	8/8	2/2	n/a	367,500	-	367,500

❍ Chairman
** Resigned as Director of NMH, effective 3 August 2020.*
*** 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 the effectiveness of the Board, oversight of risk and self-evaluation.

Internal Evaluation Process



The review highlighted the Directors' focus on the Company's current financial situation and strategies to turn it around while upholding quality of service at hotels. Key areas of focus identified for the coming year are cost reduction/containment measures and debt reduction strategies.

3. Internal Control, Internal Audit And Risk Management

For internal control, internal audit and risk management, please refer to pages 44 to 55.

4. Shareholders and Other Key Stakeholders

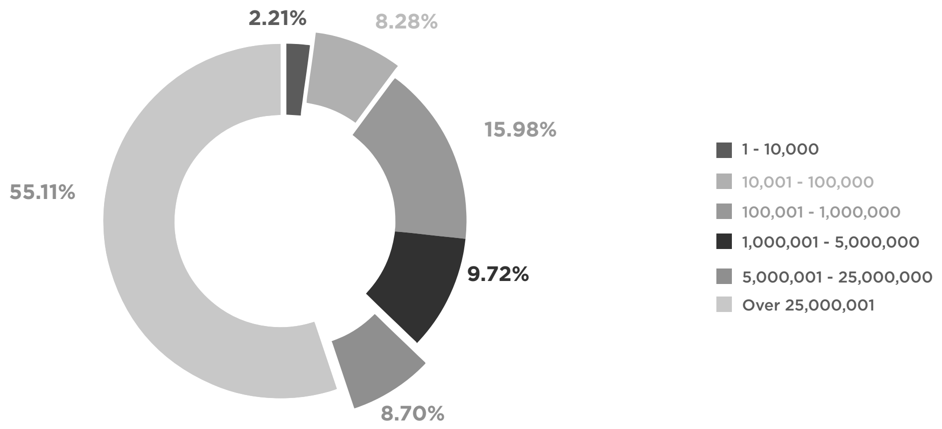
4.1 Shareholding Profile

As at 30 June 2021, shareholders holding more than 5% of the ordinary shares of the Company were as follows:

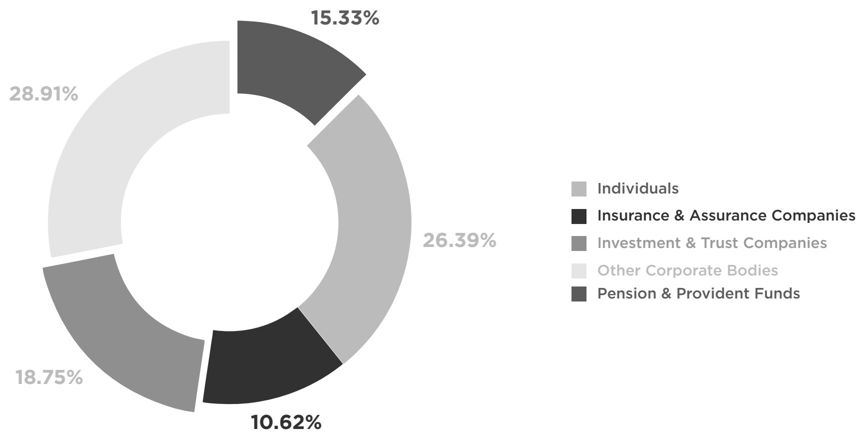
	Ordinary (%)
Rogers and Company Limited	22.93
ENL Limited	15.25
Swan Life Ltd	10.58
Herbert Couacaud	6.35

The share ownership analysis per holding percentage and category of shareholders as at 30 June 2021 was as follows:

Holding Percentage



Category 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 its 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.

Interim, audited financial statements, press releases and so forth are accessible from the Company's website: www.beachcomber.com

Analyst meetings are also organised periodically at which analysts are invited to interact with management. In compliance with the Companies Act 2001, shareholders are invited to the meetings of shareholders of NMH, at which the Board of Directors is also present. The Company's meetings of shareholders provide a valuable opportunity for shareholders to engage with the Board and receive an update on the performance of the Company.

4.4.2 Shareholders' Calendar

November 2021	Publication of abridged audited financial statements for the year ended 30 June 2021
	Publication of 1st quarter results to 30 September 2021
February 2022	Publication of half-year results to 31 December 2021
March 2022	Issue of Annual Report 2021
	Meeting of Shareholders
May 2022	Publication of 3rd quarter results to 31 March 2022

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 November 2021

Company SECRETARY'S CERTIFICATE

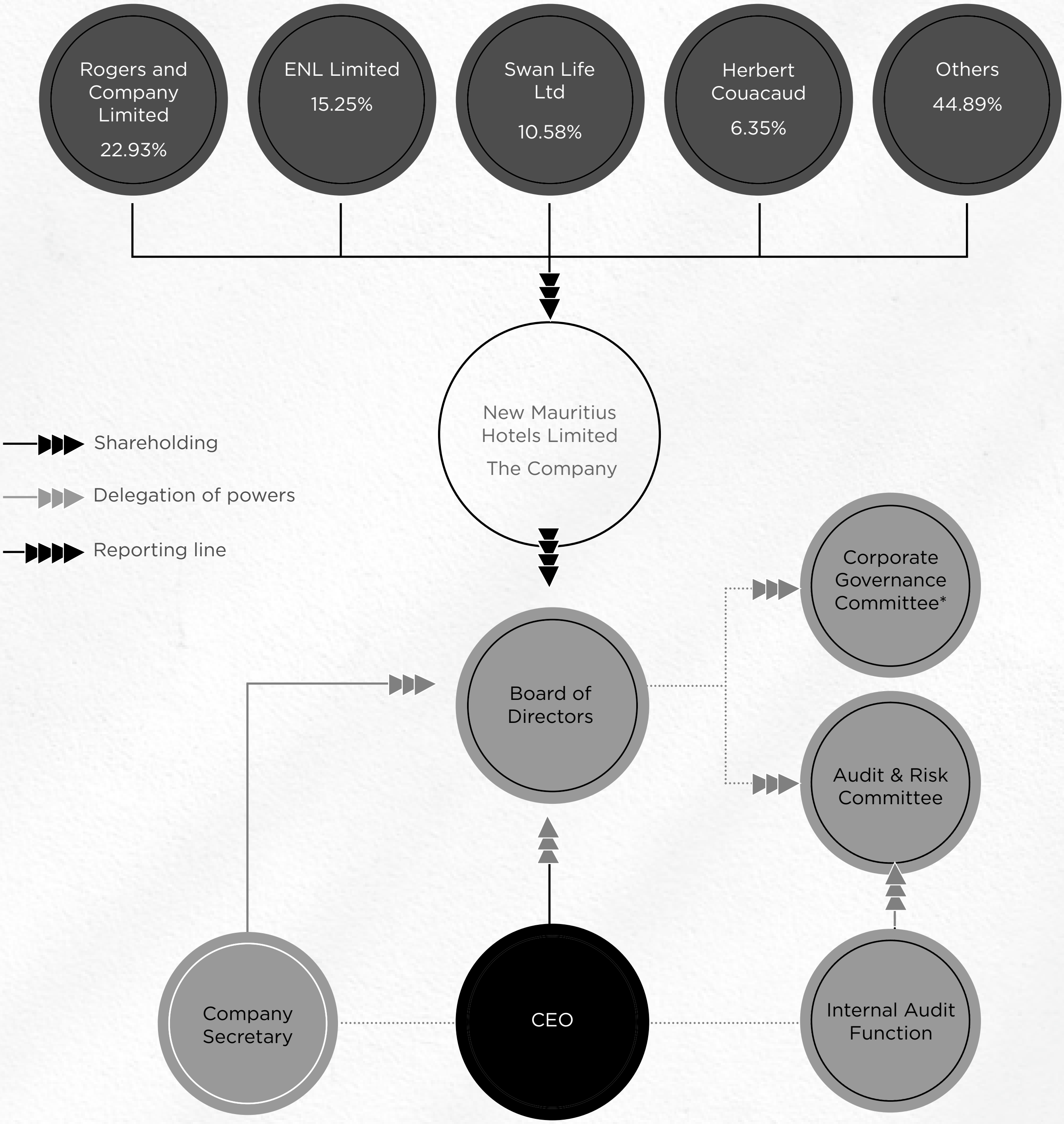
(Pursuant to Section 166(d) of the Companies Act 2001)

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 November 2021

Governance STRUCTURE



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

Directors' PROFILES

STANDING FROM LEFT TO RIGHT

Jyoti Jeetun

François Venin

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
(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: Member of the Corporate Governance Committee and the Audit and Risk 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 – *up for reappointment at next Shareholders' Meeting*
(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

Professional Journey
• Chief Executive Officer of the MIC since March 2021. He was the Officer-in-Charge of the MIC since its inception in June 2020.
• Previously the Director of the Economic Research and Analysis and Statistics Department of the BoM (2018-2020). Joined the Research Department of the BoM in January 1991 and has over 30 years of experience in the central banking field. He has both an economics and statistics background
• Worked as an economist in the African Department of the International Monetary Fund (IMF) (2013-14) and was part of the Article IV mission team to review macroeconomic developments and policies in Cameroon. He contributed to the Article IV Staff Report and Selected Issues Paper.
• Led the team to 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 BoM 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 BoM 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 - *up for re-election at next Shareholders' Meeting*
(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

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

Dr JYOTI JEETUN - ***up for re-election at next Shareholders' Meeting***
(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 and Risk 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

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 • Extensive experience in alliances, ventures, and partnerships • Strong proponent of fairness in business • Staunch defender of shareholders' interests

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 and Risk 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 and with banking and financial competence and expertise

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

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

Professional Journey:
• Group Chief Financial Officer of New Mauritius Hotels Limited since 2016 • Over 20 years of working experience in the UK and Mauritius
• Extensive experience in client portfolio management in Audit and Business Assurance
• Has occupied senior executive roles in banking, finance, risk management, credit, project finance and corporate banking • Current Non-Executive Director of Innodis Ltd • Past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Méditerranée Albion Resorts Ltd

Skills & Experience
• Extensive experience in Banking & risk management, corporate finance and financial reporting

FRANÇOIS VENIN
(Born in 1957)
Executive Director
Appointed in: July 2015

Professional Journey:
• Group Chief Sales and Marketing Officer of New Mauritius Hotels Limited since 2015
• 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 • Assists in the decision-making process on new projects or ventures and manages 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

LOUIS RIVALLAND - ***(Resigned on 3 August 2020)***
(Born in 1971)
Non-Executive Director
Appointed in: March 2002

Qualifications: BSc (Hons) degree in Actuarial Science and Statistics, Postgraduate Diploma in Strategy and Innovation, University of Oxford and Fellow of the Institute of Actuaries (UK)

Committee: Member of the Audit and Risk Committee

Professional Journey:
• Currently the Group Chief Executive of Swan General Ltd and Swan Life Ltd • Former President of the Joint Economic Council and of the Insurers' Association of Mauritius
• Played an active role in the development of risk management, investment, insurance and pensions in Mauritius, having chaired or served on various technical committees in these fields

Skills & Experience
• Extensive experience in financial services and risk management

Senior Management PROFILE

STANDING
from left to right

Hubert de RAVEL

François VENIN

Nicolas STAUB

Geraldine KOENIG

SITTING
from left to right

Bertrand PIAT

Stéphane POUPINEL de VALENCÉ

Karine PERRIER CURÉ

Sebastian LA HAUSSE DE LALOUVIÈRE

Pauline SEEYAVE

Gilbert ESPITALIER-NOËL

Jean Louis PISMONT

Senior Management PROFILE

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 Officer Operational Excellence
BA Hons Economics/MA, University of Cambridge, UK
Diploma in Management, University of Amherst, USA
Previous experience with SGS Group Management Ltd (Geneva) and Rogers Group.

Joined the NMH Group in March 2016.

Sebastian LA HAUSSE DE LALOUVIÈRE
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).

Bertrand PIAT
Chief Human Resources Officer
BSc (Hons) Psychology and Economics from City University, London and MA Occupational Psychology from Sheffield University. Previous experience in Human Resources and Training experience in Corporate and Consulting roles, locally and abroad
Joined the NMH Group in 2009.

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
Head of Sales
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 Sales Manager. He was appointed Head of Sales in 2015.

Pauline SEEYAVE
Chief Financial Officer
see under the section Directors' Profiles

François VENIN
Chief Sales and Marketing Officer
see under the section Directors' Profiles.

Business units 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

Chady Chemaly
General Manager of the 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
General Manager of Domaine Palm Marrakech and Legal Representative for Beachcomber Hotels S.A., Morocco

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 COMMUNITY

Other Statutory DISCLOSURES

I. Other Statutory Disclosures

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

30 June 2021

Activities

The activities of NMH are disclosed in Note 1 to the Integrated Annual Report 2021.

Directors

A list of Directors of the Company and its subsidiaries is set out on page 85 of the Integrated Annual Report 2021.

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 available on page 66 of the Integrated Annual Report 2021;

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

Directors	From the Company		From the Subsidiaries	
	2021	2020 (9 months)	**2021**	2020 (9 months)
Executive Directors	**Rs 000**	Rs 000	**Rs 000**	Rs 000
Full-time	**39,419**	27,837	**-**	-
Part-time	**-**	-	**-**	-
Non-Executive Directors	**2,310**	1,500	**-**	-
Post-employment benefits – Executive Directors	**4,568**	3,390	**-**	-
	46,297	32,727	**-**	-

(iii) by the Directors of subsidiaries who are not Directors of the Company were as follows:

Name of Subsidiary	**Director**	**2021**	2020 (9 months)
Executive Directors (2021: 7; 2020: 8**)**		**Rs 000**	Rs 000
Beachcomber Tours Limited	Michael Edwards	**–**	4,024
	Mark Boullé	**5,051**	3,689
Beachcomber Marketing (Pty) Ltd	Terry Munro	**2,805**	8,500
	S.L. Polo	**2,368**	4,348
	J.M. Visagie	**2,172**	4,319
Beachcomber Hotel S.A.	Laurent Piat	**2,153**	1,126
Mautourco Ltd	Richard Robert	**3,849**	4,288
	Jean-Paul Poussin	**2,107**	2,222
Post-employment benefits – Executive Directors			
Mautourco Ltd	Richard Robert	**1,278**	966
	Jean-Paul Poussin	**696**	480

Directors' Interests in the Equity of NMH

(i) The interests of the Directors in the shares of NMH as at 30 June 2021 are found on page 63 of the Integrated Annual Report 2021.

(ii) As at 30 June 2021, 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	-	-
François VENIN	1	0.000	-	-
Pauline SEEYAVE	-	-	1	0.000

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

As at 30 June 2021, 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				**Redeemable Non-Voting 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	8,913	0.002	136,094	0.025	-	-	43,833	0.124
Laurent PIAT	21,050	0.004	-	-	-	-	-	-
Stéphane POUPINEL DE VALENCÉ	60,000	0.011	-	-	-	-	-	-
Youssef SABRI	10,000	0.002	-	-	-	-	-	-

Contracts of Significance

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

Shareholders

At 29 October 2021, 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 2.9 m (9-month period to 30 June 2020: Rs 3.3 m) to the fund.

Political donations are dealt with by the Board. For the year under review, there was no such donation (9-month period to 30 June 2020: Rs 6.7 m).

During the year ended 30 June 2021, the subsidiaries of NMH made a total donation of Rs 0.240 m (9-month period to 30 June 2020: Rs 2.4 m).

Auditors' Remuneration

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Audit fees paid to:	**Rs 000**	Rs 000	**Rs 000**	Rs 000
BDO & Co.	**6,971**	6,772	**6,150**	6,000
Other firms	**3,794**	3,924	**-**	-
Fees paid for other services provided by:				
BDO & Co.	**549**	64	**500**	-
Other firms	**3,239**	18,815	**2,230**	18,368

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

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	Beachcomber Tours Limited	Beachcomber Training Academy Limited	Domaine de l'Harmonie Limitée	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	✓																								
Boullé Mark David		✓							✓																✓
Collet Serret Marie Anne Sheila																		✓							
Corbett Bronwyn Anne			✓																						
Couacaud Joseph René Herbert Maingard																			✓		R				
Curé Karine Marie												✓													
Daruty de Grandpré Jacques Gérard Michel										R												R	R		
Descroizilles Frédérique Louise Etiennette												✓													
Dr Sperl Klaus-Ulrich Gerhard																	✓								
Espitalier-Noël Marie Edouard Gilbert	✓		✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓		✓	✓	A	✓	✓	✓	
Espitalier-Noël Marie Maxime Hector			✓	R	✓	✓					✓				✓				✓		✓		✓		
Espitalier-Noël Marie Hector Philippe																✓	✓							✓	
Fayd'herbe de Maudave Louis René Alexandre																✓	✓							✓	
Fleury Christine Arlette Françoise																						✓			
Jeetun Jyoti																			✓						
Lebègue Frédéric Claude										A															
Montocchio Marie Joseph Jean-Pierre																			✓						
Montocchio François Thierry																Alt	Alt							Alt	
Munro Terence Leslie Ross							✓																		
Nairac Olivier Laurence																				✓					
Piat Jean Bertrand Evenor										✓															
Piat Maurice Daniel Laurent Evenor				✓	✓																				
Pierre Jean Benoît Didier	✓																								
Pismont Jean Louis Fernand André				✓	✓					✓		✓	✓	✓	✓							✓			
Polo Silvana-Lida							✓																		
Poussin Gilbert Jean-Paul	✓															✓								✓	
Ramphul Roma Devi										A															
Rey Alfred Joseph Gérard Robert Alain																			✓						
Rivet Jacques Armand Mathieu												R													
Rivalland Jean Michel Louis																			R						
Robert François Richard																✓								✓	
Seeyave Pauline Sybille Cheh			✓	A		✓	✓		✓		✓		✓	✓	✓	✓			✓	✓	A		✓	R	
Sobaron Marie Karen Sully										A															
Staub Nicolas Edward Patrick	✓						✓		✓																
Van de Moortele Leon Paul			✓																						
Venin François Roland					✓	✓	✓		✓	R		✓	✓			✓	✓		✓		A		✓	✓	
Visagie Joanne Mary							✓																		
Vythelingum Koogen	✓																								
Vythelingum Viren												✓													

✓ In office | A Appointed | R Resigned | Alt Alternate

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 Committee, 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 period 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.

III. Statement of Compliance to the Code

(Section 75(3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ("PIE"):	New Mauritius Hotels Limited
Reporting Period:	1 July 2020 to 30 June 2021

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 November 2021

Independent auditors' REPORT

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 98 to 170 which comprise the statements of financial position as at 30 June 2021, and the statements of profit or loss, the statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements and other explanatory information, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements on pages 4 to 105 give a true and fair view of the financial position of the Group and Company as at 30 June 2021, 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 Financial Statements* section of our report. We are independent of the Group and Company in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by International Ethics Standards Board for Accountants *(the "IESBA Code")*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Financial Statement Preparation – Going concern (impact of COVID-19 pandemic)

Key Audit Matter

The Group's and Company's financial statements for the year ended 30 June 2021 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 inherent risks and the potential impact of the COVID-19 pandemic on the Group's and Company's financial resources or ability to continue operations for the period up to 30 June 2022.

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. The operating losses have continued to accumulate with direct impact on the Group's and Company's working capital. 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 cash flows and operate within the authorised overdraft limit through mainly the following:

- Recovery of more than Rs 1bn of its trade debtors with low bad debts registered.
- Containing the refund of guest deposits by persuading guests to postpone their holiday stay.
- Decrease in staff costs with a reduction of some 170 employees coupled with reduced pay for employees earning > Rs 50,000 for the period July to December 2020.
- Receipt of bridging facilities from local banks totalling Rs 1.35bn pending the receipt of Mauritius Investment Corporation ("MIC") proceeds.
- Granting of capital moratoriums on the Company's term loans.
- Reduction of lease rental payments for hotel properties owned by the Company's subsidiary, Beachcomber Hospitality Investments Ltd (BHI).

- Negotiation of longer credit period facilities with suppliers especially to enable the Group and Company to pursue their capital expenditure programme before reopening of hotels.
- Receipt of MIC funding amounting to Rs 1.5bn as at 30 June 2021, and Rs 1.0bn after reporting date.

Given the uncertainty regarding the duration and final impact of the COVID-19 pandemic, the Group and Company cannot assess accurately the impact on its future financial performance. Management's assessment of going concern is based on cash flow forecasts, dependent on considerable management judgement and bias, and financing requirements negotiated by the Group and Company.

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 cashflow forecast, including assumptions made with regards to the uncertainty around the COVID-19 pandemic.

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 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 forecasted cash flows are reliable based on past experience.
- We traced and agreed the receipts from trade receivables to clients' records.
- We validated the cost savings relating to staff costs through the Voluntary Employee Retirement Scheme and Voluntary Departure Scheme put in place by the Company.
- We verified and agreed the revised terms of the lease agreements.
- We verified the revised terms of the Group's and Company's sources of liquidity and latest funding arrangements to supporting documentation.
- We reviewed the maturity profile of the Group's and 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 and after the reporting date.
- We performed our own sensitivities on the Group's and Company's forecasts and determined the impact on the available financial resources considering the alternative initiatives the Group and Company have in place.
- We reviewed the adequacy and appropriateness of the going concern disclosures made by management in the consolidated and separate financial statements.

2. Classification of redeemable convertible secured bonds issued to the Mauritius Investment Corporation ("MIC")

Key Audit Matter

During the financial year 2021, the Company issued redeemable convertible secured bonds (bonds) to the MIC, a wholly-owned subsidiary of the Bank of Mauritius for an amount of Rs 1.5bn.

The valuation and classification of the bonds is 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, management 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.

This was a matter of most significance during the current year audit of the consolidated and separate financial statements due to the judgement required in determining the classification of the bond based on the interpretation of different clauses of the contract.

Related Disclosures
Refer to Notes 4(l), 13 and 42 of the accompanying financial statements.

Audit Response

- We obtained and assessed the terms of the subscription agreement with the MIC.
- We involved our internal legal specialists to assess the terms of the contract and the legal opinion received from management's legal experts.
  - we checked the arithmetical accuracy of the calculation performed by management to arrive at the split between equity and liability component; and
  - we assessed whether appropriate disclosures were made in the consolidated and separate financial statements.
- We involved our technical accounting expertise to assess whether:
  - the assumption made by management with regard to the capital and interest components of the bond as separate units of account is reasonable;
  - the classification of the bond into financial liability and equity as adopted by management is in line with the contractual terms of the contract;

3. Impairment Assessment of Goodwill and Property, Plant and Equipment

Key Audit Matter

The Group has a significant value of goodwill and property, plant and equipment that has arisen from business combinations and capital investments. The carrying value of goodwill and property, plant and equipment stood at Rs 1.3bn and Rs 23.6bn respectively at 30 June 2021.

With major business disruptions caused by the COVID-19 Pandemic, there is a risk that the cash-generating units ("CGUs") of the Group may not achieve the anticipated business performance to support their carrying value, and for which indicators of impairment existed as at 30 June 2021. Significant judgement and application of critical accounting estimates, as disclosed in Notes 13, 28 and 31, 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 and property, plant and equipment.

The impairment assessment of goodwill, property plant and equipment 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
- 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, 28 and 31 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.
- 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 Company's forecasts and determined whether adequate headroom remained. For CGUs where there were indicators of impairment or low levels of headroom, 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 of the management's forecasting process;
  - discussing with management how the impact of the pandemic and the inherent uncertainties involved were assessed and factored in the cash flow;
  - corroborating the discount rate used by obtaining the underlying data used in the calculation and benchmarking it against market data and comparable organisations; and
  - confirming the growth rates and terminal growth rates assumed by management with comparable industry data.
- We have assessed the adequacy of the disclosures made in the consolidated and separate financial statements.

4. Impairment Assessment 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 6.9bn at 30 June 2021. An impairment loss amounting to Rs 184.6m 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 consolidated and separate financial statements.

With the COVID-19 pandemic, most of the subsidiaries' businesses were disrupted and there is a risk that the subsidiaries may not achieve the anticipated business performance to support their carrying value, thus leading to an impairment charge that may not have been recognised based on management's assessment.

The impairment assessment of the subsidiaries was a matter of most significance during the audit of the separate financial statements as it involves significant use of estimates, assumptions and judgements including:
- forecasted occupancy rates and guest night spending;
- estimated expenditure;
- future increase in direct costs, staff costs and other operating expenses;
- residual value of the property at the end of the useful life;
- discount rate; and
- COVID-19 impact.

Related Disclosures
Refer to Notes 13, 15 and 32 of the accompanying financial statements.

Audit Response
We have assessed the design and implementation of the controls relating to management's impairment review of investments.

- With the assistance 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 management's forecasting process.
  - We checked the validity and reasonableness of the forecast in line with the Group's and latest management's strategy.
  - We performed some benchmarking based on information available on the tourism industry in the respective countries of operation.
  - We discussed with management how the impact of the pandemic and the inherent uncertainties involved were assessed and factored in the cash flow.

- We assessed the appropriateness of the methodologies and key assumptions used, namely discount rates, and confirmed reasonableness of terminal values with the valuer.
- 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 of the hotels.
- We have assessed the adequacy of the disclosures made in the consolidated and separate financial statements.

5. Valuation of Investment Property
Key Audit Matter

The Group had investment property amounting to Rs 6.0bn as at 30 June 2021. 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.

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 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 Note 13 and 30 to the accompanying financial statements.

Audit Response
- We have assessed the design and implementation of the relevant controls relating to the valuation of the investment property.
- We have discussed and reviewed the work performed by the component auditor.
- We have assessed the competence, independence, and integrity of the external valuer.
- We obtained the external valuation report and discussed with the external valuer about the results of his work. We engaged with our

Corporate Finance specialist team to discuss and challenge the valuation process, significant judgements and assumptions applied to the valuation model, including yields, capitalisation rates and potential impact of the COVID-19 pandemic. We benchmarked and challenged the key assumptions to external industry data and comparable property valuation.
- We evaluated whether data on which the estimate is based is accurate, complete, and relevant by performing recalculations and inspecting source documents.
- We have assessed the adequacy of the disclosures made in the consolidated and separate financial statements.

Other Information
The Directors are responsible for the other information, which comprises the information included in the Integrated 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 Integrated 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.

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.

Corporate Governance Report
Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the Integrated 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 Integrated Report, the Company has, pursuant to Section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

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 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 Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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 Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors;
- conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern;
- evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to 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 to 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

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors, and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

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

BDO & Co.
Chartered Accountants
Port Louis
Mauritius
30 November 2021

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

Financial Statements

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STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	THE GROUP Year ended 30 June 2021 Rs '000	THE GROUP Period ended 30 June 2020 Rs '000	THE COMPANY Year ended 30 June 2021 Rs '000	THE COMPANY Period ended 30 June 2020 Restated* Rs '000
Revenue from contracts with customers	12/18	**1,136,832**	5,632,584	**662,062**	4,397,758
Cost of inventories	36(d)	**(223,285)**	(813,338)	**(194,045)**	(629,639)
Staff costs	19	**(1,350,748)**	(2,082,652)	**(1,106,103)**	(1,626,930)
Other expenses	20	**(1,155,104)**	(1,787,940)	**(649,145)**	(1,273,943)
Net impairment losses on financial assets	35/37(i)	**(27,892)**	(33,755)	**(16,276)**	(26,242)
		(1,620,197)	914,899	**(1,303,507)**	841,004
Other income	24	**34,636**	25,455	**358,372**	136,391
Other (losses)/gains	25	**(451,624)**	(185,305)	**(421,942)**	(208,867)
Rent concessions	29(ii)	**126,553**	-	**164,372**	-
Share of results of associates	33	**(1,668)**	7,902	**-**	-
Change in fair value of investment property	30	**(95,872)**	-	**-**	-
Profit/(Loss) on disposal of property, plant and equipment and right-of-use assets		**17,412**	(681)	**14,664**	(1,340)
Normalised (loss)/earnings before interest, tax, depreciation and amortisation		**(1,990,760)**	762,270	**(1,188,041)**	767,188
Closure costs	21	**-**	(14,446)	**-**	-
Other impairment losses	15	**-**	(477,034)	**(184,637)**	(1,159,408)
Deemed distribution from subsidiary	46	**-**	-	**1,342,000**	-
(Loss)/Earnings before interest, tax, depreciation and amortisation		**(1,990,760)**	270,790	**(30,678)**	(392,220)
Finance costs	23	**(1,166,159)**	(713,565)	**(1,058,977)**	(743,175)
Finance revenue	22	**346,071**	279,063	**484,481**	366,079
Depreciation of property, plant and equipment	28	**(650,300)**	(512,639)	**(417,326)**	(315,024)
Depreciation of right-of-use assets	29(i)	**(155,659)**	(87,742)	**(350,209)**	(247,751)
Amortisation of intangible assets	31	**(18,476)**	(8,931)	**(10,806)**	(3,001)
Loss before tax for the year/period		**(3,635,283)**	(773,024)	**(1,383,515)**	(1,335,092)
Income tax credit	26(a)	**505,141**	87,213	**575,769**	151,634
Loss for the year/period		**(3,130,142)**	(685,811)	**(807,746)**	(1,183,458)
(Loss)/Profit attributable to:					
Owners of the parent		**(3,173,492)**	(729,773)	**(807,746)**	(1,183,458)
Non-controlling interests		**43,350**	43,962	**-**	-
		(3,130,142)	(685,811)	**(807,746)**	(1,183,458)
Basic loss per share:	27	**(5.78)**	(1.33)		
Diluted loss per share:	27	**(5.77)**	(1.33)		

*Refer to Note 50 for more information.

The notes on pages 103 to 170 form an integral part of these financial statements.
Auditor's Report on pages 88 to 95.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	THE GROUP Year ended 30 June 2021 Rs '000	THE GROUP Period ended 30 June 2020 Rs '000	THE COMPANY Year ended 30 June 2021 Rs '000	THE COMPANY Period ended 30 June 2020 Rs '000
Loss for the year/period		**(3,130,142)**	(685,811)	**(807,746)**	(1,183,458)
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		**(89,456)**	(240,062)	**-**	-
Share of other comprehensive income of associates, net of tax	33	**-**	4,089	**-**	-
Losses on cash flow hedges		**(137,795)**	(292,484)	**(827,828)**	(894,120)
Tax effect on losses on cash flow hedges	26(b)	**-**	-	**117,305**	100,606
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		**(227,251)**	(528,457)	**(710,523)**	(793,514)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Losses on revaluation of land and buildings	15/28	**-**	(36,664)	**-**	-
Changes in fair value of equity instruments at fair value through other comprehensive income	34	**34**	(2,658)	**10**	(2,580)
Share of other comprehensive income of associates, net of tax	33	**3,238**	(37,006)	**-**	-
Remeasurement of employee benefit liabilities	45	**1,296,597**	(1,358,600)	**1,285,798**	(1,336,594)
Tax effect on remeasurement of employee benefit liabilities	26(b)	**(220,465)**	230,912	**(218,586)**	227,221
Net other comprehensive income that will not to be reclassified to profit or loss in subsequent periods, net of tax		**1,079,404**	(1,204,016)	**1,067,222**	(1,111,953)
Other comprehensive income for the year/period, net of tax		**852,153**	(1,732,473)	**356,699**	(1,905,467)
Total comprehensive income for the year/period, net of tax		**(2,277,989)**	(2,418,284)	**(451,047)**	(3,088,925)
Total comprehensive income attributable to:					
Owners of the parent		**(1,968,021)**	(2,142,510)	**(451,047)**	(3,088,925)
Non-controlling interests		**(309,968)**	(275,774)	**-**	-
		(2,277,989)	(2,418,284)	**(451,047)**	(3,088,925)

The notes on pages 103 to 170 form an integral part of these financial statements.
Auditor's Report on pages 88 to 95.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		THE GROUP		THE COMPANY		
	NOTES	**30 June 2021**	30 June 2020	**30 June 2021**	30 June 2020 Restated*	1 October 2019 Restated*
ASSETS						
Non-current assets		**Rs '000**	Rs '000	**Rs '000**	Rs '000	Rs '000
Property, plant and equipment	28	**23,615,860**	23,421,766	**14,799,335**	14,983,223	15,040,183
Right-of-use assets	29(i)	**2,361,307**	2,769,146	**4,717,027**	5,117,266	5,354,227
Investment property	30	**6,044,214**	3,319,575	**-**	-	-
Intangible assets	31	**1,281,877**	1,290,029	**1,100,016**	1,103,913	1,102,953
Investment in subsidiaries	32	**-**	-	**6,933,974**	6,590,548	7,418,710
Investment in associates	33	**634,908**	633,338	**18,307**	18,307	18,307
Financial assets at fair value through other comprehensive income	34	**9,128**	9,094	**8,942**	8,932	11,512
Financial assets at amortised cost	35	**1,318,119**	1,187,062	**3,686,169**	3,291,019	3,071,635
Deferred tax assets	26(b)	**247,011**	207,741	**-**	-	-
Total non-current assets		**35,512,424**	32,837,751	**31,263,770**	31,113,208	32,017,527
Current assets						
Inventories	36	**259,708**	449,828	**237,702**	403,912	425,662
Trade receivables	37	**213,681**	479,588	**107,398**	369,225	546,484
Financial assets at amortised cost	35	**875,005**	870,869	**152,876**	602,918	914,398
Other assets	38	**129,028**	516,888	**100,561**	158,069	260,732
Derivative financial instruments	39	**781**	61,478	**781**	61,478	24,954
Income tax prepaid	26(a)	**27,285**	12,685	**6,039**	5,993	1,453
Cash in hand and at banks	40	**1,234,520**	730,863	**607,316**	119,372	88,226
Total current assets		**2,740,008**	3,122,199	**1,212,673**	1,720,967	2,261,909
Total assets		**38,252,432**	35,959,950	**32,476,443**	32,834,175	34,279,436
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Stated capital	41	**2,780,301**	2,780,301	**2,780,301**	2,780,301	2,780,301
Redeemable convertible secured bonds	42	**1,102,617**	-	**1,102,617**	-	-
Retained earnings		**1,069,652**	3,030,229	**3,328,329**	2,936,262	5,302,957
Other components of equity	43	**1,168,540**	1,095,172	**(689,204)**	71,563	876,140
		6,121,110	6,905,702	**6,522,043**	5,788,126	8,959,398
Non-controlling interests		**(58,544)**	263,649	**-**	-	-
Total equity		**6,062,566**	7,169,351	**6,522,043**	5,788,126	8,959,398
Non-current liabilities						
Redeemable convertible secured bonds	42	**351,440**	-	**351,440**	-	-
Convertible preference shares	44(d)	**424,039**	399,971	**424,039**	399,971	388,160
Subordinated loan	44(b)	**1,895,438**	1,681,688	**-**	-	-
Borrowings	44(b, c)	**11,654,261**	7,370,768	**7,704,800**	3,085,645	8,655,205
Lease liabilities	29(ii)	**2,280,396**	2,280,448	**7,715,290**	7,259,907	6,690,810
Deferred tax liabilities	26(b)	**1,438,214**	1,721,873	**360,146**	837,543	1,320,306
Employee benefit liabilities	45	**1,998,029**	3,133,233	**1,953,585**	3,064,155	1,709,688
Total non-current liabilities		**20,041,817**	16,587,981	**18,509,300**	14,647,221	18,764,169
Current liabilities						
Redeemable convertible secured bonds	42	**36,443**	-	**36,443**	-	-
Trade and other payables	46	**2,495,224**	2,395,230	**1,038,937**	3,003,398	3,259,077
Contract liabilities	18(a)	**298,878**	349,325	**219,895**	220,102	408,372
Borrowings	44(b, c)	**9,186,050**	9,027,987	**5,853,600**	8,523,319	2,440,931
Lease liabilities	29(ii)	**126,251**	99,087	**296,225**	324,106	374,517
Derivative financial instruments	39	**-**	245,556	**-**	245,556	12,584
Income tax payable	26(a)	**5,203**	3,086	**-**	-	-
Dividend payable	11	**-**	82,347	**-**	82,347	60,388
Total current liabilities		**12,148,049**	12,202,618	**7,445,100**	12,398,828	6,555,869
Total liabilities		**32,189,866**	28,790,599	**25,954,400**	27,046,049	25,320,038
Total equity and liabilities		**38,252,432**	35,959,950	**32,476,443**	32,834,175	34,279,436

Approved by the Board of Directors on 30 November 2021 and signed on its behalf by:

HECTOR ESPITALIER-NOËL
CHAIRMAN

ALAIN REY
CHAIRMAN OF THE AUDIT AND RISK COMMITTEE

*Refer to Note 50 for more information.

The notes on pages 103 to 170 form an integral part of these financial statements.
Auditor's Report on pages 88 to 95.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

THE GROUP

		Attributable to Owners of the Parent Company									
	NOTES	Stated Capital Rs '000	Redeemable Convertible Secured Bonds Rs '000	Retained Earnings Rs '000	Foreign Exchange Difference 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 October 2019		2,780,301	-	4,938,226	(1,579,094)	8,930	2,357,613	624,583	9,130,559	643,686	9,774,245
(Loss)/Profit for the period		-	-	(729,773)	-	-	-	-	(729,773)	43,962	(685,811)
Other comprehensive income for the period		-	-	(1,123,714)	(218,378)	(33,981)	(36,664)	-	(1,412,737)	(319,736)	(1,732,473)
Total comprehensive income for the period		-	-	(1,853,487)	(218,378)	(33,981)	(36,664)	-	(2,142,510)	(275,774)	(2,418,284)
Transfer on disposal of land of associate		-	-	14,580	-	-	(14,580)	-	-	-	-
Depreciation transfer for buildings		-	-	15,972	-	-	(15,972)	-	-	-	-
Tax effect of depreciation transfer for buildings		-	-	(2,715)	-	-	2,715	-	-	-	-
Dividends	11	-	-	(82,347)	-	-	-	-	(82,347)	(104,263)	(186,610)
As at 30 June 2020	43	2,780,301	-	3,030,229	(1,797,472)	(25,051)	2,293,112	624,583	6,905,702	263,649	7,169,351
As at 1 July 2020		2,780,301	-	3,030,229	(1,797,472)	(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	132,433	34	-	-	1,205,471	(353,318)	852,153
Total comprehensive income for the year		-	-	(2,100,488)	132,433	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	51	-	-	(1,535)	-	-	-	-	(1,535)	1,535	-
Issue of redeemable convertible secured bonds, net of transaction costs	42	-	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	43	**2,780,301**	**1,102,617**	**1,069,652**	**(1,665,039)**	**(25,017)**	**2,234,013**	**624,583**	**6,121,110**	**(58,544)**	**6,062,566**

The notes on pages 10 to 105 form an integral part of these financial statements.
Auditor's Report on pages 3 to 3(i).

THE COMPANY

	NOTES	Stated Capital Rs '000	Redeemable Convertible Secured Bonds Rs '000	Retained Earnings Rs '000	Financial Foreign Exchange Difference Reserves Rs '000	Assets at Fair Value through OCI Reserves Rs '000	Revaluation Reserves Rs '000	Total Equity Rs '000
As at 1 October 2019		2,780,301	-	5,302,957	(4,933)	8,983	872,090	8,959,398
Loss for the period		-	-	(1,183,458)	-	-	-	(1,183,458)
Other comprehensive income for the period		-	-	(1,109,373)	(793,514)	(2,580)	-	(1,905,467)
Total comprehensive income for the period		-	-	(2,292,831)	(793,514)	(2,580)	-	(3,088,925)
Depreciation transfer for buildings		-	-	10,221	-	-	(10,221)	-
Tax effect of depreciation transfer for buildings		-	-	(1,738)	-	-	1,738	-
Dividends	11	-	-	(82,347)	-	-	-	(82,347)
As at 30 June 2020	43	2,780,301	-	2,936,262	(798,447)	6,403	863,607	5,788,126
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	42	-	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	43	**2,780,301**	**1,102,617**	**3,328,329**	**(1,508,970)**	**6,413**	**813,353**	**6,522,043**

The notes on pages 103 to 170 form an integral part of these financial statements.
Auditor's Report on pages 88 to 95.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

		THE GROUP		THE COMPANY	
	NOTES	**Year ended 30 June 2021**	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020 Restated*
Cash flows from operating activities		**Rs '000**	Rs '000	**Rs '000**	Rs '000
Loss before tax		**(3,635,283)**	(773,024)	**(1,383,515)**	(1,335,092)
Adjustments to reconcile loss before tax to net cash flows:					
Depreciation of property, plant and equipment	28	**650,300**	512,639	**417,326**	315,024
Write-off/Impairment of property, plant and equipment	28	**258**	478,792	**258**	966
Depreciation of right-of-use assets	29(i)	**155,659**	87,742	**350,209**	247,751
Amortisation of intangible assets	31	**18,476**	8,931	**10,806**	3,001
(Profit)/Loss on disposal of property, plant and equipment		**(17,412)**	681	**(14,664)**	1,340
Change in fair value of investment property	30	**95,872**	-	**-**	-
Foreign exchange differences		**(188,265)**	(236,560)	**(69,147)**	(100,656)
Impairment losses on intangible assets	31	**-**	84	**-**	-
Net impairment losses on financial assets	35/37(i)	**27,892**	33,755	**16,276**	26,242
Deemed distribution from subsidiary	46	**-**	-	**(1,342,000)**	-
Other impairment losses	15	**-**	-	**184,637**	1,159,408
Rent concessions	29	**(126,553)**	-	**(164,372)**	-
Dividend income	24	**(34)**	(313)	**(336,408)**	(117,027)
Interest income	22	**(78,649)**	(42,840)	**(217,059)**	(129,856)
Interest expense	23	**1,008,094**	661,943	**928,792**	692,075
Fair value (gain)/loss on derivative financial instruments	25	**(781)**	198,239	**(781)**	196,448
Share of loss/(profit) of associates	33	**1,668**	(7,902)	**-**	-
Increase in employee benefit liabilities	45	**164,952**	19,626	**175,228**	17,873
Working capital adjustments:					
Decrease in inventories	36	**190,120**	10,359	**166,210**	21,750
Decrease in trade receivables	37	**238,015**	472,392	**277,102**	151,017
Increase/(Decrease) in trade and other payables	46	**96,639**	(497,214)	**(528,567)**	(200,782)
Decrease in contract liabilities	18(a)	**(50,447)**	(213,381)	**(207)**	(188,270)
(Increase)/Decrease in financial assets at amortised cost	35	**(60,059)**	(151,923)	**126,847**	47,531
Decrease/(Increase) in other assets	38	**387,860**	(6,020)	**57,508**	102,663
Income tax paid	26(a)	**(16,204)**	(46,704)	**(2,955)**	(7,842)
Net cash flows (used in)/generated from operating activities		**(1,137,882)**	509,302	**(1,348,476)**	903,564
Cash flows from investing activities					
Purchase of property, plant and equipment		**(362,283)**	(372,560)	**(227,964)**	(261,508)
Purchase of intangible assets		**(9,087)**	(9,660)	**(6,909)**	(3,961)
Proceeds from sale of property, plant and equipment		**31,656**	9,656	**25,573**	1,138
Purchase of investment property		**(1,830,425)**	(956,756)	**-**	-
Proceeds from sale of right-of-use assets		**6,952**	14,952	**-**	-
Purchase of right-of-use assets		**(933)**	-	**(933)**	-
Issue of shares by subsidiary	32	**-**	-	**(10,225)**	-
Dividend received		**34**	4,057	**34**	117,027
Interest received		**3,515**	7,085	**186,488**	49,538
Net cash flows used in investing activities		**(2,160,571)**	(1,303,226)	**(33,936)**	(97,766)
Cash flows from financing activities					
Proceeds from borrowings		**5,443,797**	2,906,507	**3,806,923**	2,891,706
Repayment of term loans		**(3,142,414)**	(3,012,665)	**(3,111,051)**	(2,754,609)
Proceeds from debentures		**-**	1,644,352	**-**	-
Proceeds from redeemable convertible secured bonds, net of transaction costs		**1,490,500**	-	**1,490,500**	-
Principal paid on lease liabilities		**(66,250)**	(47,912)	**(158,008)**	(181,946)
Interest paid on lease liabilities		**(34,194)**	(138,362)	**(323,556)**	(246,786)
Proceeds from loan at call from subsidiaries		**-**	-	**30,118**	-
Repayment of loan at call from subsidiaries		**-**	-	**(30,118)**	-
Advances to subsidiaries		**-**	-	**(84,561)**	(92,387)
Repayment of advances from subsidiaries		**-**	-	**-**	122,247
Interest paid		**(867,004)**	(517,342)	**(476,952)**	(343,669)
Issues of shares to non-controlling interests		**14,775**	-	**-**	-
Dividends paid to equity holders of the parent		**-**	(60,388)	**-**	(60,388)
Dividends paid to non-controlling interests		**(28,535)**	(104,263)	**-**	-
Net cash flows generated from/(used in) financing activities	40(c)	**2,810,675**	669,927	**1,143,295**	(665,832)
Net (decrease)/increase in cash and cash equivalents		**(487,778)**	(123,997)	**(239,117)**	139,966
Cash and cash equivalents at 1 July/1 October		**(388,962)**	(275,432)	**(584,420)**	(712,714)
Net foreign exchange differences		**31,884**	10,467	**(27,668)**	(11,672)
Cash and cash equivalents at 30 June	40(a)	**(844,856)**	(388,962)	**(851,205)**	(584,420)

The notes on pages 103 to 170 form an integral part of these financial statements.
Auditor's Report on pages 88 to 95.

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 2021 were authorised for issue in accordance with a resolution of the Directors on 30 November 2021. 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.

The Group and Company changed their financial year end from 30 September to 30 June during the period ended 30 June 2020. The figures in the statements of profit or loss and other comprehensive income and statements of cash flows for the year under review represent the twelve-month year ended 30 June 2021 and hence, are not comparable to those for the period ended 30 June 2020.

2. Group Information

Information on subsidiaries:

Name of Corporation	Main Business Activity	Country of Incorporation	Effective % Holding Year ended 30 June 2021	Effective % Holding Period ended 30 June 2020
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	Property	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 Srl	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**	90
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 International Ltd*	Dormant	Mauritius	**-**	51
Beachcomber Holidays Limited	Dormant	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.

* Beachcomber International Ltd was wound up during the year.
** 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 the relevant activities of these entities and therefore has control over them.

Information on associates

Name of Corporation	Year End	Class of Shares	Effective Holding Year ended 30 June 2021 %	Effective Holding Period ended 30 June 2020 %
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 that land and buildings are carried at revalued amounts, investment property is stated at fair value and relevant financial assets and financial liabilities are stated at their fair value or amortised cost as disclosed in the accounting policies hereafter. 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 Mauritius 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 is 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 period/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, depending on the purpose for which the asset was acquired. 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
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 (FVPL).

(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 provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. 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 cost of sales 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.

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 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 for 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.

4. Summary of Other Significant Accounting Policies (cont'd)

(b) Financial assets (cont'd)

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 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
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.

(iii) Fair value through other comprehensive income
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.

(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.

4. Summary of Other Significant Accounting Policies (cont'd)

(b) Financial assets (cont'd)

(v) Modifications of financial assets (cont'd)
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 Company 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
The Group and Company classify their financial liabilities depending on the purpose for which the liability was acquired. The Group and Company determine the classification of their financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of borrowings, directly attributable transaction costs.

The Group's and Company's financial liabilities include trade and other payables, bank overdrafts, borrowings, derivatives and preference shares. 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 or cancelled or expires.

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.

4. Summary of Other Significant Accounting Policies (cont'd)

(d) Derivative financial instruments

(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
- Derivatives designated as hedges
Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently carried at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the items being hedged. The Group and Company designate their derivative as a hedge of a particular risk associated with a recognised highly probable forecast transaction, i.e. a cash flow hedge.

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.

- 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 39. Movements on the hedging reserve in shareholders' equity are shown in Note 43.

(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.

4. Summary of Other Significant Accounting Policies (cont'd)

(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.

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.

4. Summary of Other Significant Accounting Policies (cont'd)

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 at period ended.

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 sales of services made 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 one of the Group's properties.

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 the control of the goods or services rendered is actually 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 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 the 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 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.

(iv) Revenue from rental of properties
The subsidiary, Ste Anne Resort Limited, entered a twelve-year leasing agreement with a third party to lease out its properties. In prior years, the subsidiary was engaged in hotel operations.

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 the performance obligations.

(b) Other revenue earned by the Group and Company are 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.

4. Summary of Other Significant Accounting Policies (cont'd)

(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 (IAS 32) 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.

5. Standards, Amendments to Published Standards and Interpretations Effective in the Reporting Period

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Group's and Company's financial statements.

Definition of material (amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Group's and Company's financial statements.

Interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. The amendments have no impact on the Group's and Company's financial statements.

Amendments to references to the conceptual framework in IFRS Standards relate to minor amendments to various standards to reflect the revised conceptual framework for financial reporting. The amendments have no impact on the Group's and Company's financial statements.

5. Standards, Amendments to Published Standards and Interpretations Effective in the Reporting Period (cont'd)

COVID-19-related rent concessions (amendment to IFRS 16)

During the year ended 30 June 2021, the Group and Company had elected to apply the practical expedient provided by the amendment to IFRS 16 issued in June 2020. In accordance with this practical expedient, the rent concessions received affecting payments originally due on or before 30 June 2021 were not accounted as lease modifications, which in the case of the Group and Company, occurred from 1 July 2020 to 30 June 2021.

Accounting for the rent concessions as lease modifications would have resulted in the Group's and Company's remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
(c) there is no substantive change to other terms and conditions of the lease.

The effect of applying the practical expedient is disclosed in Note 29.

Extension of the temporary exemption from applying IFRS 9 (amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before 1 January 2023. The amendments have no impact on the Group's and Company's financial statements.

6. Standards, Amendments to Published Standards and Interpretations Issued but not yet Effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for the Group's and Company's accounting periods beginning on or after 1 July 2021, but which the Group and Company have not early adopted.

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

Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)

IFRS 17 insurance contracts
Classification of liabilities as current or non-current (amendments to IAS 1)
Annual improvements 2018-2020
Property, plant and equipment: proceeds before intended use (amendments to IAS 16)
Onerous contracts-cost of fulfilling a contract (amendments to IAS 37)
Reference to the conceptual framework (amendments to IFRS 3)
Amendments to IFRS 17
Interest rate benchmark reform-Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
Definition of accounting estimates (amendments to IAS 8)
Disclosure of accounting policies (amendments to IAS 1)
Deferred tax related to assets and liabilities arising from a single transaction (IAS 12)

Amendments to IFRS 16: COVID-19-related rent concessions beyond 30 June 2021
In March 2021, the IASB amended IFRS 16 leases, extending the practical expedient in order to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. This amendment is applicable for annual reporting periods beginning on or after 1 April 2021, with early application permitted, including in financial statements not authorised for issue at 31 March 2021. The amendment to IFRS 16 is effective as from 1 July 2021 and is not expected to have a material impact on the Group's and Company's reported financial performance or position. The Group and Company intend to adopt the amended standard when it becomes mandatorily effective.

Interest rate benchmark reform-phase 2 (effective for periods beginning on or after 1 January 2021)
Benchmark interest rates such as the London Interbank Offered Rate (LIBOR) and other inter-bank offered rates have been prioritised for reform and replacement with Risk-Free Rates (RFR) by global regulators. Reform of the LIBOR rate is expected to be largely completed by end of 2021.

The amendments introduce a practical expedient for modifications required by reform, clarify that hedge accounting is not discontinued solely because of the interbank offered rate (IBOR) reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The amendments are effective for annual reporting periods beginning on or after 1 January 2021. The Group and Company are still assessing the impact, hence impact not yet known.

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

7. Basis of Consolidation and Financial Information on Material Partly-Owned Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

1. derecognises the assets (including goodwill) and liabilities of the subsidiary;
2. derecognises the carrying amount of any non-controlling interests;
3. derecognises the cumulative translation differences recorded in equity;
4. recognises the fair value of the consideration received;
5. recognises the fair value of any investment retained;
6. recognises any surplus or deficit in profit or loss; and
7. reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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**	**Year ended 30 June 2021**	Period ended 30 June 2020
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, see Note 2.

	30 June 2021	30 June 2020
	Rs '000	Rs '000
Accumulated balances of material non-controlling interest:		
Mautourco Ltd and its Subsidiary	**12,864**	20,146
Beachcomber Marketing (Pty) Ltd	**(4,453)**	13,647
Beachcomber Hospitality Investments Ltd	**(69,725)**	222,418

	30 June 2021	30 June 2020
	Rs '000	Rs '000
(Loss)/Profit allocated to material non-controlling interest:		
Mautourco Ltd and its Subsidiary	**(31,702)**	(10,912)
Beachcomber Marketing (Pty) Ltd	**(9,020)**	8,944
Beachcomber Hospitality Investments Ltd	**85,324**	45,519

7. Basis of Consolidation and Financial Information on Material Partly-Owned Subsidiaries (cont'd)

	30 June 2021	30 June 2020
	Rs '000	Rs '000
Other comprehensive income allocated to material non-controlling interest:		
Mautourco Ltd and its Subsidiary	**6,367**	(9,657)
Beachcomber Marketing (Pty) Ltd	**(8,237)**	(720)
Beachcomber Hospitality Investments Ltd	**(351,235)**	(309,318)

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

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

	Mautourco Ltd and its Subsidiary	**Beachcomber Marketing (Pty) Ltd**	**Beachcomber Hospitality Investments Ltd**
	Rs '000	**Rs '000**	**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 interests	**-**	**-**	**(28,535)**

Summarised statements of profit or loss for the period ended 30 June 2020:

	Mautourco Ltd and its Subsidiary	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs '000	Rs '000	Rs '000
Revenue	285,536	97,357	428,333
(Loss)/Profit for the period	(18,433)	18,254	(86,718)
Other comprehensive income	(2,299)	(1,100)	264,096
Total comprehensive income	(20,732)	17,154	177,378
Dividends paid to non-controlling interests	-	(11,667)	(92,596)

Summarised statements of financial position as at 30 June 2021:

	Mautourco Ltd and its Subsidiary	**Beachcomber Marketing (Pty) Ltd**	**Beachcomber Hospitality Investments Ltd**
	Rs '000	**Rs '000**	**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 statements of financial position as at 30 June 2020:

	Mautourco Ltd and its Subsidiary	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs '000	Rs '000	Rs '000
Non-current assets	200,925	25,079	8,554,184
Current assets	122,270	350,383	170,117
Current liabilities	(201,901)	(332,670)	(344,758)
Non-current liabilities	(55,694)	(14,570)	(6,145,536)
Total equity	65,600	28,222	2,234,007

7. Basis of Consolidation and Financial Information on Material Partly-Owned Subsidiaries (cont'd)

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

	Mautourco Ltd and its Subsidiary	**Beachcomber Marketing (Pty) Ltd**	**Beachcomber Hospitality Investments Ltd**
	Rs '000	**Rs '000**	**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)**

Summarised cash flow information for the period ended 30 June 2020:

	Mautourco Ltd and its Subsidiary	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs '000	Rs '000	Rs '000
Cash flows (used in)/generated from			
Operating activities	(6,804)	(90,739)	254,442
Investing activities	(2,308)	104,340	-
Financing activities	(3,422)	(23,807)	(410,742)
Net decrease in cash and cash equivalents	(12,534)	(10,206)	(156,300)

8. Business Combinations

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

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

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

The acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:

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

(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 its operations.

The Group's and Company's activities therefore expose it 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. The Group and Company 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	
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash in hand and at banks	**1,234,520**	730,863	**607,316**	119,372
Financial assets at fair value through other comprehensive income	**9,128**	9,094	**8,942**	8,932
Financial assets at amortised cost	**2,193,124**	2,057,931	**3,839,045**	3,893,937
Trade receivables	**213,681**	479,588	**107,398**	369,225
Derivative financial instruments	**781**	61,478	**781**	61,478
	3,651,234	3,338,954	**4,563,482**	4,452,944

(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 2021 and 30 June 2020. 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.

9. Financial Risk Management Objectives and Policies (cont'd)

(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 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)**	**-**
30 June 2020			
Euros	5%	(472,723)	(341,182)
Pounds sterling	5%	4,457	1,204
Rands	5%	(11,214)	13
United States dollars	5%	(7,390)	3,240
Seychelles rupees	5%	8,248	-
Moroccan dirhams	5%	(24,797)	-

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 for the last 5 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	
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020	**30 June 2021**	30 June 2020	**30 June 2021**	30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Euros	**473,140**	725,193	**15,029,871**	10,179,658	**2,503,347**	2,619,851	**11,906,356**	9,443,485
Pounds sterling	**229,914**	209,419	**202,879**	120,273	**6,996**	27,411	**7,147**	3,322
Rands	**70,519**	121,647	**401,053**	345,930	**135**	252	**-**	-
United States dollars	**16,445**	90,552	**516,797**	238,355	**5,729**	69,651	**9,080**	4,854
Australian dollars	**11**	-	**-**	-	**11**	-	**-**	-
Seychelles rupees	**87,840**	164,985	**7,920**	22	**-**	-	**-**	-
Mauritian rupees	**2,129,202**	1,475,426	**10,914,220**	11,568,857	**2,047,245**	1,735,749	**11,498,191**	13,390,241
Moroccan dirhams	**644,145**	551,702	**1,376,802**	1,047,640	**-**	-	**-**	-
Others	**18**	30	**-**	-	**19**	30	**-**	-
	3,651,234	3,338,954	**28,449,542**	23,500,735	**4,563,482**	4,452,944	**23,420,774**	22,841,902

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net exposure, excluding Mauritian rupees	**(16,013,290)**	(10,068,350)	**(9,406,346)**	(6,734,466)

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 the Group's and Company's 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. The Group's and Company's 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: 1% for Rs and 0.25% for EUR, USD and GBP and this represents management's assessment of the likely change in interest rate.

		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 2021			
Interest-bearing loans and borrowings in Rs	1.00%	**67,692**	**65,895**
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	1.00%	**18,289**	**18,205**
Interest-bearing lease liability in EUR	0.25%	**696**	**15,228**
30 June 2020			
Interest-bearing loans and borrowings in Rs	1.00%	52,473	51,426
Interest-bearing loans and borrowings in EUR	0.25%	11,616	6,284
Interest-bearing loans and borrowings in MAD	0.25%	35	-
Interest-bearing loans and borrowings in USD	0.25%	-	-
Interest-bearing lease liability in Rs	1.00%	19,716	19,229
Interest-bearing lease liability in EUR	0.25%	762	13,891

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 its business objectives at all times. Cash and debt management of the Group and Company is 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 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**	**7,802,741**	**9,054,820**
	4,656,192	**332,485**	**7,691,480**	**11,319,981**	**13,963,131**	**37,963,269**
30 June 2020						
Trade and other payables	-	-	2,395,230	-	-	2,395,230
Borrowings*	2,837,433	204,184	7,084,424	6,618,512	3,990,944	20,735,497
Lease liabilities*	-	33,560	246,507	865,787	8,009,431	9,155,285
Derivative financial instruments	-	244,348	1,208	-	-	245,556
	2,837,433	482,092	9,727,369	7,484,299	12,000,375	32,531,568

* Borrowings and lease liabilities include future interest costs.

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 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**
30 June 2020						
Trade and other payables	-	-	3,003,398	-	-	3,003,398
Borrowings*	2,421,419	156,266	6,760,965	3,752,424	-	13,091,074
Lease liabilities*	-	73,556	663,452	3,110,344	10,828,601	14,675,953
Derivative financial instruments	-	244,348	1,208	-	-	245,556
	2,421,419	474,170	10,429,023	6,862,768	10,828,601	31,015,981

* 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 the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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; (2) the non-development of Les Salines assets so far; and (3) the current redevelopment of the Sainte Anne property. 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 2021 and 30 June 2020 were as follows:

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest-bearing loans and borrowings	**26,025,342**	20,735,497	**15,677,520**	13,091,074
Interest-bearing lease liabilities	**9,054,820**	9,155,285	**14,212,467**	14,675,953
Less interest costs included above	**(9,513,639)**	(9,042,146)	**(7,896,031)**	(8,185,392)
Redeemable convertible secured bonds	**387,883**	-	**387,883**	-
Less cash in hand and at banks	**(1,234,520)**	(730,863)	**(607,316)**	(119,372)
Net Debt	**24,719,886**	20,117,773	**21,774,523**	19,462,263
IFRS 16 Leases	**(2,406,647)**	(2,379,535)	**(8,011,515)**	(7,584,013)
Net Debt excluding IFRS 16 Leases	**22,313,239**	17,738,238	**13,763,008**	11,878,250
Total equity	**6,062,566**	7,169,351	**6,522,043**	5,788,126
Total equity plus net debt	**30,782,452**	27,287,124	**28,296,566**	25,250,389
Gearing ratio (Net debt/total equity plus net debt)	**80%**	74%	**77%**	77%
Gearing ratio (Net debt excluding IFRS 16 Leases/total equity plus net debt excluding IFRS 16 Leases)	**79%**	71%	**68%**	67%

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.

	THE GROUP AND THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020
	Rs '000	Rs '000
Final dividend payable-Nil (2020: Re 0.15 per share)	**-**	82,347

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 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 (period ended 30 June 2020: hotel operations, tour operating, flight and inland catering and others services). 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 properties (2020: hotel under redevelopment) in Seychelles.

The below figures are net of intra-group transactions.

Business segments **For the year ended 30 June 2021**	**Hotel Operations**	**Tour Operating**	**Flight & Inland Catering**	**Other Services**	**Group**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
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**

12. Segmental Reporting (cont'd)

For the year ended 30 June 2021	**Hotel Operations Rs '000**	**Tour Operating Rs '000**	**Flight & Inland Catering Rs '000**	**Other Services Rs '000**	**Group Rs '000**
Capital expenditure	**362,225**	**2,863**	**547**	**3**	**365,638**
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**
For the period ended 30 June 2020					
Revenue	4,703,893	778,337	150,354	-	5,632,584
Loss for the period	(591,760)	(16,851)	(35,609)	(41,591)	(685,811)
Segment assets	29,596,741	1,141,055	447,568	4,141,248	35,326,612
Investment in associates	-	-	-	633,338	633,338
Total assets					35,959,950
Segment liabilities	25,525,712	956,273	220,052	2,088,562	28,790,599
Other segment information:					
Finance revenue	272,147	6,138	-	778	279,063
Finance costs	695,343	5,000	-	13,222	713,565
Other impairment losses	477,034	-	-	-	477,034
Income tax credit/(expense)	87,837	(6,096)	-	5,472	87,213
Capital expenditure	330,998	24,695	16,867	-	372,560
Depreciation of property, plant and equipment	460,382	24,276	8,579	19,402	512,639
Depreciation of right-of-use assets	60,252	24,930	-	2,560	87,742
Amortisation of intangible assets	4,435	4,476	20	-	8,931

Geographical segments	**Mauritius Rs '000**	**Europe Rs '000**	**Morocco Rs '000**	**Other Countries Rs '000**	**Group 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**

Geographical segments *For the period ended 30 June 2020*	Mauritius Rs '000	Europe Rs '000	Morocco Rs '000	Other Countries Rs '000	Group Rs '000
Segment revenue	4,681,076	400,314	455,149	96,045	5,632,584
Segment assets	26,928,627	699,524	4,099,630	4,232,169	35,959,950
Segment liabilities	26,745,211	367,523	1,041,210	636,655	28,790,599
Capital expenditure	282,572	3,676	83,959	2,353	372,560

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

13. Significant Accounting Judgements and Estimates

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

Judgements

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

Derivative financial instrument
Hedging activities-cash flow hedges
The Group and Company have applied judgement in assessing whether the forecasted revenue denominated in foreign currency is highly expected to happen, will happen or will not happen, particularly due to a decline in expected booking patterns resulting from the COVID-19 pandemic and the 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. An amount of Rs 224m both for the Group and Company respectively was recognised in profit or loss as ineffectiveness.

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.

13. Significant Accounting Judgements and Estimates (cont'd)

Going concern

On 30 June 2021, the Group and Company had net current liabilities of Rs 9.4bn (30 June 2020: Rs 9.1bn) and Rs 6.2bn (30 June 2020: Rs 10.7bn) respectively. On the other hand, the net cash position of the Group and Company decreased by Rs 488m and Rs 239m respectively (2020: (decreased)/increased by Rs (123)m and Rs 139m respectively).

The Company has obtained the waivers of financial covenants from the lenders during the year under review. Thus, all the term loans and debentures have been classified according to their original repayment terms.

In 2020, a total amount of Rs 5.8bn has been reclassified from non-current liabilities to current liabilities as the waivers have been obtained after the end of the preceding reporting period.
The COVID-19 pandemic continues to severely impact the travel industry worldwide since the first lockdown in 2020.

During the financial year under review, our hotels have continued to operate at a significantly reduced pace which is mainly attributable to the following factors:
• Spread of the pandemic in our source markets
• Rigid sanitary protocols for incoming visitors
• Reduced commercial international flights
• Second national lockdown in March 2021

Consequently, 3 of our hotels in Mauritius were almost permanently closed whereas the remaining 5 hotels operated for local residents, barring the lockdown period, and for incoming visitors' quarantine. Thus, the operating losses have continued to accumulate with direct impact on the Company's working capital.
The Company has successfully operated within its authorised overdraft limits through the following achievements:

• Recovery of more than Rs 1bn of its trade debtors with low bad debts registered
• Containing the refund of guest deposits by persuading them to postpone their stay
• Decrease in staff costs with a reduction of some 170 employees coupled with reduced pay for employees earning > Rs 50,000 for the period July 2020 to December 2020
• Receipt of bridging facilities from local banks totalling Rs 1.35bn pending the receipt of bond proceeds from the Mauritius Investment Corporation ("MIC")
• Obtaining capital moratoriums on the Company's term loans
• Reduction of lease rental payments for hotel properties owned by BHI
• Negotiation of longer credit period facilities with suppliers especially to enable the Company to pursue its capital expenditure programme before reopening of hotels

The Company also welcomes the continued financial support from the authorities with:
• the receipt of over Rs 900m under the Wage Assistance Scheme
• the receipt of the first tranche of the MIC proceeds of Rs 1.5bn on 29 June 2021 out of the approved amount of Rs 2.5bn
• the waiver of the industrial lease for the financial year 2021 and obtaining one-year deferment for the payment of the industrial lease 2021/22

The Company received the last two tranches of Rs 500m respectively from the MIC in August 2021 and November 2021 respectively. Hence, all the outstanding bridging facilities from banks have duly been settled.

The restructuring of the Company's debts with the banks has been completed in November 2021 whereby (1) the major term loans of the Company have been rescheduled so that the next capital repayment will be made over a period varying between 1 year and 3 years and (2) the bonds repayment of EUR 20m has been effected out of fresh bank loans on 15 November 2021.

After year end, the Company has continued to take cost-cutting measures. A further voluntary early retirement package (VERP) was offered to employees aged 55 years or more as well as a voluntary departure scheme (VDS) to those having less than 3 years of service. A combined total of 576 employees took advantage of these schemes and were removed from the payroll from September 2021.

The authorities have also announced the extension of the Wage Assistance Scheme until December 2021, and this represents a monthly financial support of Rs 70m.

On an operational side, the country's borders have been opened without quarantine restrictions for fully vaccinated visitors from 1 October 2021. The Company has recorded more than satisfactory bookings for the month of October 2021 with promising forecast bookings for the prime season. At the time of writing, it is probable that this positive trend will continue for the first months of 2022.

At Group level, the redevelopment of the Sainte Anne property has successfully been completed within budget. The property was delivered to Club Med for operations on 1 February 2021 for an annual rental of EUR 7.850m payable on a quarterly basis in advance. Thus, the Group received EUR 3.925m during the financial year 2020/21 representing rental payments for the first 2 quarters.

The foreign tour operating subsidiaries' as well as the local DMC's operations have all started to pick up well. The hotel in Marrakech is also recording encouraging bookings for the prime season.

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 within the foreseeable future.

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 changes or circumstances arising beyond the control of the Group and Company. Such changes are reflected in the assumptions when they occur.

13. Significant Accounting Judgements and Estimates (cont'd)

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company use judgement in making these assumptions and selecting the inputs 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 disposing 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, 28 and 31. 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 2021, 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 an amount of Rs 1.5bn.

The valuation and classification of the bonds is 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.

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, part of those balances 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 2021 were regarded as net investment in foreign operations and included under investment in subsidiaries (Note 32).

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

The recoverable amount of investments in subsidiaries has been determined based on value in use calculations and 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 are the following:

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Impairment of investment in subsidiaries (Note (a))	**-**	-	**184,637**	1,159,408
Impairment of property, plant and equipment (Note (b))	**-**	477,034	**-**	-
	-	477,034	**184,637**	1,159,408

15. Other Impairment Losses (cont'd)

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. In 2020, the impairment losses related to investment in Beachcomber Hotel S.A. and New Mauritius Hotel-Italia-S.R.L. amounting to Rs 1,146.9m and Rs 12.5m respectively.

(b) In 2020, an amount of Rs 513.7m was recognised as impairment loss on property, plant and equipment of Beachcomber Hotel S.A., New Mauritius Hotels-Italia-S.R.L. and Les Salines Golf & Resorts Ltd, out of which Rs 36.7m were netted off against the revaluation reserves and accounted through other comprehensive income.

(c) Beachcomber Hotel S.A.
The recoverable amount for the hotel has been determined by calculating value in use by applying discounted cash flow techniques.

The significant assumptions as follows are deemed reasonable given the current context: (i) the occupancy rate is capped at 70% as from 2026; (ii) guest night spending (GNS) is expected to drop by 20% in 2021 and is expected to recover to pre-COVID-19 levels in 2024, as from which it is expected to increase by 5-6% year on year; (iii) capital expenditure is estimated at 3% of revenue; and (iv) the terminal value was estimated at the end of the 10-year forecast period, with an assumed 3% perpetual growth rate.

Discount rates:
A discount rate of 10.7% representing the current market assessment of the risks specific to a cash-generating unit was used. The discount rate calculation was based on the specific circumstances of the Company and was derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings that the Company is obliged to service.

16. Events after 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 the 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 require disclosure in the financial statements for the year ended 30 June 2021 are as follows:

(i) On 1 October 2021, the quarantine protocols for fully vaccinated visitors to Mauritius have been removed so that they can move freely around the island as from arrival date subject to negative PCR tests. Thus, the 8 hotels in Mauritius have gradually restarted normal operations as from this date as well as the airline catering and local DMC activities.

(ii) The Company has received the 2 remaining tranches of Rs 500m each from the MIC on 26 August 2021 and 8 November 2021 respectively, thus bringing the total proceeds received from MIC to Rs 2.5bn. The Company has cleared all outstanding bridging facilities with its bankers accordingly.

(iii) On 21 September 2021, the Ministry of Finance has announced the extension of the Wage Assistance Scheme for the tourism sector for a further 3 months up to December 2021 (Note 19).

(iv) The Company has completed the debt restructuring exercise with its lenders after year end. Capital moratoriums ranging from 1 to 3 years as from respective next scheduled repayment date have been obtained on term loans. Medium term loans have also been secured to refinance the repayment of a bond tranche of EUR 20m in November 21 (Note 4(b)).

(v) A further voluntary early retirement package (VERP) was offered to employees aged 55 years or more as well as a voluntary departure scheme (VDS) to those having less than 3 years of service. A combined total of 576 employees took advantage of these schemes amounting to Rs 94m and were removed from the payroll from September 2021.

17. Related Party Transactions and Disclosures

For the purposes 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	
(i) Included in revenue are:	**Nature of Goods or Services**	**Year ended 30 June 2021 Rs '000**	Period ended 30 June 2020 Rs '000	**Year ended 30 June 2021 Rs '000**	Period ended 30 June 2020 Rs '000
Subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Hotel packages	**-**	-	**-**	298,674
Beachcomber Tours	Hotel packages	**-**	-	**-**	325,499
Beachcomber Tours Limited	Hotel packages	**-**	-	**-**	206,755
Santayarea (Mauritius) Limited	Rental	**-**	-	**180**	810
Associate:					
Parure Limitée	Space rental	**279**	1,295	**279**	1,295
Other related party:					
Domaine Palm Marrakech S.A.	Other services	**2,156**	1,300	**-**	-

		THE GROUP		THE COMPANY	
(ii) Included in other income are:	**Nature of Goods or Services**	**Year ended 30 June 2021 Rs '000**	Period ended 30 June 2020 Rs '000	**Year ended 30 June 2021 Rs '000**	Period ended 30 June 2020 Rs '000
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Management fees	**-**	-	**2,526**	2,176
Santayarea (Mauritius) Limited	Management fees	**-**	-	**1,051**	6,855
Beachcomber Training Academy Limited	Management fees	**-**	-	**1,221**	2,385
Kingfisher Ltd	Management fees	**-**	-	**467**	448
Beachcomber Hospitality Investments Ltd	Profit on disposal	**-**	-	**149,666**	112,249
Beachcomber Hospitality Investments Ltd	Dividend income	**-**	-	**36,374**	112,971
Beachcomber Limited	Dividend income	**-**	-	**300,000**	-
Beachcomber Limited	Deemed distribution	**-**	-	**1,342,000**	-
Associates:					
South West Tourism Development Company Limited	Dividend income	**-**	2,004	**-**	2,004
Parure Limitée	Dividend income	**-**	1,740	**-**	1,740
Other related party:					
Semaris Ltd	Management fees	**10,000**	7,500	**10,000**	7,500

		THE GROUP		THE COMPANY	
(iii) Included in other expenses are:	**Nature of Goods or Services**	**Year ended 30 June 2021 Rs '000**	Period ended 30 June 2020 Rs '000	**Year ended 30 June 2021 Rs '000**	Period ended 30 June 2020 Rs '000
Subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Incentive commission	-	-	**-**	1,311
Mautourco Ltd	Incentive commission	-	-	**-**	73
Mautourco Ltd	Transport & carriage	-	-	**56**	-
Santayarea (Mauritius) Limited	Consultancy fees	-	-	**-**	2,514
Other related parties:					
ENL Property	Consultancy fees	**43**	45	**43**	45
ENL Limited	Secretarial fees	**3,501**	2,995	**3,501**	2,995
Domaine Palm Marrakech S.A.	Other expenses	**72,111**	49,240	**-**	-

17. Related Party Transactions and Disclosures(cont'd)

(iv) Included in staff costs are:	**Nature of Goods or Services**	**THE GROUP**		**THE COMPANY**	
		Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
		Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiaries:					
Beachcomber Training Academy Limited	Training courses	**-**	-	**1,441**	1,997
Santayarea (Mauritius) Limited	Training courses	**-**	-	**-**	2,143

(v) Included in direct expenses are:	**Nature of Goods or Services**	**THE GROUP**		**THE COMPANY**	
		Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
		Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiaries:					
Trans-Maurice Car Rental Ltd	Car rental	**-**	-	**-**	276
Santayarea (Mauritius) Limited	Cost of sales	**-**	-	**-**	9,238

(vi) Included in finance costs are:	**Nature of Goods or Services**	**THE GROUP**		**THE COMPANY**	
		Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
		Rs '000	Rs '000	**Rs '000**	Rs '000
Interest on call account with subsidiary:					
Mautourco Ltd	Interest on call account	**-**	-	**759**	-
Beachcomber Marketing (Pty) Ltd	Interest on call account	**-**	-	**11,034**	12,071
Included in interest on lease liability:					
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Interest on lease liability	**-**	-	**289,390**	191,859
Beachcomber Limited	Interest on lease liability	**-**	-	**422**	298
Other related party;					
New Mauritius Hotels Superannuation Fund	Interest on lease liability	**26,868**	20,019	**26,868**	20,019
Leisure Property Northern (Mauritius) Ltd	Interest on lease liability	**113,074**	74,371	**-**	-
Monda Building (Pty) Ltd	Interest on lease liability	**1,254**	1,081	**-**	-
Included in interest on loans and overdrafts:					
Subsidiary:					
Beachcomber Limited	Interest on loans	**-**	-	**9,568**	8,501
(vii) Included in finance revenue:					
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Interest on loan receivable	**-**	-	**142,071**	93,953
Other related party:					
Semaris Ltd	Interest on loan receivable	**74,988**	35,902	**74,988**	35,902

17. Related Party Transactions and Disclosures (cont'd)

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

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiaries:				
Beachcomber Tours	**-**	-	**-**	169,155
Mautourco Ltd	**-**	-	**-**	1,826
Beachcomber Training Academy Limited	**-**	-	**1,345**	4,776
Kingfisher Ltd	**-**	-	**898**	-
Les Salines Development Ltd	**-**	-	**1,678**	1,647
Les Salines Golf & Resort Limited	**-**	-	**-**	230,133
Plaisance Catering Limited	**-**	-	**76**	76
Royal Garden Ltd	**-**	-	**312**	-
Société Pur Blanca	**-**	-	**111**	-
Beachcomber Hospitality Investments Ltd	**-**	-	**9**	44,794
Beachcomber Limited	**-**	-	**615**	-
Santayarea (Mauritius) Limited	**-**	-	**922**	8,042
Domaine de l'Harmonie Ltd	**-**	-	**-**	31,520

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

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Associate:				
Société Cajeva	**12,919**	12,919	**12,919**	12,919
Other related parties:				
Semaris Ltd	**37,116**	77,556	**37,116**	77,556
ENL Agri Ltd	**41**	-	**41**	-
ENL Property Ltd	**551**	-	**551**	-
Fondation Espoir Développement	**118**	543	**118**	543
Kingfisher 3 Ltd	**30**	27	**1**	-
New Mauritius Hotels Superannuation Fund	**403**	-	**403**	-
Praslin Resort Ltd	**6,560**	264	**-**	-
Domaine Palm Marrakech S.A.	**2,329**	1,486	**-**	-

(ix) Included in the loan at call payable to subsidiary balance is (Note 46):

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary:				
Loan at call payable to Beachcomber Marketing (Pty) Ltd	**-**	-	**290,634**	224,961
(x) Long-term loan receivable from related party included under financial assets at amortised cost (Note 35)				
Subsidiary:				
Beachcomber Hospitality Investments Ltd	**-**	-	**2,371,379**	2,103,957
Other related party:				
Semaris Ltd	**1,314,790**	1,187,062	**1,314,790**	1,187,062

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

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Ste Anne Resort Limited	**-**	-	**1,234,853**	1,234,853
Beachcomber Hotel S.A.	**-**	-	**193,310**	177,806
Kingfisher Ltd	**-**	-	**124,037**	54,981
Les Salines Golf & Resort Ltd	**-**	-	**230,862**	-
New Mauritius Hotels-Italia S.R.L.	**-**	-	**30,940**	30,940

17. Related Party Transactions and Disclosures (cont'd)

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

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiaries:				
Beachcomber Tours	**-**	-	**13,320**	35
Beachcomber Tours Limited	**-**	-	**4,178**	3,281
Beachcomber Marketing (Pty) Ltd	**-**	-	**-**	1,311
Mautourco Ltd	**-**	-	**151**	118
Beachcomber Training Academy Limited	**-**	-	**263**	691
Beachcomber Hospitality Investments Ltd	**-**	-	**-**	171,667
Ste Anne Resorts Limited	**-**	-	**127,688**	-
Beachcomber Limited	**-**	-	**1,925**	1,544,943
Santayarea (Mauritius) Limited	**-**	-	**-**	8,903
Other related parties:				
Fondation Espoir Développement (not for profit organisation)	**1,889**	1,766	**1,888**	1,766
ENL Corporate Services Ltd	**575**	-	**575**	-
ENL Agri Ltd	**-**	77	**-**	77
ENL Property	**320**	184	**320**	184
ENL Limited	**115**	230	**115**	230
NMH Group Superannuation Fund	**17,887**	-	**17,887**	-
Domaine Palm Marrakech S.A.	**423,973**	368,412	**-**	-

(xiii) Interest-bearing loans and borrowings from related parties included in "term loans" (Note 44):

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary:				
Loans payable to Beachcomber Limited	**-**	-	**190,000**	150,000
Other related party:				
Loan payable to Leisure Property Northern (Mauritius) Ltd (minority shareholder of Beachcomber Hospitality Investments Ltd)	**1,895,438**	1,681,688	**-**	-

(xiv) Included in "lease liabilities":

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
Subsidiaries:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Beachcomber Hospitality Investments Ltd	**-**	-	**6,091,225**	5,556,395
Beachcomber Limited	**-**	-	**6,527**	7,315
Other related parties:				
Monda Building (Pty) Ltd	**18,528**	18,488	**-**	-
New Mauritius Hotels Superannuation Fund	**336,608**	332,696	**336,608**	332,696

Terms and conditions of transactions with related parties

Outstanding balances at period end are unsecured and settlement occurs 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 (2020: 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 interest rate of 4.10% per annum (2020: 4.10%) (Note 46).

Loan payable to Beachcomber Limited bears an interest rate of PLR-1.25% with maturity date on 30 December 2027 (Note 44).

Loans to related party

Loan receivable from Beachcomber Hospitality Investments Ltd bears a fixed interest rate of 6.25% per annum (2020: 6.25%) (Note 35).

Loans to other related party

Loan receivable from Semaris Ltd bears a fixed interest rate of 5% per annum (2020: 5%) (Note 35).

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

17. Related Party Transactions and Disclosures (cont'd)

(xv) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Short-term employee benefits and termination settlements	**141,743**	132,832	**122,335**	100,346
Post-employment benefits	**11,778**	10,771	**9,804**	9,325
	153,521	143,603	**132,139**	109,671

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

18. Revenue from Contracts with Customers

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Revenue from contracts with customers (Note 12)	**1,136,832**	5,632,584	**662,062**	4,397,758
Timing of revenue recognition				
At a point in time	**471,294**	1,787,265	**373,156**	1,595,674
Over time	**665,538**	3,845,319	**288,906**	2,802,084
	1,136,832	5,632,584	**662,062**	4,397,758

(a) Liabilities related to contracts with customers

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July/1 October	**349,325**	508,911	**220,102**	408,372
Amounts included in contract liabilities that were recognised as revenue during the year/period	**(37,148)**	(503,435)	**(249)**	(408,372)
Cash received in advance of performance and not recognised as revenue during the year/period	**155,700**	348,558	**125,366**	220,102
Deposits received in advance of performance that were refunded during the year/period*	**(182,866)**	(7,782)	**(125,324)**	-
Exchange differences	**13,867**	3,073	**-**	-
At 30 June	**298,878**	349,325	**219,895**	220,102

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 prior to the COVID-19 outbreak for which there was no mutual agreement for future stays in the hotels.

19. Staff Costs

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Wages, salaries, fees and bonuses	**1,726,717**	1,599,184	**1,414,127**	1,252,424
Social costs	**157,082**	280,695	**123,033**	218,439
Other employee benefits and related expenses	**510,715**	501,783	**490,769**	431,335
	2,394,514	2,381,662	**2,027,929**	1,902,198
Government Wage Assistance Scheme (Note 4(k))	**(1,043,766)**	(299,010)	**(921,826)**	(275,268)
	1,350,748	2,082,652	**1,106,103**	1,626,930

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

20. Other Expenses

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Operating supplies and cleaning expenses	**137,809**	248,670	**111,049**	213,735
Repairs and maintenance	**145,590**	184,940	**115,625**	155,991
Utility costs	**231,358**	273,982	**171,134**	236,408
Marketing expenses	**195,256**	534,338	**158,336**	265,844
Guest entertainment	**25,324**	105,349	**9,892**	81,982
Administrative expenses*	**321,696**	348,880	**175,113**	234,754
Licences, patents, insurance and taxes	**98,071**	91,781	**78,914**	85,229
	1,155,104	1,787,940	**820,063**	1,273,943
Straight-lining adjustment	**-**	-	**(170,918)**	-
	1,155,104	1,787,940	**649,145**	1,273,943

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

21. Closure Costs

	THE GROUP	
	Year ended 30 June 2021	Period ended 30 June 2020
	Rs '000	Rs '000
Staff costs	**-**	3,197
Other expenses	**-**	11,249
	-	14,446

Closure costs in the prior period relate wholly to Ste Anne Resort Limited in Seychelles. The hotel was operational as from February 2021 following completion of renovation works.

22. Finance Revenue

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Exchange gain on retranslation of receivable from subsidiary	**267,422**	236,223	**267,422**	236,223
Interest income	**78,649**	42,840	**217,059**	129,856
	346,071	279,063	**484,481**	366,079

Included in interest income of the Company is an amount of Rs 142m (2020: Rs 94m) pertaining to interest received on shareholder's loan to BHI and interest receivable of Rs 65m (2020: Rs 36m) on loan to Semaris Ltd, an entity under common control.

A modification gain of Rs 9.8m is also 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 2021 (Note 35).

23. Finance Costs

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Exchange loss on loan at call account	**22,747**	-	**-**	-
Exchange loss on currency borrowings	**135,318**	51,622	**130,185**	51,100
	158,065	51,622	**130,185**	51,100
Dividends on preference shares	**24,068**	17,661	**24,068**	17,661
Interest costs on:				
Bank overdrafts	**81,896**	18,977	**56,371**	15,537
Loans	**588,515**	384,275	**284,692**	233,072
Debentures and fixed-rate secured notes	**197,003**	144,233	**128,006**	100,238
Lease liabilities (Note 29(ii))	**178,193**	138,362	**421,082**	313,496
Call account with subsidiary (Note 17(vi))	**-**	-	**11,034**	12,071
Others	**7,416**	2,430	**3,539**	-
	1,077,091	705,938	**928,792**	692,075
Less borrowing costs capitalised (Note 30)	**(68,997)**	(43,995)	**-**	-
	1,008,094	661,943	**928,792**	692,075
	1,166,159	713,565	**1,058,977**	743,175

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

23. Finance Costs (cont'd)

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	
	Year ended 30 June 2021	Year ended 30 June 2021	**Year ended 30 June 2021**	Year ended 30 June 2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest cost on bank loans and overdrafts and debentures included in:				
Investment property (Note 30)	**68,997**	43,995	**-**	-
Total borrowing costs capitalised	**68,997**	43,995	**-**	-

24. Other Income

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Other operating income	**34,602**	25,142	**21,964**	19,364
Investment income -quoted	**-**	313	**-**	313
-unquoted	**34**	-	**336,408**	116,714
	34,636	25,455	**358,372**	136,391

25. Other (Losses)/Gains

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net fair value gain/(loss) on derivatives	**781**	(198,239)	**781**	(196,448)
Net ineffectiveness on cash flow hedges	**(224,499)**	(19,022)	**(224,499)**	(50,356)
Net foreign exchange (loss)/gain	**(227,906)**	31,956	**(198,224)**	37,937
	(451,624)	(185,305)	**(421,942)**	(208,867)

26 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.

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

26. Income Tax (cont'd)

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.

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.

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

26. Income Tax (cont'd)

(a) Current income tax	**THE GROUP**		**THE COMPANY**	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
The major components of income tax for the year ended 30 June 2021 and period ended 30 June 2020 are:				
Statements of profit or loss:				
Income tax on the adjusted profit for the year/period at 15% to 30% (2020: 15% to 30%)	**(20,427)**	(25,388)	**-**	-
Corporate Social Responsibility (CSR)	**(5,252)**	(6,960)	**(2,909)**	(3,302)
Deferred tax movement (Note 26 (b))	**556,093**	119,076	**601,135**	154,936
(Under)/Overprovision of tax and deferred tax in previous year	**(25,273)**	485	**(22,457)**	-
Income tax credit	**505,141**	87,213	**575,769**	151,634

	THE GROUP		**THE COMPANY**	
Statements of other comprehensive income:	**Year ended 30 June 2021**	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
Deferred tax relating to items recognised in other comprehensive income	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Losses on cash flow hedge	**-**	-	**117,305**	100,606
Remeasurement of employee benefit liabilities	**(220,465)**	230,912	**(218,586)**	227,221
	(220,465)	230,912	**(101,281)**	327,827
Statements of financial position:				
At 1 July/1 October	**9,599**	(4,527)	**5,993**	1,453
Income tax on the adjusted profit for the year/period at 15% to 30% (2020: 15% to 30%)	**(28,424)**	(31,863)	**(2,909)**	(3,302)
Exchange differences	**24,703**	(715)	**-**	-
Less: Payment during the year/period	**16,204**	46,704	**2,955**	7,842
At 30 June	**22,082**	9,599	**6,039**	5,993
Analysis of tax position at year/period end:				
Income tax prepaid	**27,285**	12,685	**6,039**	5,993
Income tax payable	**(5,203)**	(3,086)	**-**	-
	22,082	9,599	**6,039**	5,993

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 2021 and period ended 30 June 2020 are as follows:

	THE GROUP		**THE COMPANY**	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Loss before tax	**(3,635,283)**	(773,024)	**(1,383,515)**	(1,335,092)
Tax calculated at a tax rate of 15% to 30% (2020: 15% to 30%)	**528,160**	302,621	**207,527**	200,264
Corporate Social Responsibility (CSR)	**(5,252)**	(6,960)	**(2,909)**	(3,302)
Effect of temporary difference on CSR	**24,022**	(19,174)	**24,022**	(19,131)
Expenses not deductible for tax purposes	**(139,033)**	(370,812)	**(54,092)**	(201,866)
Deferred tax asset not recognised	**(107,350)**	7	**-**	-
Underprovision of tax and deferred tax	**(25,273)**	(5,572)	**(22,457)**	(5,681)
Other movement	**(19,845)**	(4,609)	**-**	-
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	**204,028**	191,712	**180,648**	181,350
Tax credit	**505,141**	87,213	**575,769**	151,634

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

26. Income Tax (cont'd)

(b) Deferred tax

THE GROUP

Deferred taxes as at 30 June 2021 and 30 June 2020 relate to the following:

	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
			Year ended	Period ended	**Year ended**	Period ended
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020	**30 June 2021**	30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Deferred tax liabilities						
Accelerated capital allowances	**1,843,046**	1,786,290	**(56,756)**	65,606	**-**	-
Asset revaluation	**928,238**	928,238	**-**	-	**-**	-
Right-of-use assets	**260,580**	388,351	**127,771**	(388,351)	**-**	-
Exchange differences	**39,318**	33,578	**-**	-	**(5,740)**	(27,727)
	3,071,182	3,136,457				
Deferred tax assets						
Losses available for offsetting against future taxable income	**(1,160,932)**	(661,208)	**499,724**	65,429	**-**	-
Employee benefit liabilities	**(340,204)**	(532,542)	**28,127**	2,475	**(220,465)**	230,912
Provision & others	**(13,701)**	(12,164)	**1,537**	(720)	**-**	-
Lease liabilities	**(307,870)**	(374,637)	**(66,767)**	374,637	**-**	-
Exchange differences	**(57,272)**	(41,774)	**-**	-	**15,498**	27,067
	(1,879,979)	(1,622,325)				
Deferred tax liabilities (net)	**1,191,203**	1,514,132				
Disclosed as follows:						
Deferred tax assets	**(247,011)**	(207,741)	**-**	-	**-**	-
Deferred tax liabilities	**1,438,214**	1,721,873	**-**	-	**-**	-
	1,191,203	1,514,132				
Deferred tax credited to profit or loss			**533,636**	119,076		
Deferred tax (charged)/credited to other comprehensive income					**(210,707)**	230,252

The Group has determined that deferred tax assets cannot be recognised on tax losses of Rs 2,333m (2020: Rs 1,794m) carried forward since there is uncertainty whether future taxable profit will be available against which the unused tax losses can be utilised.

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 and Company.

THE COMPANY	Statement of Financial Position		Statement of Profit or Loss		Statement of other Comprehensive Income	
			Year ended	Period ended	**Year ended**	Period ended
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020	**30 June 2021**	30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Deferred tax liabilities						
Accelerated capital allowances	**1,380,837**	1,407,178	**26,341**	27,816	**-**	-
Asset revaluation	**528,750**	528,750	**-**	-	**-**	-
Right-of-use assets	**1,032,793**	1,160,564	**127,771**	(1,160,564)	**-**	-
Deferred tax assets						
Losses available for offsetting against future taxable income	**(890,827)**	(443,805)	**447,022**	98,532	**-**	-
Provision & others	**(13,050)**	(4,954)	**8,096**	(2,564)	**-**	-
Employee benefit liabilities	**(332,109)**	(520,906)	**29,789**	3,038	**(218,586)**	227,221
Lease liabilities	**(1,346,248)**	(1,289,284)	**(60,341)**	1,188,678	**117,305**	100,606
Net deferred tax liabilities	**360,146**	837,543				
Deferred tax credited to profit or loss			**578,678**	154,936		
Deferred tax (charged)/credited to other comprehensive income					**(101,281)**	327,827

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)

27. 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:

		Year ended 30 June 2021	Period ended 30 June 2020
		Rs '000	Rs '000
Loss attributable to ordinary equity holders of the parent:		**(3,173,492)**	(729,773)
Weighted average number of ordinary shares for basic EPS ('000)		**548,982**	548,982
Weighted average number of ordinary shares for diluted EPS ('000)		**550,085**	548,982
Basic loss per share:	Rs	**(5.78)**	(1.33)
Diluted loss per share:	Rs	**(5.77)**	(1.33)

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS

28. 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 fair value 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.

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

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

For hotel buildings, depreciation is calculated on the straight-line basis at the remaining life of the lease terms.

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 Shandrani Beachcomber Resort & Spa and preliminary work at Les Salines Beachcomber Resort & Spa.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year/period 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 September 2019, the Group and Company engaged an independent valuation specialist to determine fair value based on prevailing market data. As at 30 June 2021, the Group and Company 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 28. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Notes 15 and 31.

Fair value/valuation of investment property
The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. As at 30 June 2021, the Group engaged an independent valuation specialist to determine fair value based on prevailing market data. Further explanation and key assumptions used to determine the fair value are contained in Note 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 their lease terms.

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 October 2019	2,401,658	20,483,291	6,101,954	169,638	1,068,158	30,224,699
Additions	-	20,680	192,461	14,919	144,500	372,560
Transfer	-	62,657	17,218	-	(79,875)	-
Disposals	-	-	(3,991)	(39,192)	-	(43,183)
Scrapped	-	-	(23,063)	-	-	(23,063)
Reclassifications	-	-	27,909	(27,909)	-	-
Transfer from inventories	-	-	105	-	-	105
Transfer to investment property (Note 30)	-	(1,494,706)	-	-	(606,896)	(2,101,602)
Write-off (Note 15)	-	-	-	-	(95,171)	(95,171)
Impairment losses (Note 15)	-	(445,493)	-	-	-	(445,493)
Exchange differences	38,338	282,496	166,082	762	36,013	523,691
At 30 June 2020	2,439,996	18,908,925	6,478,675	118,218	466,729	28,412,543

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

28. 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
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 29)	-	-	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**
Depreciation						
At 1 October 2019	-	293,878	4,121,876	55,465	-	4,471,219
Charge for the period	-	155,893	337,417	19,329	-	512,639
Disposals	-	-	(3,235)	(25,777)	-	(29,012)
Scrapped	-	-	(21,305)	-	-	(21,305)
Reclassification	-	-	22,340	(22,340)	-	-
Transfer to investment property (Note 30)	-	(16,093)	-	-	-	(16,093)
Impairment losses (Note 15)	-	(26,966)	-	-	-	(26,966)
Exchange differences	-	2,009	97,677	609	-	100,295
At 30 June 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 29)	-	-	9,239	46,930	-	56,169
Transfer to investment property (Note 30)	-	-	(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**
Net Book Values						
At 30 June 2021	**2,510,503**	**18,716,092**	**1,638,806**	**72,449**	**678,010**	**23,615,860**
At 30 June 2020	2,439,996	18,500,204	1,923,905	90,932	466,729	23,421,766

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

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

THE COMPANY	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 October 2019	1,658,478	11,994,769	4,731,804	86,990	103,940	18,575,981
Additions	-	18,383	187,178	900	55,047	261,508
Transfer	-	62,657	17,218	-	(79,875)	-
Reclassifications	-	-	27,909	(27,909)	-	-
Disposals	-	-	(3,772)	(8,630)	-	(12,402)
Scrapped	-	-	(7,958)	-	-	(7,958)
At 30 June 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 29)	-	-	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**
Depreciation						
At 1 October 2019	-	107,642	3,367,411	60,745	-	3,535,798
Charge for the period	-	88,958	223,116	2,950	-	315,024
Reclassifications	-	-	22,340	(22,340)	-	-
Disposals	-	-	(3,016)	(6,908)	-	(9,924)
Scrapped	-	-	(6,992)	-	-	(6,992)
At 30 June 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 29)	-	-	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**
Net Book Values						
At 30 June 2021	**1,658,478**	**11,803,861**	**1,102,894**	**21,077**	**213,025**	**14,799,335**
At 30 June 2020	1,658,478	11,879,209	1,349,520	16,904	79,112	14,983,223

(a) Revaluation of freehold land and buildings

The Group and Company have a policy of revaluing their freehold land and buildings every three years. These assets were last revalued at 30 September 2019 by Noor Dilmohamed and Associates, Mauritius, an accredited independent valuer with a recognised professional qualification (Certified Practising Valuer (Australia) & Registered Valuer) with relevant experience. based on open market value.

At the end of the reporting year, 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 does 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. Fair value of the properties was determined by using open market value. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property. The freehold land and buildings have been classified as level 3 as it is based on sales comparison approach.

		Year ended 30 June 2021	Period ended 30 June 2020
Significant observable valuation input		**Range**	Range
Price per square metre :	-Freehold land	**Rs 1,345-Rs 3,675**	Rs 1,345-Rs 3,675
	-Building	**Rs 39,907-Rs 62,491**	Rs 39,907-Rs 62,491

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

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

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

(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 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cost	**18,028,524**	17,980,999	**9,561,096**	9,513,621
Accumulated depreciation	**(1,697,269)**	(1,468,937)	**(1,156,619)**	(1,074,680)
Net book values	**16,331,255**	16,512,062	**8,404,477**	8,438,941

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

29. Right-of-Use Assets and Lease Liabilities

Accounting Policy

From 1 October 2019, 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.

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 inherent 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).

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

29. Right-of-Use Assets and Lease Liabilities (cont'd)

Measuring Leases (cont'd)

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 the same discount rate that applied on lease commencement. 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 standalone 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, both the carrying amount of the lease liability and right-of-use asset are 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.

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)

29. Right-of-Use Assets and Lease Liabilities (cont'd)

Significant accounting judgements and estimates (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 October 2019	2,201,542	366,029	249,250	2,816,821
Additions	-	-	10,790	10,790
Depreciation	(39,466)	(2,579)	(45,697)	(87,742)
Disposals	-	-	(11,118)	(11,118)
Exchange differences	30,140	-	10,255	40,395
At 30 June 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 28)	-	-	(13,286)	(13,286)
Transfer to investment property (Note 30)	(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**

THE COMPANY	**Land and Buildings ***	**Leasehold Rights**	**Plant Machinery and Motor Vehicles**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**
At 1 October 2019				
- As previously stated	6,947,521	117,320	111,213	7,176,054
- Effect of prior year error (Notes 48 & 50)	(1,821,827)	-	-	(1,821,827)
- As restated	5,125,694	117,320	111,213	5,354,227
Additions	-	-	10,790	10,790
Depreciation	(221,731)	(1,757)	(24,263)	(247,751)
At 1 July 2020-restated	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 28)	-	-	(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**

* Included in land and buildings is a profit on a sale and leaseback transaction netted off as per IFRS 16 (refer to Note 48).

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

29. Right-of-Use Assets and Lease Liabilities (cont'd)

(ii) **Lease liabilities**

THE GROUP	Land and Buildings	Plant, Machinery and Motor Vehicles	Total
	Rs '000	Rs '000	Rs '000
At 1 October 2019	2,151,304	237,329	2,388,633
Additions	-	10,790	10,790
Interest expense	129,970	8,392	138,362
Lease payments	(123,181)	(63,093)	(186,274)
Exchange differences	17,022	11,002	28,024
At 30 June 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**

Disclosed as:	2021	2020
	Rs '000	Rs '000
Non-current	**2,280,396**	2,280,448
Current	**126,251**	99,087
	2,406,647	2,379,535

THE COMPANY	Land and Buildings	Plant Machinery and Motor Vehicles	Total
		Rs '000	Rs '000
Rs '000			
At 1 October 2019	6,947,521	117,806	7,065,327
Additions	-	10,790	10,790
Interest expense	307,592	5,904	313,496
Lease payments	(391,092)	(37,640)	(428,732)
Exchange differences	623,132	-	623,132
At 30 June 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**

Disclosed as:	2021	2020
	Rs '000	Rs '000
Non-current	**7,715,290**	7,259,907
Current	**296,225**	324,106
	8,011,515	7,584,013

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

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

29. Right-of-Use Assets and Lease Liabilities (cont'd)

(ii) **Lease liabilities (cont'd)**

Maturity analysis of lease liabilities	**THE GROUP**		**THE COMPANY**	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2020**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Minimum lease payments:				
- Within one year	**323,774**	280,002	**741,437**	737,006
- After one year and before two years	**281,476**	173,157	**906,008**	622,069
- After two years and before five years	**730,010**	692,630	**2,942,437**	2,488,275
- After five years	**7,719,468**	8,009,431	**9,622,586**	10,828,601
	9,054,728	9,155,220	**14,212,468**	14,675,951
Less: Future finance charges on obligations under lease liabilities	**(6,648,081)**	(6,775,685)	**(6,200,953)**	(7,091,938)
Present value of obligations under lease liabilities	**2,406,647**	2,379,535	**8,011,515**	7,584,013
Present value analysed as follows:				
Current				
- Within one year	**126,251**	99,087	**296,225**	324,106
Non-current				
- After one year and before two years	**87,027**	35,052	**482,642**	329,706
- After two years and before five years	**155,025**	140,284	**1,851,766**	1,318,830
- After five years	**2,038,344**	2,105,112	**5,380,882**	5,611,371
	2,280,396	2,280,448	**7,715,290**	7,259,907
	2,406,647	2,379,535	**8,011,515**	7,584,013

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(a) **Nature of leasing activities (in the capacity as lessee)**

The Group and Company lease a number of properties in the jurisdictions from which they operate. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions' property leases, the periodic rent is fixed over the lease term. The leases arise mainly on hotel properties.

The Group and Company also lease certain items of plant and equipment. Some contracts for services with distributors contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms. Following the adoption of IFRS 16, assets under finance leases previously recognised under property, plant and equipment have been transferred to right-of-use assets.

(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 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**

29. Right-of-Use Assets and Lease Liabilities (cont'd)

(ii) **Lease liabilities (cont'd)**

30 June 2020 ***The Group***	*Lease Contracts Number*	*Fixed Payments %*	*Variable Payments %*	*Sensitivity Rs*
Property leases with payments linked to inflation	13	-	92%	217,514
Property leases with periodic uplifts to market rentals	-	-	-	-
Property leases with fixed payments	-	-	-	-
Leases of plant and equipment	2	7%	-	17,922
Vehicle leases	165	1%	-	2,539
	180	8%	92%	237,975

The Company	*30 June 2020 Contracts Number*	*Lease Payments %*	*Fixed Payments %*	*Variable Sensitivity Rs*
Property leases with payments linked to inflation	11	-	99%	748,716
Property leases with periodic uplifts to market rentals	-	-	-	-
Property leases with fixed payments	1	-	-	-
Leases of plant and equipment	-	-	-	-
Vehicle leases	144	1%	-	9,686
	156	1%	99%	758,402

(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 reassessed 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.

	2021 **Rs '000**	2020 Rs '000
The Group		
Interest expense (included in finance cost)	**178,193**	138,362
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)	**421,082**	313,496
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 2021 was Rs 100.4m for the Group and Rs 481.6m for the Company (2020: Rs 186.3m for the Group and Rs 428.7m for the Company).

30. 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/period 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.

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

30. Investment Property (cont'd)

Accounting Policy (cont'd)

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.

Transfers are made to investment property only when there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. 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	
	Year ended 30 June 2021	Period ended 30 June 2020
	Rs '000	Rs '000
At 1 July/1 October	**3,319,575**	-
Transfer from property, plant and equipment (Note 28)	**55,820**	2,085,509
Transfer from right-of-use assets (Note 29)	**311,770**	-
Additions	**1,899,422**	1,000,751
Change in fair value	**(95,872)**	-
Exchange differences	**553,499**	233,315
At 30 June	**6,044,214**	3,319,575

Borrowing costs capitalised under investment property amounted to Rs 69m (2020: Rs 44m). The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.65% (2020: 4.76%), which is the weighted average interest rate of the specific borrowing facilities.

(i) Measuring investment property at fair value
Investment property was valued as at June 30, 2021 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 3. 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 2021 was Level 3 – Significant unobservable inputs (2020: 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.	1%-2%
		Discount rate	9%
		Terminal yield	7%

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

	2021
	Rs'000
Rental income from operating leases	155,608
Direct operating expenses that generated rental income	-
Direct operating expenses that did not generate rental income	(59,736)
Net change from fair value remeasurement	95,872

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

30. Investment Property (cont'd)

Accounting Policy (cont'd)

(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 44 for information on non-current assets pledged as security by the Company.

(vi) Leasing arrangements
The investment property is leased to Club Med SAS (Club Med) for a period of 12 years beginning 1 February 2021 under operating leases with rentals payable quarterly. Lease rentals shall be increased each year, on the annual anniversary date of the commencement date by 1%-2% of the average Harmonised Index of Consumer Prices (HICP) annual average inflation rate. Credit risk is minimised by mandating rental collection at the beginning of each lease period.

Although the Company 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.

31. 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 as 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 statement of profit or loss when the asset is derecognised.

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)

31. Intangible Assets (cont'd)

THE GROUP

Cost	Goodwill arising on Acquisition Rs '000	Patents Rs '000	Licences Rs '000	Computer Software Rs '000	Total Rs '000
At 1 October 2019	1,253,117	1,580	3,150	111,526	1,369,373
Additions	-	-	-	9,660	9,660
Write-off	-	-	-	(334)	(334)
Exchange differences	-	-	-	4,390	4,390
At 30 June 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**
Amortisation					
At 1 October 2019	-	-	3,150	77,531	80,681
Write-off	-	-	-	(250)	(250)
Amortisation charge	-	-	-	8,931	8,931
Exchange differences	-	-	-	3,698	3,698
At 30 June 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**
Net book values					
At 30 June 2021	**1,253,117**	**2,066**	**-**	**26,694**	**1,281,877**
At 30 June 2020	1,253,117	1,580	-	35,332	1,290,029

THE COMPANY

Cost	Goodwill arising on Acquisition Rs '000	Computer Software Rs '000	Total Rs '000
At 1 October 2019	1,089,892	47,303	1,137,195
Additions	-	3,961	3,961
At 30 June 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**
Amortisation			
At 1 October 2019	-	34,242	34,242
Amortisation charge	-	3,001	3,001
At 30 June 2020	-	37,243	37,243
Amortisation charge	-	10,806	10,806
At 30 June 2021	**-**	**48,049**	**48,049**
Net book values			
At 30 June 2021	**1,089,892**	**10,124**	**1,100,016**
At 30 June 2020	1,089,892	14,021	1,103,913

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

31. Intangible Assets (cont'd)

(a) Cash-generating units

	Allocation of Goodwill	
	Year ended 30 June 2021	Period ended 30 June 2020
	Rs '000	Rs '000
Tour operating cash-generating unit		
Beachcomber Limited and its tour operating subsidiaries	**818,221**	818,221
Hotel operations cash-generating units		
Hotel boutiques	**4,101**	4,101
Royal Palm Beachcomber Luxury	**168,685**	168,685
Canonnier Beachcomber Golf Resort & Spa	**98,885**	98,885
The Company	**1,089,892**	1,089,892
Hotel operations cash-generating unit		
Ste Anne Resort Limited	**89,745**	89,745
Tour operating cash-generating units		
Beachcomber Tours	**1,184**	1,184
Beachcomber Tours Limited	**72,296**	72,296
The Group	**1,253,117**	1,253,117

Each cash-generating unit represents a business operation and is the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount for the different CGUs has been determined as follows:

- Hotel operations: The recoverable amount has been determined based on a value in use-discounted cash flow (DCF) approach using management's forecasts and a discount rate ranging from 11.2% to 11.6% (post-tax) and 8.8% (post-tax) for the Mauritius and Marrakech operations respectively.

- Ste Anne Resort Limited: The recoverable amount for the investment has been determined based on a discounted cash flow (DCF) approach using future rental income and a discount rate of 8.8%. The significant assumptions as follows are deemed conservative: (i) the lease agreement started as from February 2021 and lasts for 12 years and rental income will increase by 1% 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 16.8% (post-tax), 9.0% (post-tax) and 9.6% (post-tax) for South Africa, France and England 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 required resources needed 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 range of 1.5% to 4.6% 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.

32. 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.

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

32. Investment in Subsidiaries (cont'd)

	THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020
(a) Cost (Unquoted)	**Rs '000**	Rs '000
At 1 July/1 October	**6,590,548**	7,418,710
Additions during the year (Note (ii))	**212,641**	-
Transfer from amount due from subsidiaries (i)	**315,422**	331,246
Impairment losses (Note 15)	**(184,637)**	(1,159,408)
At 30 June	**6,933,974**	6,590,548
Analysed as follows :		
Unquoted equity instruments	**5,410,711**	6,305,162
Interest-free loans	**1,707,900**	1,444,794
Impairment for the year	**(184,637)**	(1,159,408)
	6,933,974	6,590,548

(i) During the 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 during the year. 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 year and prior period.

33. 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 since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of an associate is shown on the face of the statements of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value; it then recognises the loss as 'share of results of associates' in the statements of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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

33. Investment in Associates (cont'd)

Consolidated financial statements (cont'd)

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
(a) At 1 July/1 October	**633,338**	662,097	**18,307**	18,307
Share of results of associates recognised in profit or loss	**(1,668)**	7,902	**-**	-
Share of results of associates recognised in other comprehensive income	**3,238**	(32,917)	**-**	-
Dividends	**-**	(3,744)	**-**	-
At 30 June	**634,908**	633,338	**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 2021	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Non-Controlling Interests**	**Revenue**	**(Loss)/Profit for the Year/Period**	**Other Compre-hensive Income**	**Total Compre-hensive 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	**501,207**	**5,155,850**	**1,469,698**	**589,273**	**120,630**	**625,481**	**(8,325)**	**16,914**	**8,589**	**-**
30 June 2020										
South West Tourism Development Ltd and its subsidiaries	761,059	5,152,116	1,329,960	521,978	120,630	793,824	30,343	(195,349)	(165,006)	2,004

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

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

30 June 2021	**Opening Net Assets**	**Profit/(Loss) for the Year/Period**	**Other Compre-hensive Income**	**Total Compre-hensive Income**	**Dividends**	**Closing Net Assets**	**Ownership Interest**	**Interest in Associates**	**Carrying Value**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**%**	**Rs '000**	**Rs '000**
South West Tourism Development Ltd and its subsidiaries	**3,589,497**	**(8,325)**	**16,914**	**8,589**	**-**	**3,598,086**	**16.30%**	**586,488**	**586,488**
30 June 2020									
South West Tourism Development Ltd and its subsidiaries	3,741,564	56,502	(195,349)	(138,847)	(13,220)	3,589,497	16.30%	585,088	585,088

(d) Aggregate information of associates that are not individually material	THE GROUP	
	Year ended 30 June 2021	Period ended 30 June 2020
	Rs '000	Rs '000
Carrying amount of interests	**48,420**	48,250
Share of loss	**(172)**	(1,622)
Share of other comprehensive income	**480**	(1,068)
Share of total comprehensive income	**308**	(2,690)
Share of dividends	**-**	(1,740)

(e) Share of loss not recognised amounted to Nil (2020: Rs 35k) for Société Cajeva and Sports-Event Management Operation Co. Ltd. The accumulated share of loss not recognised amounts to Rs 375k (2020: Rs 375k).

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

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

34. Financial Assets at Fair Value through Other Comprehensive Income

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

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July/1 October	**9,094**	11,752	**8,932**	11,512
Change in fair value recognised in other comprehensive income	**34**	(2,658)	**10**	(2,580)
At 30 June	**9,128**	9,094	**8,942**	8,932

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

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Quoted:				
Compagnie des Villages de Vacances de l'Isle de France Limitée (COVIFRA)	**8,856**	8,856	**8,856**	8,856
State Bank of Mauritius	**262**	228	**76**	66
Unquoted:				
Fondation Espoir Développement Beachcomber (FED)	**10**	10	**10**	10
	9,128	9,094	**8,942**	8,932

(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 47).

(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.

35. Financial Assets at Amortised Cost

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Non-Current				
Long-term loan receivable (Note a)	**1,318,119**	1,187,062	**3,686,169**	3,291,019
	1,318,119	1,187,062	**3,686,169**	3,291,019
Current				
Other receivables (Note b)	**814,938**	778,075	**95,761**	19,931
Amount due from other related parties (Note 17 (viii))	**47,148**	79,875	**38,230**	78,099
Amount due from associates (Note 17 (viii))	**12,919**	12,919	**12,919**	12,919
Amount due from subsidiaries* (Note 17 (viii))	**-**	-	**5,966**	491,969
	875,005	870,869	**152,876**	602,918
Total financial assets at amortised cost	**2,193,124**	2,057,931	**3,839,045**	3,893,937

*During the year, the Company incurred impairment losses of Rs 31.6m in respect of amount due from one of its subsidiaries.

(a) Long-term loan receivable

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Receivable from related party (Note i)	**-**	-	**2,371,379**	2,103,957
Receivable from other related party (Note ii)	**1,314,790**	1,187,062	**1,314,790**	1,187,062
Others	**3,329**	-	**-**	-
	1,318,119	1,187,062	**3,686,169**	3,291,019

(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 2021 has a final maturity of 6 years.

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

35. Financial Assets at Amortised Cost (cont'd)

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 have been paid at the time of disposal.

The remaining Rs 1.3bn as at 30 June 2021 are expected to be paid by the 11th anniversary of the loan agreement.

As at 30 June 2021, following delay in the PDS project of Semaris Ltd, the repayment terms were renegotiated with terms and conditions of the contract not being substantially different.

Modified terms and conditions of the loan:
- The loan bears an interest rate of 5% per annum.
- The loan amount and payment of interest are split as follows:
(i) for Rs 700m, interest will be capitalised over the next two years and first-time payment of interest due is on 31 December 2023, and

(ii) for Rs 500m, interest will be capitalised over the next two years and first-time payment of interest due is on 31 December 2023.

- The loan is unsecured and subordinated to Semaris Ltd's bank loans.

Included in receivable from other related party is an amount of Rs 9.8m (2020: Nil) pertaining to the difference between the new and original gross carrying amount of the long-term loan to Semaris Ltd, recognised as a modification gain in profit or loss (Note 22).

(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.

(c) The Group and Company have made an impairment assessment by considering the previous repayment behaviours and assessing the future cash flow forecasts covering the contractual period of the loan. The Group and Company are certain of their ability to pay their debts as they become due in the normal course of business and/or in any adverse economic and business conditions. The Group and Company have also considered the fact that their debtor holds land which exceeds the amount receivable and therefore have not accounted for any impairment loss on the assumption that the likelihood of loss given default is negligible.

(d) The carrying amounts of the financial assets at amortised cost are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Euros	**3,336**	-	**2,371,379**	2,103,957
Mauritian rupees	**2,189,788**	2,057,931	**1,467,666**	1,789,980
	2,193,124	2,057,931	**3,839,045**	3,893,937

36. 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 2021 amounted to Group and Company: Rs 361m (2020: Rs 335m) and Rs 252m (2020: Rs 242m) 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.

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

36. Inventories (cont'd)

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Food and beverages	**48,574**	82,858	**41,654**	73,682
Operating equipment	**66,077**	127,713	**66,077**	126,558
Operating supplies, sales products and others	**110,796**	144,278	**95,710**	131,894
Spare parts	**34,261**	50,310	**34,261**	36,078
Stock of land for sale (Note (a))	**-**	35,700	**-**	35,700
Goods in transit	**-**	8,969	**-**	-
	259,708	449,828	**237,702**	403,912

(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 (2020: Nil).

(d) Cost of inventories expensed amounts to Rs 223m (2020: Rs 813m) and Rs 194m (2020: Rs 630m) for the Group and Company respectively.

37. Trade Receivables

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade receivables	**273,212**	573,947	**161,706**	438,809
Less: Loss allowance (Note (i))	**(59,531)**	(94,359)	**(54,308)**	(69,584)
Trade receivables-net	**213,681**	479,588	**107,398**	369,225

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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables have been divided into insured and uninsured. For insured receivables, the Group and Company exercised the policy choice of considering insurance cover as an integral part of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by insurance. The uninsured receivables are the balances where the Group and Company have no collateral.

The expected loss rates are based on the payment profiles of sales over a period of 45 months prior to 30 June 2021 or 01 July 2020 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 adjust the historical loss rates based on expected changes in these factors.

Due to the global uncertainty arising from COVID-19 and mostly in the tourism and hospitality sector, management has adopted a conservative approach by making specific provisions for debts which are not insured and for which recoverability is highly uncertain. The Company recorded a good percentage recovery of its debtors during the year such that no material irrecoverable debt is expected, except for those already provided.

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

37. Trade Receivables (cont'd)

On that basis, the loss allowance as at 30 June 2020 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 2021						
Expected loss rate	0%-38.42%	0%-26.12%	13.94%-100%	13.94%-100%	13.94%-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**

	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 2020						
Expected loss rate	0.00%-15.28%	2.12%-15.28%	9.47%-15.28%	11.47%-73.98%	11.47%-72.46%	
Gross carrying amount						
- trade receivables	187,998	3,687	7,405	94,009	280,848	**573,947**
Less: guest in-house receivables	(350)	-	-	-	-	**(350)**
Less: receivables identified for specific provision	(54,289)	(29)	(345)	(18,308)	(33,399)	**(106,370)**
Net carrying amount	133,359	3,658	7,060	75,701	247,449	**467,227**
Loss allowance	6,723	605	5,001	20,638	17,713	**50,680**
Specific provision	202	232	1,668	34,021	7,556	**43,679**
Total impairment	6,925	837	6,669	54,659	25,269	**94,359**

THE COMPANY

	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	13.94%-23.90%	13.94%-23.90%	13.94%-23.90%	13.94%-23.90%	13.94%-23.90%	**13.94%-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**

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

37. Trade Receivables (cont'd)

	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 2020						
Expected loss rate	11.47%-15.28%	11.47%-15.28%	11.47%-15.28%	11.47%-15.28%	11.47%-15.28%	
Gross carrying amount						
- trade receivables	89,054	2,508	6,972	86,589	253,686	**438,809**
Less: guest in-house receivables	(350)	-	-	-	-	**(350)**
Less: receivables identified for specific provision	(54,289)	(29)	(345)	(18,308)	(33,399)	**(106,370)**
Net carrying amount	34,415	2,479	6,627	68,281	220,287	**332,089**
Loss allowance	2,503	580	4,960	16,460	1,402	**25,905**
Specific provision	202	232	1,668	34,021	7,556	**43,679**
Total impairment	2,705	812	6,628	50,481	8,958	**69,584**

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

The closing loss allowances for trade receivables as at 30 June 2021 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Loss allowance as at 1 July/1 October	**94,359**	65,355	**69,584**	43,342
Loss allowance recognised in profit or loss during the year/period for contracts with customers	**27,892**	33,755	**(15,276)**	26,242
Receivables written off during the year/period as uncollectible	**-**	-	**-**	-
Unused amount reversed	**(62,720)**	(4,751)	**-**	-
At 30 June	**59,531**	94,359	**54,308**	69,584

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

38. Other Assets

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Prepaid expenses	**129,028**	516,888	**100,561**	158,069

39. Derivative Financial Instruments

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
(i) **Derivatives at fair value through profit or loss:**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Derivatives not designated as hedges:				
Foreign exchange currency contracts				
- Forwards	**781**	(184,078)	**781**	(184,078)
Total derivatives at fair value through profit or loss (Note 9 and 47)	**781**	(184,078)	**781**	(184,078)

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

39. Derivative Financial Instruments (cont'd)

The notional amounts of the outstanding forward foreign exchange contracts not designated as hedges at 30 June 2021 were EUR 0.4m for the Group (2020: EUR 85.0m, USD 33.5m and GBP 1.2m) and EUR 0.4m for the Company (2020: EUR 85.0m, USD 33.5m and GBP 1.2m).

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
(ii) **Derivatives designated as hedges:**	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Foreign exchange currency contracts				
- Forwards	**-**	-	**-**	-
Total derivatives designated as hedges	**-**	-	**-**	-
Total derivative financial instruments	**781**	(184,078)	**781**	(184,078)

The notional amounts of the outstanding forward foreign exchange contracts designated as hedges at 30 June 2021 were Nil (2020: Nil).

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
Disclosed as follows:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Current assets	**781**	61,478	**781**	61,478
Current liabilities	**-**	(245,556)	**-**	(245,556)
	781	(184,078)	**781**	(184,078)

40. 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	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash in hand and at banks	**1,234,520**	730,863	**607,316**	119,372
Bank overdrafts (Note 44)	**(2,079,376)**	(1,119,825)	**(1,458,521)**	(703,792)
	(844,856)	(388,962)	**(851,205)**	(584,420)

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 1,235m (2020: Rs 731m) for the Group and Rs 607m (2020: Rs 119m) for the Company.

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

At 30 June 2021, there was no undrawn loan facility for the Company and the other members of the Group (2020: there was an undrawn loan facility of EUR 28m for the finance of the remaining construction works in Ste Anne Resort Limited). Undrawn overdraft facilities amounted to Rs 820m (2020: Rs 1,031m) for both Group and Company.

(b) Non-cash transactions
The following are 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 32).

(ii) Deemed distribution amounting to Rs 1.3bn and dividend distribution amounting to Rs 300m by Beachcomber Limited to the Company (Note 46).

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

40. Cash and Cash Equivalents (cont'd)

(c) Reconciliation of liabilities arising from financing activities :

(i) **THE GROUP**

			Non-Cash Changes						
	1 July 2020	**Cash Flows***	**Acquisition**	**Rent Concessions**	**Variable Lease Payment Adjustment**	**Amortisation Cost**	**Interest Accrued**	**Foreign Exchange Movement**	**30 June 2021**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Term loans (Note 44(b))	10,407,319	2,016,982	-	-	-	-	284,401	816,775	13,525,477
Lease liabilities (29(ii))	2,379,535	(100,444)	40,784	(126,553)	6,447	-	178,193	28,685	2,406,647
Preference shares (Note 44(d))	399,971	-	-	-	-	665	23,403	-	424,039
Debentures (Note 44(c))	4,871,611	(215,491)	-	-	-	2,569	220,748	356,021	5,235,458
Loan from related party (Note 44(b))	1,681,688	-	-	-	-	-	-	213,750	1,895,438
	19,740,124	**1,701,047**	**40,784**	**(126,553)**	**6,447**	**3,234**	**706,745**	**1,415,231**	**23,487,059**

			Non-Cash Changes					
	1 October 2019	Cash Flows*	Recognised on Adoption of IFRS 16	Acquisition	Amortisation Cost	Interest Accrued	Foreign Exchange Movement	30 June 2020
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Term loans (Note 44(b))	9,884,031	(276,737)	-	-	-	233,072	566,953	10,407,319
Finance lease liabilities	149,859	-	(149,859)	-	-	-	-	-
Lease liabilities (29(ii))	-	(47,912)	2,388,633	10,790	-	-	28,024	2,379,535
Preference shares (Note 44(d))	394,011	(12,199)	-	-	498	17,661	-	399,971
Debentures (Note 44(c))	3,034,515	1,508,656	-	-	1,926	100,238	226,276	4,871,611
Loan from related party (Note 44(b))	1,492,867	-	-	-	-	-	188,821	1,681,688
	14,955,283	1,171,808	2,238,774	10,790	2,424	350,971	1,010,074	19,740,124

(ii) **THE COMPANY**

Remeasurement of Lease LiabilitiesVariable Lease

			Non-Cash Changes							
	1 July 2020	**Cash Flows***	**Acquisition**	**Rent Concessions**	**Remeasurement of Lease Liabilities**	**Variable Lease Payment Adjustment**	**Amortisation Cost**	**Interest Accrued**	**Foreign Exchange Movement**	**30 June 2021**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Term loans (Note 44(b))	7,803,489	416,817	-	-	-	-	-	284,400	377,001	8,881,707
Lease liabilities (Note 29(ii)	7,584,013	(481,564)	35,088	(164,372)	(79,211)	6,447	-	421,082	690,032	8,011,515
Preference shares (Note 44(d))	399,971	-	-	-	-	-	665	23,403	-	424,039
Debentures (Note 44(c))	3,101,683	(125,004)	-	-	-	-	2,569	125,437	113,487	3,218,172
	18,889,156	**(189,751)**	**35,088**	**(164,372)**	**(79,211)**	**6,447**	**3,234**	**854,322**	**1,180,520**	**20,535,433**

			Non-Cash Changes					
	1 October 2019	Cash Flows*	Recognised on Adoption of IFRS 16	Acquisition	Amortisation Cost	Interest Accrued	Foreign Exchange Movement	30 June 2020
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Term loans (Note 44(b))	7,332,155	(33,482)	-	-	-	233,072	271,744	7,803,489
Finance lease liabilities	117,806	-	(117,806)	-	-	-	-	-
Lease liabilities (Note 29(ii)	-	(181,946)	7,065,327	10,790	-	66,710	623,132	7,584,013
Preference shares (Note 44(d))	394,011	(12,199)	-	-	498	17,661	-	399,971
Debentures (Note 44(c))	3,034,515	(135,696)	-	-	1,926	100,238	100,700	3,101,683
	10,878,487	(363,323)	6,947,521	10,790	2,424	417,681	995,576	18,889,156

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

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

41. Stated Capital

	Issued Number of Shares		Issued and Fully Paid	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021 Rs '000**	Period ended 30 June 2020 Rs '000
As at 30 June	**548,982,130**	548,982,130	**2,780,301**	2,780,301

42. Redeemable Convertible Secured Bonds

	THE GROUP AND THE COMPANY	
	Year ended 30 June 2021 Rs '000	Period ended 30 June 2020 Rs '000
At 1 July/1 October	**-**	-
Amount subscribed during the year	**1,500,000**	-
Less cost attributed to the redeemable convertible secured bonds	**(9,500)**	-
As at 30 June	**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:

Equity conversion component on initial recognition	**1,102,617**	-
Liability component on initial recognition:	**387,883**	
Non-current Liability	**351,440**	-
Current Liability	**36,443**	-
	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 (the "Bonds"), 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. Refer to Note 16 Events after the reporting date.

Key terms and conditions of the funding arrangements are as follows:
- The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds being on 14 December 2029.

- The conversion rate has been predetermined prior to the subscription at the average listed price between 1 January 2020 and 30 June 2020.

- All outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.

- The number of ordinary shares to be delivered to the MIC will be determined in accordance with the following formula: [(A+B)/C], where 'A' is the Nominal Amount of all bonds held by the MIC, 'B' is equal to the amount of outstanding and unpaid interest in relation to bonds held by the MIC, and 'C' is conversion price. Any fraction of ordinary shares to be issued on the maturity date will be settled in cash.

- The interest rate is 3.5% p.a. over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). On maturity, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.

- The conversion price is subject to certain adjustments such as capitalisation of profit or reserves, capital distribution, rights issues or share split.

- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all of the bonds, any time prior to the maturity date. The option price shall be determined as follows:

a) if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount; or

b) if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.

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

43. Other Components of Equity

Nature and purpose of reserves	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	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	**(25,017)**	(25,051)	**6,413**	6,403
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.	**2,234,013**	2,293,112	**813,353**	863,607
Foreign exchange difference reserves These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries and loss or gain arising on cash flow hedges.	**(1,665,039)**	(1,797,472)	**(1,508,970)**	(798,447)
Total other components of equity	**1,168,540**	1,095,172	**(689,204)**	71,563

44. Borrowings

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Current portion				
Bank overdrafts (Note (a)/Note 40)	**2,079,376**	1,119,825	**1,458,521**	703,792
Bank loans (Note (b))	**6,076,843**	7,892,124	**3,370,792**	7,803,489
Debentures and fixed-rate secured notes (Note (c))	**1,029,831**	16,038	**1,024,287**	16,038
	9,186,050	9,027,987	**5,853,600**	8,523,319
Non-current portion				
Bank loans (Note (b))	**7,448,634**	2,515,195	**5,510,915**	-
Subordinated loan (Note (b)/Note 17(xiii))	**1,895,438**	1,681,688	**-**	-
	9,344,072	4,196,883	**5,510,915**	-
Debentures and fixed-rate secured notes (Note (c))	**4,205,627**	4,855,573	**2,193,885**	3,085,645
	13,549,699	9,052,456	**7,704,800**	3,085,645
Preference shares (Note (d))	**424,039**	399,971	**424,039**	399,971
	13,973,738	9,452,427	**8,128,839**	3,485,616
Total borrowings (Note 47)	**23,159,788**	18,480,414	**13,982,439**	12,008,935

(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 sum of SCR 40m for the subsidiary, Ste Anne Resort Limited. The rates of interest vary between 4.10% and 9.00% per annum.

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

44. Borrowings (cont'd)

(b) Term loans

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Term loans can be analysed as follows:				
Current				
- Within one year	**6,076,843**	7,892,124	**3,370,792**	7,803,489
Non-current				
- After one year and before two years	**773,915**	72,830	**611,711**	-
- After two years and before five years	**3,622,190**	2,442,388	**1,852,523**	-
- After five years	**4,947,967**	1,681,665	**3,046,681**	-
	9,344,072	4,196,883	**5,510,915**	-
Total term loans	**15,420,915**	12,089,007	**8,881,707**	7,803,489

Terms loans are denominated as follows:

			THE GROUP		THE COMPANY	
	Effective Interest Rate	**Maturity**	**Year ended 30 June 2021**	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
Denominated in:	**%**		**Rs '000**	Rs '000	**Rs '000**	Rs '000
Mauritian rupees	3.00%-5.65%	On demand	**1,585,493**	1,218,496	**1,585,493**	1,219,619
Mauritian rupees	1.50%-4.10 %	2022-2033	**4,128,219**	4,148,002	**4,099,511**	4,146,934
Euros	EURO LIBOR + (1.5% to 3%)	2021-2025	**955,076**	789,969	**903,025**	789,969
Euros	EURIBOR + (2.85% to 3.50%)	2021-2029	**2,317,953**	1,658,853	**2,293,674**	1,646,967
Euros	0.31%-6.25%	2021-2026	**4,599,562**	2,293,499	**-**	-
Euros	4.50%	2029	**1,162,555**	1,681,725	**-**	-
USD	3.50%	2021-2026	**32,355**	-	**4**	-
MAD	3.50%-6.50%	2024-2030	**639,702**	298,463	**-**	-
			15,420,915	12,089,007	**8,881,707**	7,803,489

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 10^{th} anniversary of the loan agreement dated 2 December 2016.

The term loans include loans amounting to Rs 190m (2020: Rs 150m) from Beachcomber Limited (Note 17).

In the current financial year, the Company has undergone a financial re-engineering programme to alleviate cash flow pressures.

The restructuring of the Company's debts has been completed with the banks in November 2021 whereby the major term loans of the Company have been rescheduled so that the next capital repayment will be made over a period varying between 1 and 3 years and the bonds repayment of EUR 20m has been paid out of fresh bank loans on 15 November 2021 (Note 16(iv)).

In the financial period ended 30 June 2020, the subsidiary, Ste Anne Resort Limited repaid in full two loans amounting to EUR 2.6m each. The loans were secured by a general floating charge on its assets and leasehold property.

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

44. Borrowings (cont'd)

(c) Debentures and fixed-rate secured notes

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Term debentures and fixed-rate secured notes can be analysed as follows:				
Current				
-Within one year	**1,029,831**	16,038	**1,024,287**	16,038
Non-current				
-After one year and before two years	**822,605**	893,640	**822,605**	893,640
-After two years and before five years	**3,383,022**	3,961,933	**1,371,280**	2,192,005
-After five years	**-**	-	**-**	-
	4,205,627	4,855,573	**2,193,885**	3,085,645
	5,235,458	4,871,611	**3,218,172**	3,101,683

These are denominated as follows:	Effective Interest Rate	Maturity	THE GROUP		THE COMPANY	
			Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	%		**Rs '000**	Rs '000	**Rs '000**	Rs '000
<u>*Debentures*</u>						
Mauritian rupees						
FLRNMUR5Y	Repo rate + 0.85%	15 November 2022	**225,124**	224,948	**225,124**	224,948
FRNMUR5Y	Fixed rate 4.75%	15 November 2022	**601,812**	601,411	**601,812**	601,411
FLRNMUR7Y	Repo rate + 1.40%	15 November 2024	**750,909**	750,346	**750,909**	750,346
FRNMUR7Y	Fixed rate 5.40%	15 November 2024	**627,378**	626,982	**627,378**	626,982
FRNEUR4Y [EURO]	Fixed rate 3.35%	15 November 2021	**1,012,949**	897,996	**1,012,949**	897,996
			3,218,172	3,101,683	**3,218,172**	3,101,683
<u>*Fixed-rate secured notes*</u>						
FRNEUR5Y-TA	Repo rate + 2.5%	31 October 2024	**1,003,590**	881,558	**-**	-
FRNEURSY-TB	Repo rate + 3.3%	31 October 2024	**508,208**	445,803	**-**	-
FRNEURSY-TC	Repo rate + 4.5%	31 October 2024	**505,488**	442,567	**-**	-
			2,017,286	1,769,928	**-**	-
Total debentures and fixed-rate secured notes			**5,235,458**	4,871,611	**3,218,172**	3,101,683

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.

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

44. Borrowings (cont'd)

(d) Preference shares (cont'd)

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 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.

(f) Bank Covenants

The Group and Company have obtained the waiver of financial covenants from all their lenders during the financial year. Hence, all borrowings have been classified according to their contractual repayments terms with no reclassification of any long-term portion into current liabilities.

In the preceding reporting period, there was a breach in the set of financial covenants for a loan facility from a particular lender. As his consent for the waiver of the said covenants was officially received after year end, the long-term portion payable totalling Rs 278m has been reclassified into short-term despite his firm agreement to not recall the loan. In addition to the above, an amount of Rs 5,522m was reclassified from non-current liabilities to current liabilities, since there were some modifications brought to the calculation of covenants as stated in the agreement.

45. Employee Benefit Liabilities

Accounting Policy

(i) Defined benefit plans

The Group and Company operate a multi-employer defined benefit plan, the assets of which are held in a separately administered fund. The pension plan is funded by payments from employees and by the employer, taking into account the recommendations of independent qualified actuaries who carry out a full valuation of the plan every three years.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
• the date of the plan amendment or curtailment; and
• the date that the Company recognises restructuring related costs.

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.

(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 Employment Rights Act 2008. 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.

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

45. Employee Benefit Liabilities (cont'd)

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 Employment Rights Act 2008. The pension scheme is a defined benefit scheme.

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	Rs '000	Rs '000	**Rs'000**	Rs'000
Funded obligation (Note (a))	**1,964,784**	3,077,989	**1,951,333**	3,051,450
Unfunded obligation (Note (b))	**33,245**	55,244	**2,252**	12,705
	1,998,029	3,133,233	**1,953,585**	3,064,155
(a) Funded Obligation				
(i) The amounts recognised in the statements of financial position in respect of funded obligation are as follows:				
Defined benefit obligation	**5,390,004**	6,225,603	**5,336,716**	6,160,175
Fair value of plan assets	**(3,425,220)**	(3,147,614)	**(3,385,383)**	(3,108,725)
Employee benefit liabilities	**1,964,784**	3,077,989	**1,951,333**	3,051,450
(ii) Movement in the liabilities recognised in the statements of financial position:				
At 1 July/1 October	**3,077,989**	1,718,142	**3,051,450**	1,707,062
Amount recognised in profit or loss	**307,650**	133,161	**304,835**	131,115
Amount recognised in other comprehensive income	**(1,285,343)**	1,343,459	**(1,274,679)**	1,327,632
Employer's contributions	**(135,512)**	(116,773)	**(130,273)**	(114,359)
At 30 June	**1,964,784**	3,077,989	**1,951,333**	3,051,450
(iii) The amounts recognised in the statements of profit or loss are as follows:				
Current service cost	**172,533**	99,834	**170,800**	98,172
Effect of curtailments/settlements	**3**	(39,994)	**-**	(39,923)
Scheme expenses	**23,841**	6,854	**23,618**	6,787
Interest cost on defined benefit obligation	**226,469**	204,553	**224,176**	202,508
Return on plan assets	**(115,196)**	(138,086)	**(113,759)**	(136,429)
Net benefit expense	**307,650**	133,161	**304,835**	131,115

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

45. Employee Benefit Liabilities (cont'd)

(a) Funded Obligation (cont'd)

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
(iv) The amounts recognised in the statements of other comprehensive income are as follows:	**Rs '000**	Rs '000	**Rs'000**	Rs'000
(Gains)/Losses on pension scheme assets	**(230,836)**	340,224	**(231,826)**	335,707
Experience losses/(gains) on the liabilities	**1,905**	(100,878)	**1,937**	(98,152)
Changes in assumptions underlying the present value of the scheme	**(1,056,412)**	1,104,113	**(1,044,790)**	1,090,077
	(1,285,343)	1,343,459	**(1,274,679)**	1,327,632
(v) Cumulative actuarial losses recognised:				
Cumulative actuarial losses at 1 July/1 October	**2,973,281**	1,630,362	**2,939,615**	1,611,983
Actuarial (gains)/losses recognised in current year/period	**(1,285,343)**	1,343,459	**(1,274,679)**	1,327,632
Cumulative actuarial losses at 30 June	**1,687,938**	2,973,821	**1,664,936**	2,939,615
(vi) Reconciliation of the present value of defined benefit obligation:				
Present value of obligation at 1 July/1 October	**6,225,603**	5,231,152	**6,160,175**	5,179,426
Current service cost	**172,533**	99,834	**170,800**	98,172
Interest cost on defined benefit obligation	**226,469**	204,553	**224,176**	202,508
Effect of curtailments/settlements	**3**	(39,994)	**-**	(39,923)
Employees' contribution	**29,566**	23,392	**28,988**	22,949
Actuarial (gains)/losses	**(1,054,507)**	1,003,235	**(1,042,853)**	991,925
Benefits paid	**(209,663)**	(296,569)	**(204,570)**	(294,882)
Present value of obligation at 30 June	**5,390,004**	6,225,603	**5,336,716**	6,160,175
(vii) Reconciliation of fair value of plan assets:				
Fair value of plan assets at 1 July/1 October	**3,147,614**	3,513,010	**3,108,725**	3,472,364
Return on plan assets	**115,196**	138,086	**113,759**	136,429
Employer's contributions	**135,512**	116,773	**130,273**	114,359
Scheme expenses	**(23,841)**	(6,854)	**(23,618)**	(6,787)
Employees' contribution	**29,566**	23,392	**28,988**	22,949
Actuarial gains/(losses)	**230,836**	(340,224)	**231,826**	(335,707)
Benefits paid	**(209,663)**	(296,569)	**(204,570)**	(294,882)
Fair value of plan assets at 30 June	**3,425,220**	3,147,614	**3,385,383**	3,108,725

The actual return on the plan assets was Rs 277m (2020: Rs 184m) for the current financial year.

(viii) The principal actuarial assumptions used for accounting purposes were:	**The Group and Company**	
	Year ended 30 June 2021	Period ended 30 June 2020
	%	%
Discount rate	**4.80**	3.70
Future salary increase	**1.00**	1.00
Pension increase	**-**	-
Post-retirement mortality tables	**PMA92/ PFA92**	PMA92/ PFA92

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

45. Employee Benefit Liabilities (cont'd)

(a) Funded Obligation (cont'd)

(ix) A quantitative sensitivity analysis for significant assumptions as at 30 June 2021 and 30 June 2020 is shown below:

	Discount Rate			
Assumptions	THE GROUP		THE COMPANY	
Sensitivity	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs '000	Rs '000	Rs '000	Rs '000
30 June 2021				
Impact on defined benefit obligation	**503,820**	**(587,062)**	**497,669**	**(579,421)**
30 June 2020				
Impact on defined benefit obligation	961,794	(1,241,777)	950,544	(1,227,292)

	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 2021				
Impact on defined benefit obligation	**243,951**	**(227,891)**	**241,884**	**(226,081)**
30 June 2020				
Impact on defined benefit obligation	310,261	(275,717)	306,294	(272,047)

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	
	Year ended 30 June 2021	Period ended 30 June 2021	**Year ended 30 June 2021**	Period ended 30 June 2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Employee benefit liabilities	**33,245**	55,244	**2,252**	12,705

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2021	**Year ended 30 June 2021**	Period ended 30 June 2021
(ii) Movement in the liabilities recognised in the statements of financial position:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
At 1 July/1 October	**55,244**	34,628	**12,705**	2,626
Amount recognised in profit or loss	**16,605**	19,160	**953**	1,117
Benefits paid	**(23,791)**	(15,922)	**(287)**	-
Amount recognised in other comprehensive income	**(11,254)**	15,141	**(11,119)**	8,962
Exchange differences	**(3,559)**	2,237	**-**	-
At 30 June	**33,245**	55,244	**2,252**	12,705
(iii) The amounts recognised in the statements of profit or loss are as follows:				
Current service cost	**15,489**	18,351	**538**	1,011
Interest cost on defined benefit obligation	**1,116**	809	**415**	106
Net benefit expenses	**16,605**	19,160	**953**	1,117
(iv) The amounts recognised in the statements of other comprehensive income are as follows:				
Liabilities experience loss	**(11,458)**	9,466	**(11,323)**	8,211
Changes in assumptions underlying the present value of the scheme	**204**	5,675	**204**	751
Actuarial (gains)/losses recognised in other comprehensive income	**(11,254)**	15,141	**(11,119)**	8,962

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

45. Employee Benefit Liabilities (cont'd)

(b) Unfunded obligation (cont'd)

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

Present value of obligation at 1 July/1 October	**55,244**	34,628	**12,705**	2,626
Current service cost	**15,489**	18,351	**538**	1,011
Interest cost	**1,116**	809	**415**	106
Actuarial (gains)/losses	**(11,254)**	15,141	**(11,119)**	8,962
Benefits paid	**(23,791)**	(15,922)	**(287)**	-
Exchange differences	**(3,559)**	2,237	**-**	-
Present value of obligation at 30 June	**33,245**	55,244	**2,252**	12,705

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

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020	**Year ended 30 June 2021**	Period ended 30 June 2020
	%	%	**%**	%
Discount rate	**3.4%-4.8%**	1.9-3.6	**3.4**	3.3
Future salary increase	**1.0%-3.0%**	1.0-3.0	**1.0**	1.0

(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 Rs '000**	**1% Decrease Rs '000**	**1% Increase Rs '000**	**1% Decrease Rs '000**
30 June 2021				
Impact on defined benefit obligation	**2,967**	**(3,787)**	**255**	**(616)**
30 June 2020				
Impact on defined benefit obligation	5,716	(6,843)	1,634	(1,989)

	Future Salary Increase			
	THE GROUP		THE COMPANY	
	1% Increase Rs '000	**1% Decrease Rs '000**	**1% Increase Rs '000**	**1% Decrease Rs '000**
30 June 2021				
Impact on defined benefit obligation	**3,821**	**(3,037)**	**628**	**(261)**
30 June 2020				
Impact on defined benefit obligation	6,750	(5,739)	1,919	(1,603)

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.

	THE GROUP AND THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2020
(c) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	**%**	%
Local equities	**40**	39
Overseas bond and equities	**24**	22
Fixed interest	**18**	14
Property and other	**18**	25
	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.

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

45. Employee Benefit Liabilities (cont'd)

(d) Maturity profile of the defined benefit obligation

The weighted average duration of the liabilities as at 30 June 2021 is 6-14 years.

(e) Expected contribution for next year

The Group is expected to contribute Rs 178m (2020: Rs 187m) 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 503m (2020: Rs 503m). The property is rented to the Company by the New Mauritius Hotels Group Superannuation Fund.

(g) Risk associated with the plans

The pension plans expose the Group and Company to the following actuarial risks:

Longevity risk: The liabilities disclosed are based on the mortality table PA(92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.

Interest risk: If the bond interest rate decreases, the liabilities would be calculated using a lower discount and would therefore increase.

Investment risk: Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk: If salary increases are higher than assumed in our basis, the liabilities would increase, giving rise to actuarial losses.

46. Trade and Other Payables

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2021	**Year ended 30 June 2021**	Period ended 30 June 2021
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade payables	**1,107,388**	1,169,594	**305,962**	557,848
Other payables	**943,077**	841,079	**269,101**	473,495
Loan at call payable to subsidiary (Note 17(ix))	**-**	-	**290,634**	224,961
Amount due to subsidiaries (Note 17(xii))/Note (d)	**-**	-	**152,454**	1,730,949
Amount due to other related parties (Note 17(xii))	**444,759**	384,557	**20,786**	16,145
	2,495,224	2,395,230	**1,038,937**	3,003,398

(a) Trade payables are non-interest-bearing and are generally on 30 to 60 days' term.
(b) The loan at call bears interest rate of 4.10% per annum (2020: 4.10%).
(c) For terms and conditions pertaining to related party payables, refer to Note 17(ix), (xii), (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, amounts of Rs 1,342m and Rs 300m were recognised respectively in the line items: (i) deemed distribution from subsidiary, and (ii) dividend income.

47. Fair Value of Assets and Liabilities

Accounting Policy

Fair value measurement
The Group and Company measure their financial instruments and non-financial assets such as investment property, and properties at fair value at each reporting date. The Group and Company have a policy of revaluing their freehold land and buildings every three years. The fair value of the freehold land and buildings is also assessed by the Directors at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group and Company.

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

47. Fair Value of Assets and Liabilities(cont'd)

Accounting Policy (cont'd)

Fair value measurement (cont'd)
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

			2021		2020	
	IFRS 9 Classification	**Fair Value Hierarchy**	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
			Rs '000	**Rs '000**	Rs '000	Rs '000
Financial Assets						
Financial assets at fair value through other comprehensive income	Fair value	Levels 1 & 3	**9,128**	**9,128**	9,094	9,094
Financial assets at amortised cost-non-current	Amortised cost	Level 3	**1,318,119**	**1,260,627**	1,187,062	1,206,482
Financial assets at amortised cost-current	Amortised cost	Level 3	**875,005**	**875,005**	870,869	870,869
Trade receivables	Amortised cost	Level 3	**213,681**	**213,681**	479,588	479,588
Derivative financial instruments	Fair value	Level 2	**781**	**781**	61,478	61,478
Cash in hand and at banks	Amortised cost	Level 3	**1,234,520**	**1,234,520**	730,863	730,863
			3,651,234	**3,593,742**	3,338,954	3,358,374
Financial Liabilities						
Convertible preference shares	Amortised cost	Level 1	**424,039**	**311,330**	388,658	361,682
Subordinated loan	Amortised cost	Level 3	**1,895,438**	**1,883,812**	1,681,688	1,669,172
Borrowings	Amortised cost	Level 3	**20,840,311**	**20,965,530**	16,398,755	16,559,863
Lease liabilities	Amortised cost	Level 3	**2,406,647**	**2,406,647**	2,379,535	2,379,535
Trade and other payables	Amortised cost	Level 3	**2,495,224**	**2,495,224**	2,500,196	2,500,196
Derivative financial instruments	Fair value	Level 2	**-**	**-**	245,556	245,556
			28,061,659	**28,062,543**	23,594,388	23,716,004

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

47. Fair Value of Assets and Liabilities (cont'd)

Financial instruments by category and fair values (cont'd)

THE COMPANY

	IFRS 9 Classification	Fair Value Hierarchy	2021 Carrying Amount	2021 Fair Value	2020 Carrying Amount	2020 Fair Value
			Rs '000	Rs '000	Rs '000	Rs '000
Financial Assets						
Financial assets at fair value through other comprehensive income	Fair value	Levels 1 & 3	**8,942**	**8,942**	8,932	8,932
Financial assets at amortised cost-non-current	Amortised cost	Level 3	**3,686,169**	**3,834,686**	3,291,019	3,548,529
Financial assets at amortised cost-current	Amortised cost	Level 3	**152,261**	**152,261**	602,918	602,918
Trade receivables	Amortised cost	Level 3	**107,398**	**107,398**	369,225	369,225
Derivative financial instruments	Fair value	Level 2	**781**	**781**	61,478	61,478
Cash in hand and at banks	Amortised cost	Level 3	**607,316**	**607,316**	119,372	119,372
			4,562,867	**4,711,384**	4,452,944	4,710,454
Financial Liabilities						
Convertible preference shares	Amortised cost	Level 1	**424,039**	**311,330**	388,658	361,682
Subordinated loan	Amortised cost	Level 3	**-**	**-**	-	-
Borrowings	Amortised cost	Level 3	**13,558,400**	**13,623,606**	11,608,964	11,705,592
Lease liabilities	Amortised cost	Level 3	**8,011,515**	**8,011,515**	7,584,013	7,584,013
Trade and other payables	Amortised cost	Level 3	**1,038,937**	**1,038,937**	3,003,398	3,003,398
Derivative financial instruments	Fair value	Level 2	**-**	**-**	245,556	245,556
			23,032,891	**22,985,388**	22,830,589	22,900,241

All of the above assets/liabilities disclosures exclude properties, right-of-use assets, intangible assets, investment in subsidiaries, investment in associates, deferred tax assets/liabilities, inventories, other assets, income tax prepaid/payable, deferred income, employee benefit liabilities and contract liabilities.

Accounting Policy

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 28 and 30 respectively.

During the year ended 30 June 2021, there was no transfer between Level 1 and Level 2 fair value measurements.

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

48. Sale and Leaseback Transaction between the Company and Beachcomber Hospitality Investments Ltd

Accounting Policy

A sale and leaseback transaction is where the Company sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer. A sale occurs when control of the underlying asset passes to the buyer. A lease liability is recognised, the associated property, plant and equipment asset is derecognised and a right-of-use asset is recognised at the proportion of the carrying value relating to the right retained. Any gain on the sale is deferred and recognised as income over the lease term. Any loss on the sale is immediately recognised as an impairment loss when the sale occurs.

The Company signed a number of agreements with Leisure Property Northern (Mauritius) Limited (LPNM), a wholly-owned subsidiary of GRIT Real Estate Income Group Limited (previously known as "Mara Delta Property Holdings Limited"), with respect to Beachcomber Hospitality Investments Ltd ("BHI") on 17 November 2016. The agreements entailed that:

- NMH 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 29) as per IFRS 16.

The sale and leaseback transaction was accounted for as a sale and operating lease applying IAS 17 pre-adoption of IFRS 16. On adoption of IFRS 16, NMH accounted for:
(a) the leaseback in the same way as it accounts for any other operating lease that exists at the date of initial application; and
(b) 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 29(ii) and 50).

49. Commitments and Contingencies

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Period ended 30 June 2021	**Year ended 30 June 2021**	Period ended 30 June 2021
(a) Capital commitments	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Ste Anne Resort Limited	**-**	1,300,000	**-**	-

Redevelopment work at Ste Anne hotel was completed during the year and the property was rented to Club Med SAS from February 2021.

(b) Contingencies

(i) 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 Mr Francis Savy, for and on behalf of Indian Ocean Resort Limited ('IOR'), being the head lessor of the property on which SARL has refurbished, extended and subsequently sub-sub-leased the property to Club Med in February 2021. Management is confident that the case will be settled in their favour.

(ii) Bank guarantee in Mautourco Ltd
At 30 June 2021, Mautourco Ltd had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Company has given guarantees in ordinary course of business, amounting to Rs 1.3m (2020: Rs 1.3m) to third parties.

50. Prior Year Error

The Company adopted IFRS 16 Leases on 1 October 2019 and did not adjust the leaseback right-of-use assets by the deferred income that related to the sale and leaseback transaction between the Company and its subsidiary, Beachcomber Hospitality Investments Ltd and recognised in the statement of financial position prior to the date of initial application (refer to Note 48).

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

50. Prior Year Error (cont'd)

The adjustments and their corresponding impact have been recognised with retrospective effect and comparative figures have been restated accordingly.

The Company
The effects on the statements of financial position are as follows:

	Right-of-Use Assets	Deferred Income-Non Current	Deferred Income-Current	Retained Earnings
Balance as reported at 1 October 2019	Rs '000	Rs '000	Rs '000	Rs '000
- as previously reported	7,176,054	1,672,161	149,666	5,302,957
Adjusting right-of-use assets by deferred income	(1,821,827)	(1,672,161)	(149,666)	-
- as restated	5,354,227	-	-	5,302,957

	Right-of-Use Assets	Deferred Income-Non Current	Deferred Income-Current	Retained Earnings
Balance as reported at 30 June 2020	Rs '000	Rs '000	Rs '000	Rs '000
- as previously reported	6,826,844	1,559,912	149,666	2,936,262
Adjusting right-of-use assets by deferred income	(1,709,578)	(1,559,912)	(149,666)	-
- as restated	5,117,266	-	-	2,936,262

The effect on the statements of profit or loss are as follows:
- There is no effect on the profit/loss as, following the above adjustments, the profit realised on the transaction which was being spread on a straight-line basis over a period of 15 years, is now adjusted within the depreciation.

51. Changes in Ownership Interest in Subsidiaries that do not Result in a Loss of Control

During the year, 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 2 March 2021 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/re-appointment 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 to 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 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

Notes

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