SEMARIS
Property Development

Annual Report 2021

SEMARIS LTD

GLOSSARY OF TERMS

AML/CFT	Anti-Money Laundering/Combating the Financing Terrorism
ARMC	Audit and Risk Management Committee
bn	Billion
Board	The Board of Directors of Semaris
DEM	Development and Enterprise Market
DPM	Domaine Palm Marrakech S.A., a subsidiary Company of Semaris
DSRA	Debt Service Reserve Account
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
FIU	Financial Intelligence Unit
GDPR	General Data Protection Regulation
IHS	Invest-Hotel Scheme
k	Thousand
m	Million
m^2	Square metre
MAD	Moroccan dirhams
ML	Money Laundering
MOU	Memorandum of Understanding
MUR/Rs	Mauritian Rupee
NRV	Net Realisable Value
NMH	New Mauritius Hotels Limited, a public company incorporated in Mauritius bearing business registration number C06001439 and listed on the Official Market of the SEM
PAT	Profit after tax
PDS	Property Development Scheme
PDS Company	a Company, incorporated under the Companies Act 2001: (a) holding a registration certificate and whose PDS project has been approved by the Board; and (b) includes a company holding a PDS certificate
PIE	Public Interest Entity
SEM	Stock Exchange of Mauritius
Semaris	Semaris Ltd, a public limited company incorporated in Mauritius bearing business registration number C18153946 and listed on the DEM
WACC	Weighted average cost of capital

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This report, along with the Annual Report, are published in its entirety on the Company's website:

www.semaris.mu

CHAIRMAN'S REPORT

Dear Shareholder,

The Group's core property development activity having a long business life cycle from a project's inception to final delivery, we are glad to say that the COVID-19 crisis did not force us to reconsider our strategic direction. However, its consequences have caused delays in achieving our projects' forecasts both in terms of implementation and sales. During the reporting period, the Group focused on keeping overheads as low as possible and managed to finalise a number of transactions in Morocco notwithstanding the difficult context.

Overall, the high-end property market seems to have, once again, been considered as a secure investment for high-net-worth individuals in uncertain times. Management witnessed a strong appetite for the residential units in Morocco and for properties in high-end developments in Mauritius. The Board remains confident that with the relaxation of constraints on international travel, there should be an uptake in demand resulting in an increase in sales.

In Morocco, after successfully completing Phase 1, management was glad to reap the fruits of its recent marketing efforts relating to Phase 2, with several confirmed sales.

In Seychelles, the search for a strategic partner to invest in the hospitality component has been challenging given the impact of the pandemic on this industry globally. Management is currently pursuing several options in consultation with the Seychelles authorities and the Board is looking forward to further progress on the matter.

At Les Salines, Mauritius, the Board decided to terminate the collaboration with Safran Landcorp. The project's implementation has been delayed but its launch remains high on the Company's priority agenda.

On the financial side, the Group realised a turnover of Rs 711m from sales in Morocco and posted an EBITDA of Rs 140m. The Group realised a profit after tax of Rs 152m after accounting for recurring finance costs of Rs 110m that are mainly linked to the loan associated with the land at Les Salines and for a tax credit of Rs 150m following the reversal of a deferred tax liability in Morocco.

The Board is fully committed to the imminent launch of the PDS project at Les Salines to rapidly generate cash flows in Mauritius. The Board is however concerned with increasing construction costs driven by rising freight prices and depreciation of the Mauritian rupee. No effort is being spared to deliver value-engineered products without compromising on quality standards. The sales momentum in Morocco is encouraging and the launch of the second phase augurs well for the coming year. Discussions with potential partners for the Seychelles project are also being pursued.

I would like to thank my fellow Directors for their continued support and thank the management team for their dedication and hard work through these particularly challenging times and assure you of our full commitment to creating sustainable value for our shareholders.

Yours truly

Hector ESPITALIER-NOËL
Chairman

8 November 2021

Dear Shareholder,
I am pleased to give you hereunder some further details on the progress made during the financial year on each of the Group's projects.

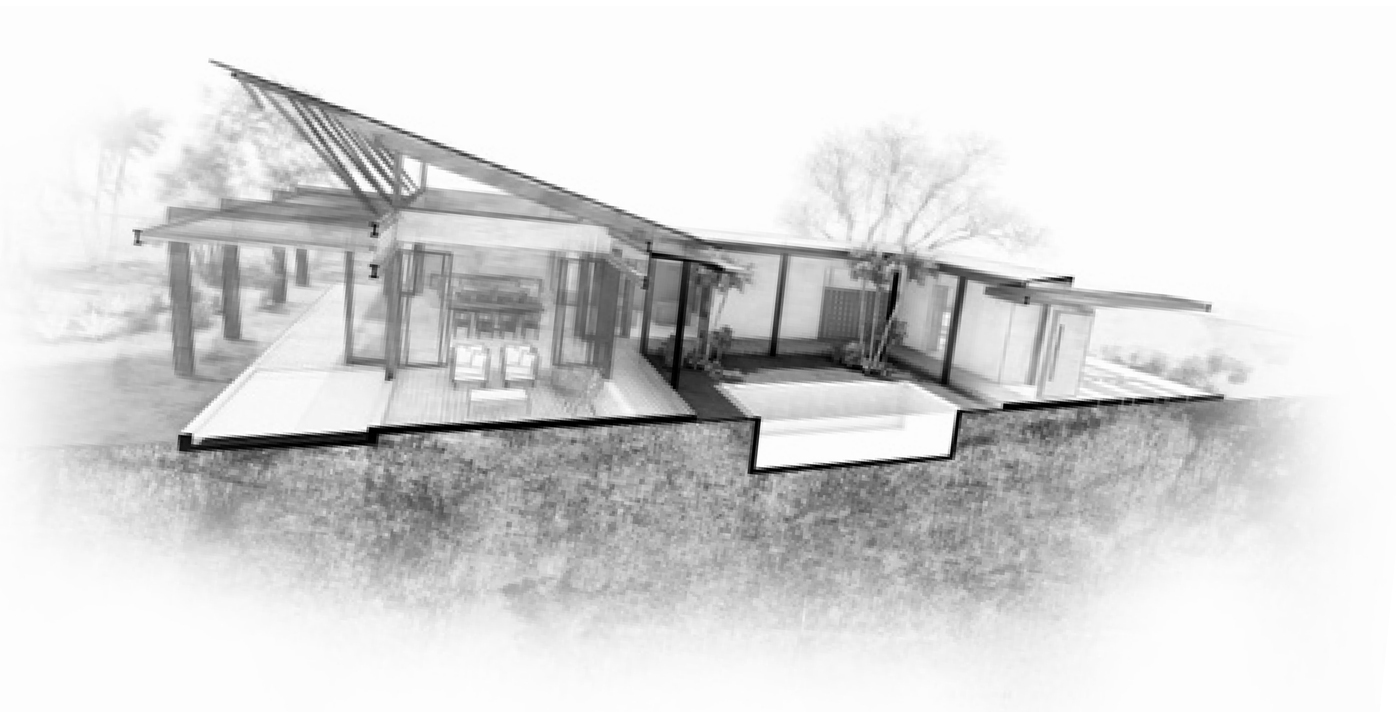
LES SALINES – MAURITIUS

IHS Project

The IHS project initially planned at Les Salines was totally integrated within the resort development to be carried out by NMH. The latter has been directly impacted by border closure and has had to suspend the resort project until further notice. Discussions are underway between NMH and Semaris. We shall report progress on the matter as soon as there is more visibility on NMH's project implementation.

PDS Project

The Board of Semaris has decided to terminate the collaboration with Safran Landcorp in January 2021 as the conditions precedent relating to the MOU signed for the joint development of the property at Les Salines have not been met. However, the Board remains fully committed to the development of the 220-villa golf estate under the PDS scheme. The project will comprise 220 exclusive plots which will be developed on a total land area of 73 hectares. The plots averaging 2,100m^2 will be located around an 18-hole golf course. They will offer exceptional views over the golf course and the Black River-Le Morne lagoon. Out of the available plots, 25% will be sold as serviced plots. Buyers will have to abide by strict specifications (cahier des charges) and architectural guidelines. The sale of these serviced plots will allow for rapid cash generation to fund infrastructure work. The remaining plots will be sold off-plan with villas built under the provisions of *Vente en l'État Futur d'Achèvement* (VEFA).



The villa designs are being finalised with a strong emphasis on **sustainability**. Three prototypes will be proposed according to plot orientation to ensure the villas are fully integrated into their natural environment. Each prototype will consist of a built area of approximately 275m^2 with the clients having several options to increase the size of the villa. Three interior design options will be proposed for built-in furniture, flooring, and various other finishes.

Sustainable Architecture

This project will be a real opportunity for Mauritius to show its full potential in terms of sustainable design. Throughout the design development, numerous features were studied and implemented to fully incorporate the concept of sustainable architecture into the project.

EarthCheck Certification

The development will be EarthCheck certified. The project's engineers and architects have embedded sustainable architecture fundamentals, using natural ventilation to minimise the use of mechanical cooling and maximising daylight to reduce the need for artificial lighting. Construction materials have also been selected to reduce heat gain into the living spaces. The results of this collaborative and sustainable design approach will be reflected in the villas' low water and power consumption and carbon emissions being lower than international best practice benchmarks set by EarthCheck.

The project aims to achieve carbon neutrality. Accordingly, the villa prototypes have been designed to achieve the lowest possible energy consumption and the roof structures will accommodate solar photovoltaic panels with battery storage and emergency genset. These features will enable future buyers to opt for a 100% off-grid villa as an option.

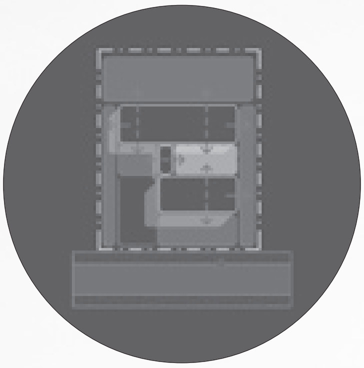
Golf and Amenities

The project will also comprise the development of an 18-hole golf course and a clubhouse financed by Semaris. The facilities will be located on land owned by NMH and will be handed over to the latter once built. NMH will manage the golf course and clubhouse under the Beachcomber brand. Future villa owners will have access to the golf course but also to common facilities within the forthcoming Les Salines Beachcomber Golf Resort & Spa, which will be developed in parallel by NMH and will also be managed under the Beachcomber brand.

Sales Launch

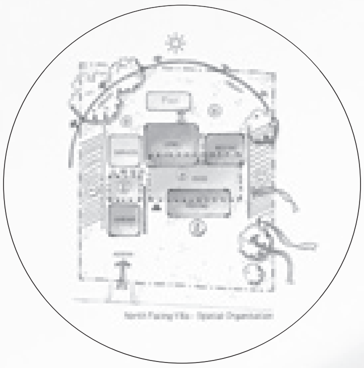
The development will take place in phases with the intention to launch presale for Phase 1 in early 2022. Management intends to reach the minimum presale level within one year and kick-start development work in early 2023. The project will go on sale in its main target markets through a network of reputed agents. A dedicated sales corner will also be provided at the 5-star Paradis Beachcomber Golf Resort & Spa in Mauritius.

Passive Design Strategies



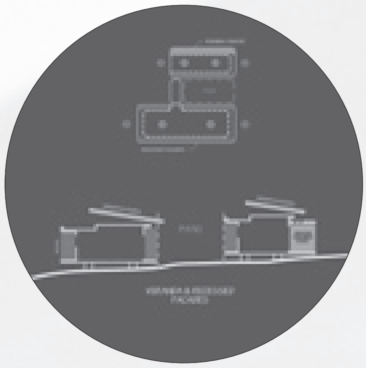
MASSING

The villa is based on a system which has a courtyard as its focal point. Two secondary permeable spaces have been added to create two distinct portions allowing the prevailing wind to ventilate the villa through the courtyard.



ORIENTATION

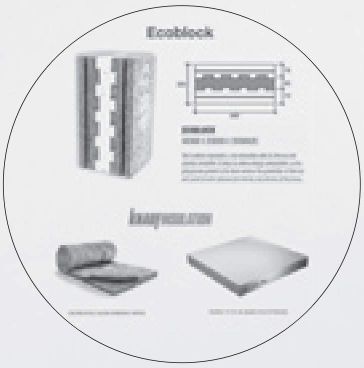
From the beginning, one of the main driving forces behind the concept of the villa was using the advantages of the south-eastern winds. This was made possible by positioning the two building masses to welcome the wind. In addition to that, the bedroom blocks have been positioned on the eastern side to benefit from the rising sun while being protected from the harsh setting sun, hence reducing the need to mechanically ventilate these spaces. The services block was also carefully placed to protect the living spaces from the setting sun.



BUILDING FACADES

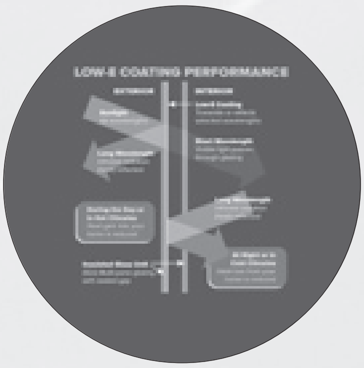
In order to stay true to the vernacular architecture of Mauritius, recessed facades have been incorporated into the concept. It allows for a substantial amount of shaded areas with pergolas to protect the northern facades from being overly exposed to direct sunlight. In a similar fashion, a peripheral veranda around the central courtyard helps protect the different spaces around it.

> "Throughout the project's design development, numerous measures were studied and implemented to push forward the concept of **sustainable architecture**."



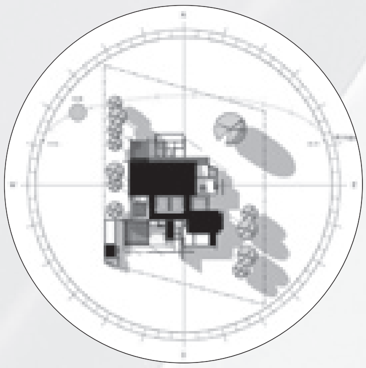
INSULATION

As an additional measure to keep the internal space cool and reduce the need for mechanical ventilation, the conventional concrete blocks will be replaced by Ecoblocks. For the roofs, 50mm rigid insulation will be used on top of all flat slabs and ceiling rolls in the two pitched roofs. This combination will aim at achieving better thermal comfort, reducing the overall energy expenditure in the villa.



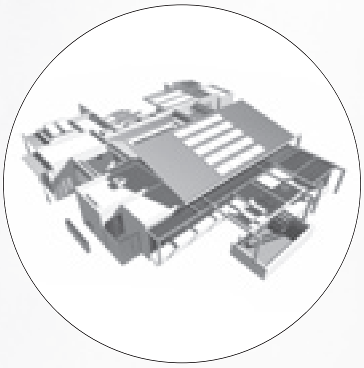
GLAZING

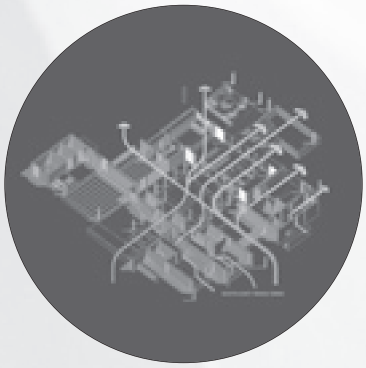
Large glazed openings have been provided to maximize cross-ventilation and natural lighting while opening up the villa to the views. To avoid compromising on the thermal efficiency of the internal space, high-performance low-E glazing or Low-Emissivity glass will be used. Opting for such product will prevent harmful UV lights from penetrating the villa while adding a layer of thermal insulation.

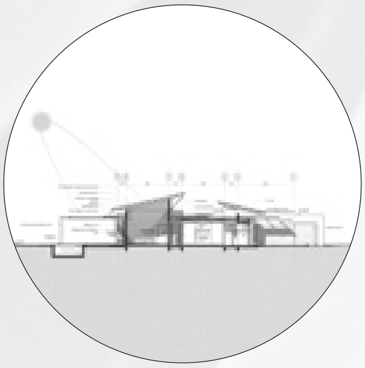


LANDSCAPING AND NATURAL SHADING

Nature plays a crucial role in the project's philosophy. With its geographical location, it is often hard to equally protect all spaces from direct sunlight. Using nature to assist in that task is important as it reinforces the relationship between nature and the built environment.



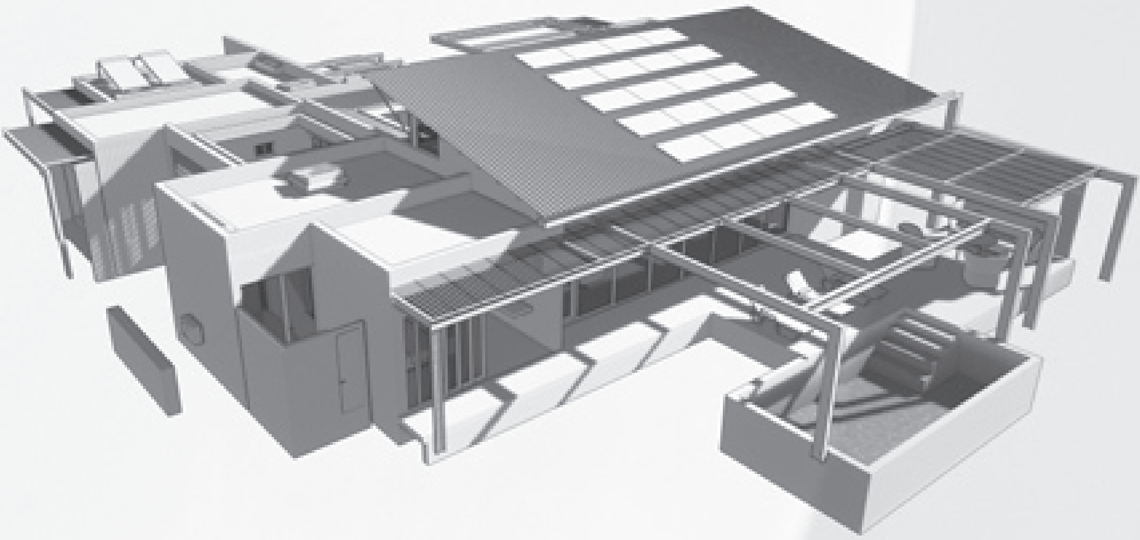




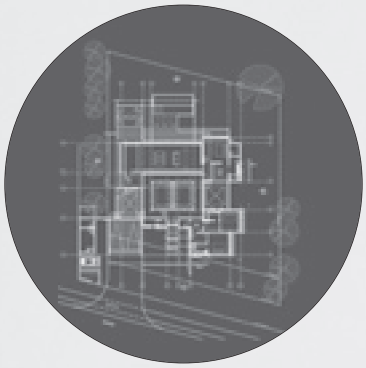
PV ANALYSIS
The roof structure of the villa has been designed to cater for installation of photovoltaic (PV) cells. The roof has a 12.5° inclination with a north-facing slope, which is optimal for a PV system. To cater for the daily consumption of the villa, 20 PV panels are needed on the roof area.

NATURAL VENTILATION
The villa concept aims at creating a link between building massing, orientation and openings. The diagram shows what has been planned in terms of natural ventilation and its relationship to the different spaces. This aims at reducing the need for air conditioning units and mechanical ventilation in general.

NATURAL LIGHTING
By taking into consideration the different elements of sustainable architecture, particularly the building orientation, the two building blocks of the villa have been placed in a way to maximise the benefits of a smoother southern natural lighting while filtering down the northern direct sunlight.



FENESTRATION
The openings play a prominent role as the voids created in the facades become gateways to nature. The living room is the perfect example with a 7.5m wide by 2.85m high opening on each side, allowing the wind and light to go through the building. Being completely transparent, they also blur the boundaries between inside and outside.



DOMAINE PALM MARRAKECH (DPM) – MOROCCO

DPM was able to deliver the remaining villas in Phase 1 and is pleased to announce its completion and delivery. The team also completed the sale of five prime serviced plots in the Phase 2 Atlas zone and several reservation contracts have been signed for villas located within the Oliveraie and Ocre zones. Although the effects of the pandemic were still present during the whole year under review, the Government of Morocco, being fully aware of the need to support the economy, has put in place a series of measures to adapt to this new normal such as accelerating the pace of vaccination and limiting lockdowns.

On the infrastructure side, DPM has finalised the planning and design of the Ocre zone and is currently preparing the launch of work in that zone. On the sales and marketing side, DPM has signed a broker's agreement with Chesterton during the year specifically to boost sales in the Middle East. Moreover, management has, over the past months, put significant marketing effort in its main markets, after a period of reduced sales activity due to the COVID-19 crisis.

The effects of the pandemic resulted in highly volatile stock prices and low-yielding financial products, which created a higher demand for property assets, considered to be more secure in times of uncertainty. This was an opportunity to rethink DPM's structure to improve efficiency and agility, but also resulted in a positive spin on DPM's sales. Indeed, on top of the Rs 711m sales recognised in the reporting period, management has concluded reservation agreements for an amount of approximately Rs 415m on serviced plots to be recognised during the next financial year. The team has also signed "VEFA" reservation agreements of a value of approximately Rs 455m to be recognised upon villa delivery. Moreover, the team is in the final negotiation stage for the signature before end December 2021 of several reservation contracts of a combined value of nearly Rs 325m.

PRASLIN – SEYCHELLES

The Group's earmarked property development in Praslin will be carried out under the "Villa Policy", which allows for the sale of residential units to foreigners provided that the project has an important hospitality component.

The COVID-19 pandemic has caused further delays in the implementation of this project and has prevented management from going to Seychelles in order to present the development options to the country's authorities. A visit has been planned during the course of January 2022 to meet them and discuss those options in details.

To conclude, I would like to thank the team assisting me in Mauritius and Morocco to ensure the implementation of the Group's projects during these trying times, as well as my fellow Directors for their support.

Yours truly,

Stéphane POUPINEL DE VALENCÉ
Managing Director

8 November 2021

OUR RISK MANAGEMENT APPROACH

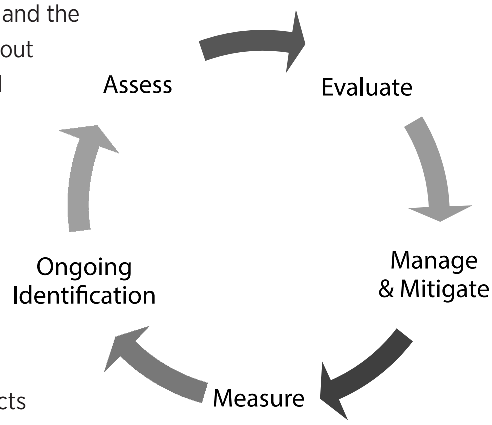
The Board of Semaris is ultimately accountable for overall risk management across the Group. It is supported in this task by the ARMC, the management team and other delegated committees which collectively set the tone and appetite for risk at Semaris. This is cascaded down to our corporate office and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

The major risks align with our strategy and business priorities, and also identify those issues which are most likely to significantly affect other operational, commercial or reputational matters. These matters are regularly discussed at committee meetings.

OUR INTEGRATED RISK MANAGEMENT PROCESSES

While entities are accountable for managing the risks faced at their respective levels, the risk management framework of Semaris provides guidance and support for achieving sustainable growth within the precinct of the Group's risk appetite. The risk management framework lays emphasis on responsibility, accountability, independence and reporting and ensures that a holistic, coordinated and systematic approach to risk identification and mitigation is adopted across the Group.

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 for adequacy. We are continually on the lookout for emerging risks and 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.

While the inherent risks attached to property developments are common across all projects of the Group, their likelihood of occurrence and potential financial impacts vary from one project to another. This is particularly true given the geographical diversity and the different completion stages of these projects. In order to have a more effective risk management framework, Semaris has opted for maintaining distinct risk registers for each project.

OUR LINES OF DEFENCE

Semaris 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)

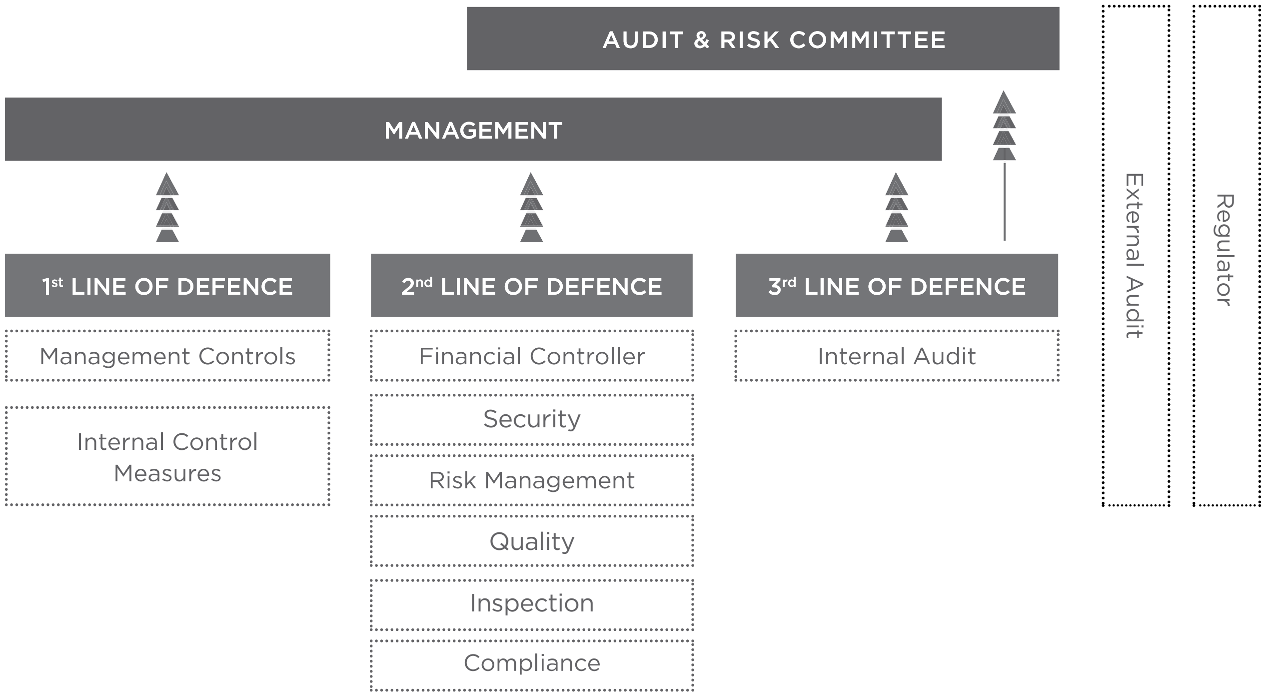
This is formed by our employees, who are responsible for identifying and managing risk as part of their accountability for achieving objectives. Collectively, they have the necessary knowledge, skills, information and authority to operate the relevant policies and procedures of risk control.

2. The second line of defence (functions that oversee the management of risks)

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 ARMC, 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 staff are an important part of our lines of defence, Semaris 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. However, we realise that embedding risk management 'in everything we do' is a long-term process which requires constant monitoring and fine-tuning.

HOLISTIC APPROACH TO RISK MANAGEMENT

Semaris 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.

There is a holistic thinking 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 comprises all the factors which are uncontrollable and affect us as a whole.

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

Semaris has adapted its risk management framework to be compliant with the provisions of the law on AML/CFT that was promulgated in May 2020. With the real estate sector in Mauritius being classified as medium-high in terms of risk of ML, the Group has adopted a risk-based approach, in line with the recommendations of the FIU, to managing risks surrounding ML. Semaris is currently in the process of finalising its AML/CFT procedure and policy manuals. Once these are approved by the Board, they will be rolled out based on an established implementation plan. Semaris values the importance of compliance with the law and AML/CFT training sessions have been planned for key employees.

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.

Semaris has tailored its risk management processes to these different risk categories. A rules-based approach is effective for managing preventable risks. Our staff 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, Semaris calls on tools such as scenario analysis.

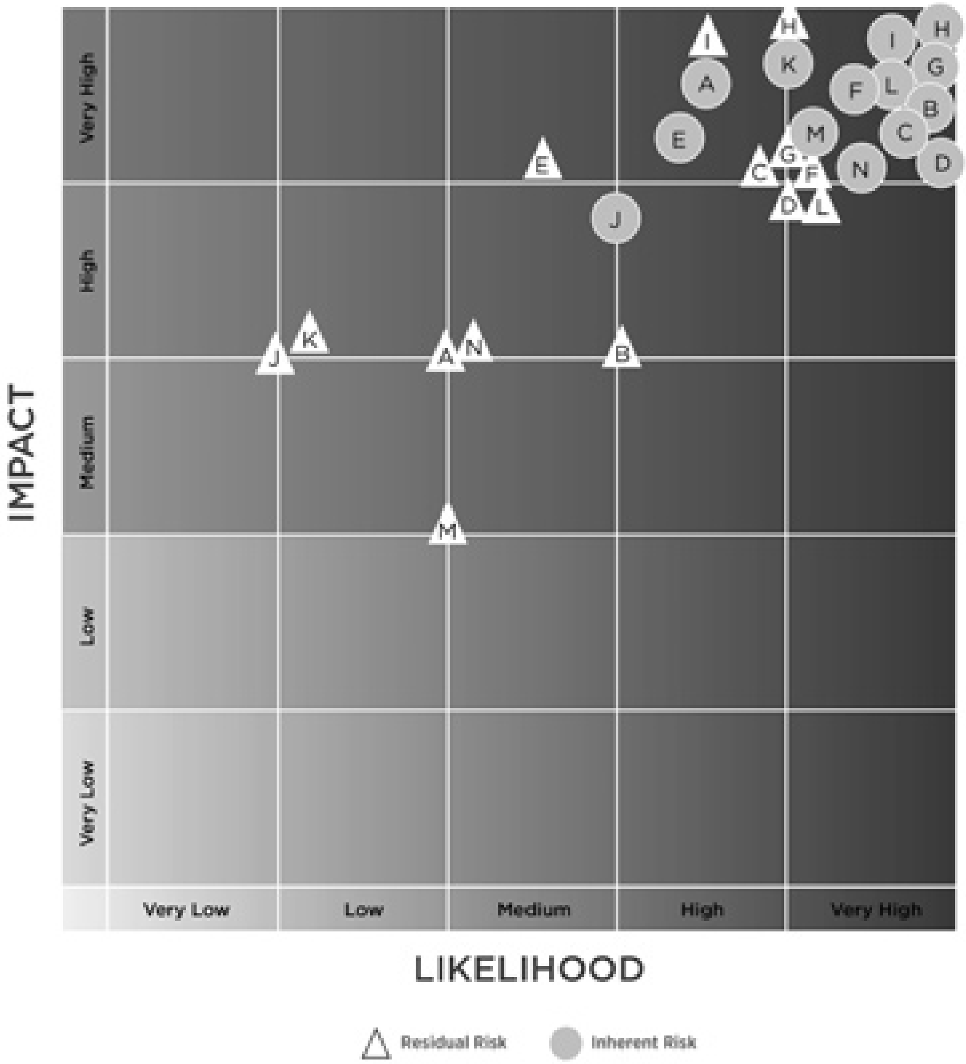
Our Top Inherent Risks

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 STAFF FUNCTION		
Coordinates, oversees and revises specific risk controls with internal audit function	Runs risk workshops and risk review meetings Helps develop portfolio of risk initiatives and their funding	Runs stress-testing Scenario planning and sensitivity testing with management team
RELATIONSHIP OF THE RISK MANAGEMENT FUNCTION TO BUSINESS UNITS		
Acts as an independent overseer	Acts as an independent facilitator, independent expert or embedded expert	Complements strategy team or serves as independent facilitator of “envisioning” exercises

Semaris is faced with inherent risks that could materially affect the Group’s business, revenue and operating profit. The table on page 15 lists the main inherent risks for the Group.

RISK CATEGORY	PRINCIPAL RISK	RISK DESCRIPTION	MITIGATING STRATEGY
STRATEGIC			
A	• Market Intelligence	• Insufficient market knowledge with regard to international trends, architectural and engineering designs, construction methods and customer needs	• Systematically have proper market research in hand before making strategic decisions such as product positioning and pricing
B	• Master Planning	• Inability to alter initially approved Master Plan	• Set flexible guidelines when approving a Master Plan at the beginning of the development
C	• Licences and Permits	• Incapacity of obtaining timely approvals in terms of zoning, development and building permits	• Nurture close relationships and ensure a systematic and timely follow-up with the relevant local authorities
FINANCIAL			
D	• Project Financing	• Inability to obtain sources of finance in due time	• Have a realistic business case and develop close ties and mutual trust with banks and other financial institutions
E	• Financial Management	• Incapacity to meet financial obligations	• Monitor diligently and continuously cash flow management
F	• Cost Increases	• Unanticipated cost increases due to market volatility	• Ensure adequate provisions for escalation and contingencies are included in costing models
LEGAL			
G	• Due Diligence	• Binding pre-commitments taken by developer to future developments	• Negotiate to amend the binding pre-commitments as and when necessary
COMMERCIAL			
H	• Product Positioning	• Inability to reach targeted sales levels	• Have a commercial strategy properly planned and executed with strong sales networks and targeted marketing actions
I	• Market Volatility	• Changes in local and global market conditions	• Ensure the product is accurately positioned based on market research
ENVIRONMENTAL			
J	• Environmental Impact	• Inadequate management of pollution	• Appoint reputed and well-versed environmental (dust, noise, water, waste, etc.) management consultants
OPERATIONAL			
K	• Building Contracts	• Terms and conditions of building contracts poorly defined and assessed	• Obtain solid legal opinion on building contracts prior to signature and ensure cost estimates and architectural details are detailed and accurate
L	• Deadlines and Quality	• Incapacity to achieve target dates and ensure construction quality	• Appoint reputed and well-versed Project Managers and builders
REPUTATIONAL			
M	• Homeowners' Management	• Inappropriate relationship management with homeowners	• Cultivate close relationships with homeowners and ensure a communication plan is in place
N	• Health and Safety	• Lack of health and safety regulations	• Implement adequate Health and Safety protocols and training

The Heat Map shows (i) the inherent risks, and (ii) the residual risks after having factored in the risk mitigating measures adopted by the Group and the impact of COVID-19 on the effectiveness of these measures.



Risk Score Radar

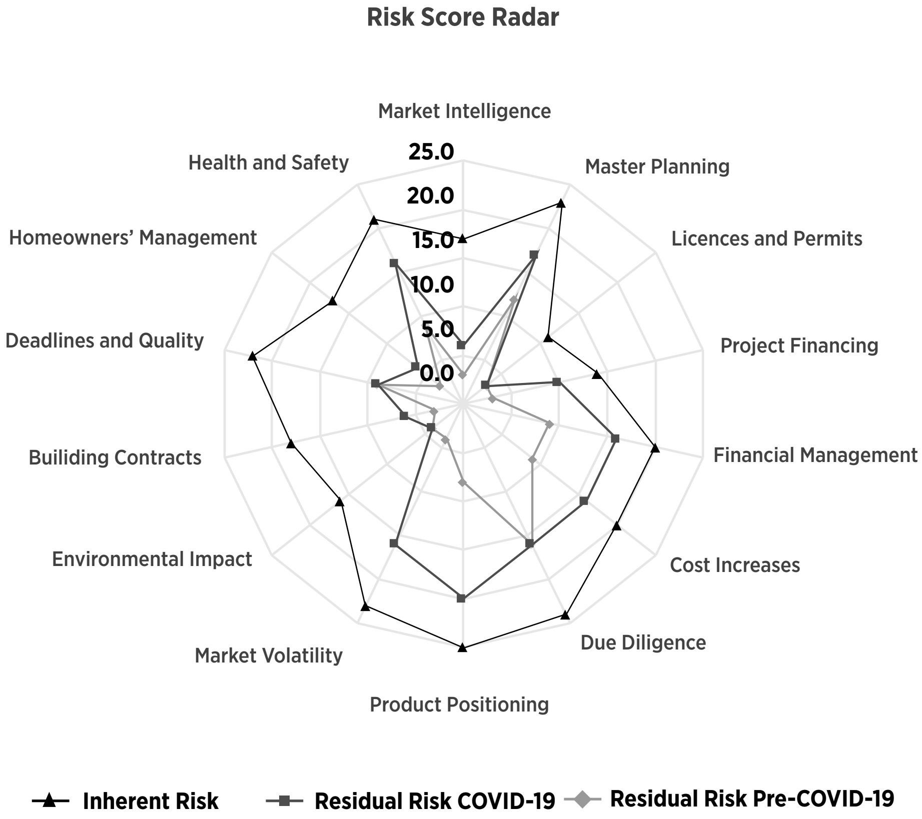
The Risk Score Radar is a visual representation of the inherent risks in the 14 main risk areas that populate our risk register and the COVID-19 and pre-COVID-19 residual risks. Each risk has been assessed based on its likelihood of occurrence (scale 1-5) and potential financial impact (scale 1-5). The Risk Score is a product of the likelihood of occurrence and the potential financial impact, where 25 represents the maximum possible risk score.

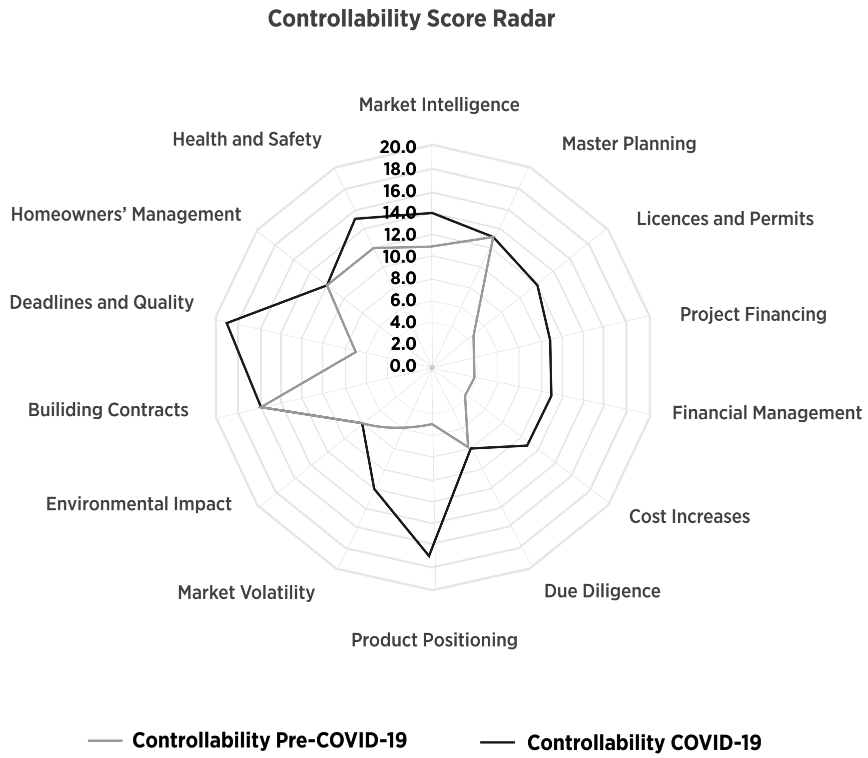
Controllability Index Radar

The Controllability Index Radar depicts the controllability score for each of the top 14 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 index and a pre-COVID-19 controllability index.

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 Score Radar
Market Intelligence
Master Planning
Licences and Permits
Project Financing
Financial Management
Cost Increases
Due Diligence
Product Positioning
Market Volatility
Environmental Impact
Builiding Contracts
Deadlines and Quality
Homeowners' Management
Health and Safety
25.0
20.0
15.0
10.0
5.0
0.0
Inherent Risk
Residual Risk COVID-19
Residual Risk Pre-COVID-19


Controllability Score Radar
Market Intelligence
Master Planning
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Financial Management
Cost Increases
Due Diligence
Product Positioning
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Environmental Impact
Builiding Contracts
Deadlines and Quality
Homeowners' Management
Health and Safety
20.0
18.0
16.0
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
Controllability Pre-COVID-19
Controllability COVID-19

Risk Factors

We rely heavily on increasing connectivity and data management processes to conduct our business, be it for back-office processes, email communications and to ensure 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 levels of privilege commensurate with their duties. Service admin account for maintenance. Systems audit logs. Data backup and recovery strategies in place.
Internal Unintentional	Acts leading to damage or loss stemming from human error committed by employees and other insiders.	User awareness session 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 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 Semaris' supervision when performing changes or maintenance.

Our pool of employees includes an internal IT team for first-level troubleshooting, which looks after all internal systems. The NMH Group, which offers IT assistance to the Semaris Group as part of its Management Contract, has automated its internal IT support through with the introduction of a service desk which assists in harmonising the business processes with the overall IT infrastructure and prioritise actions to tackle IT issues.

Progress and Achievements

Internal Audit

Internal audit forms Semaris' third line of defence. It is an independent function, with a direct reporting line to the Chairperson of the ARMC on audit matters and to top management 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.

Morocco Operations

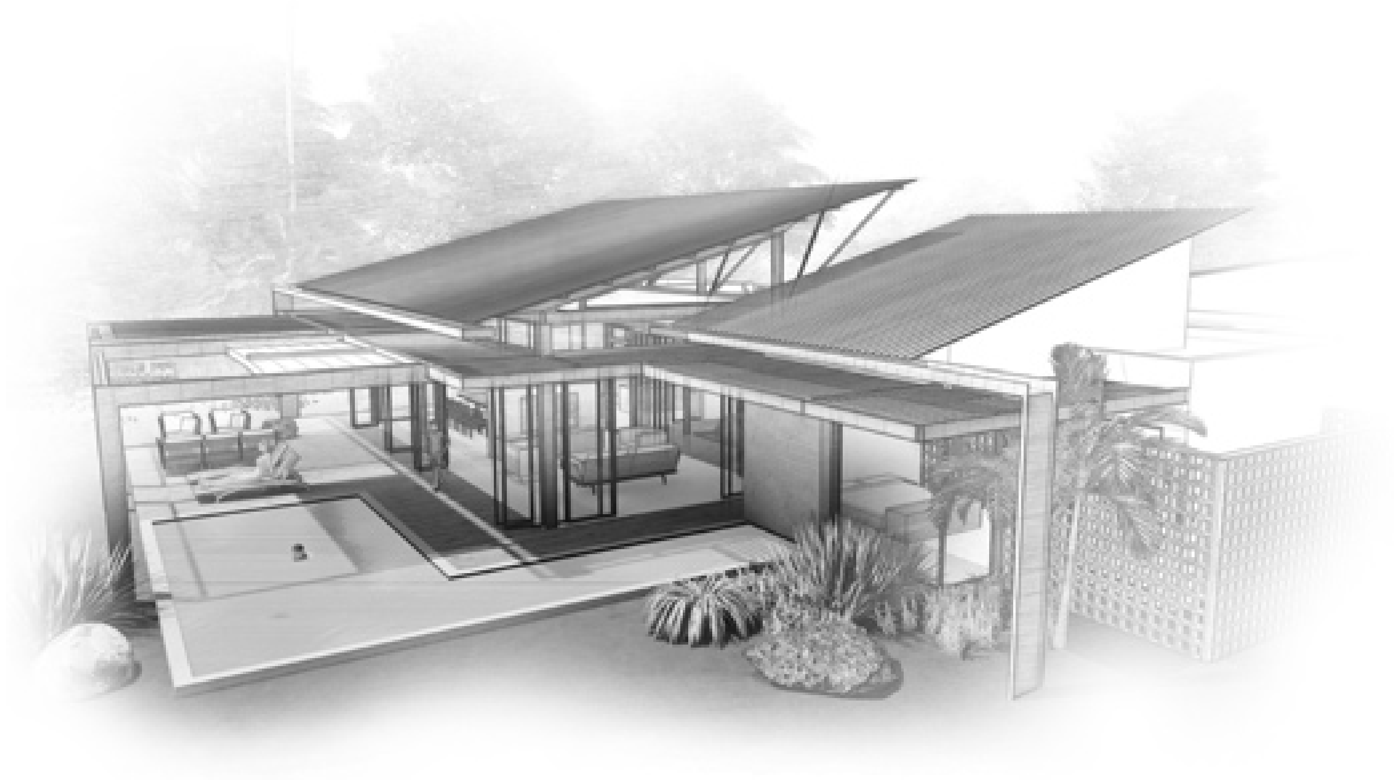
The internal audit function of our Moroccan operations has been contracted out with the appointment of Grant Thornton (GT) as Internal Auditor in December 2020, following a tender exercise and consultation with the ARMC.

Since their appointment, GT have undertaken risk identification and risk assessment exercises and a 3-year audit plan has been presented to and approved by the ARMC. However, due to COVID-19 travel restrictions within Morocco, progress into the approved audit planning for 2021 has been somewhat disrupted. Once the sanitary restrictions are lifted, the approved audit plan will be rolled out and reporting made to the ARMC accordingly.

GT are convoked to the quarterly ARMC where audit findings and progress reports are tabled and discussed.

Mauritius Operations

The internal audit function of our Mauritius operations is serviced by the internal audit team of NMH. With the launching of the PDS project, the internal audit team has assisted management in carrying out a risk identification and risk assessment exercise. The internal audit's planning for the Mauritius operations has been communicated to and approved by the ARMC and is closely linked to the progression stages of the project.



Focus has been laid on emerging and high-risk areas and reporting will be made to the Committee on a quarterly basis. High-risk issues together with internal audit recommendations will be tabled during ARMC meetings and comments from management and implementation plans will be discussed. The progress into the audit plan will also be analysed and gaps, if any, will be explained.

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

External Auditor

BDO was appointed as external auditor of the Group following a tender exercise. During the year, the Audit and Risk Management Committee assessed the independence and effectiveness of the external auditor before making a recommendation to the Board for their retention.

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

DIRECTORS' PROFILES

Hector ESPITALIER-NOËL

Chairman, Non-Executive Director (Born in 1958)
Appointed in: September 2018
Qualifications: Member of the Institute of Chartered Accountants in England and Wales

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

Gilbert ESPITALIER-NOËL

Executive Director (Born in 1964)
Appointed in: February 2018
Qualifications: Master of Business Administration, from INSEAD. BSc University of Cape Town, BSc (Hons) Louisiana State University.

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

Jean-Pierre MONTOCCHIO

Non-Executive Director (Born in 1963)
Appointed in: September 2018
Qualifications: Notary

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

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

Stéphane POUPINEL de VALENCÉ

Managing Director, Executive Director (Born in 1978)
Appointed in: September 2018
Qualifications: MBA (Sorbonne/Dauphine), International Project Management Programme (INSEAD) and Senior Executive Programme (London Business School), BCom Marketing and Management (Curtin, Western Australia)

Professional Journey – Spent the first 9 years of his career working in Sales and Marketing for Panagora Marketing Co. Ltd, part of the Eclosia Group • Joined in 2009 Medine Property, the property arm of Medine Limited, where he gained broad experience in property development during 9 years and his last position there was Managing Director • Joined New Mauritius Hotels Limited in August 2018

Skills & Experience – Strong experience in property development, master planning, sales & marketing and leadership

Pauline SEEYAVE

Executive Director (Born in 1974)
Appointed in: February 2018
Qualifications: Master of Arts, St Catharine's College, University of Cambridge and Associate of the Institute of Chartered Accountants in England and Wales
Committee: Member of the Audit and Risk Management Committee

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 • Financial reporting

Sidharth SHARMA

Independent Non-Executive Director (Born in 1974)
Appointed in: December 2019
Qualifications: Doctorate and master's degree in Telecommunication from the University of Bristol and a bachelor's degree in Electrical Engineering from the University of Cape Town
Committee: Chairman of the Audit and Risk Management Committee

Professional Journey – Group Chief Executive Officer of RHT Holding Ltd and its subsidiaries. The Group is active in the mobility and investment sectors • Chartered Engineer registered with the UK Engineering Council and a Fellow of the Mauritius Institute of Directors • Council member of the National Committee on Road Safety and Business Mauritius. Advocate for a greener public transportation system with a keen interest in electric vehicles • Published several technical papers in industry journals on dynamic cellular network planning and wireless technologies • Worked for British Telecoms Plc before joining Island Communications Ltd, a portfolio company of RHT Ventures as Managing Director • Past Board member of the Mauritius Institute of Directors, Courts Mammouth and Globefin Management Services Ltd

Skills & Experience – Strong expertise in strategy, innovation, sustainability, operational management, investment management, mobility and technology

Kevin TEEROOVENGADUM

Independent Non-Executive Director (Born in 1974)
(up for re-election at the next Shareholders' Meeting)
Appointed in: June 2019
Qualifications: MSc in Finance and Master of Business Administration from the University of Leicester, UK, BSc in Economics
Committee: Member of the Audit and Risk Management Committee

Professional Journey - Worked for KPMG, Deloitte, Ernst & Young in corporate finance and strategic consultancy before moving in 2002 to Loita Capital Partners Group based in South Africa • In 2007, joined Actis, the leading Emerging Market Private Equity Firm, as a Director on their Africa real estate team • Was the co-founder and CEO in 2013 of AttAfrica, which became the premier investor in shopping malls in Africa • Frequent writer and speaker at conferences globally • Currently serves on numerous Boards and advises a number of companies in Mauritius and Africa, leveraging his 20 years of experience in the financial services and real estate/hospitality sectors • Currently co-founder of PropTech Africa

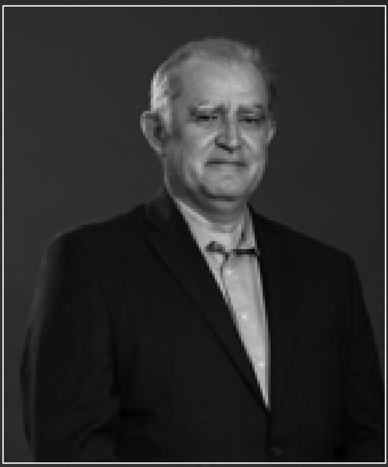
Skills & Experience – Strategy • Investment • Real estate development/management and deal-making

Jean-Noël WONG WAN KHIN

Executive Director (Born in 1978)
Appointed in: July 2021
Qualifications: Fellow member of the Association of Chartered Certified Accountants

Professional Journey – Spent the first 12 years of his career with BDO and EY, working on assignments in Mauritius, Madagascar and various countries on the African continent • Joined ENL in 2010 to lead the financial and corporate reporting function of the Agri Cluster and assisted in business development initiatives • Subsequently joined New Mauritius Hotels Limited in 2016 and was posted in Marrakech to restructure the Moroccan entities and manage the finance, administration, legal and IT departments • Returned to Mauritius in 2020 to act as the Head of Project Finance, mainly on property and related operations within New Mauritius Hotels Limited and Semaris Ltd • Current Director of Domaine Palm Marrakech, Fairmont Royal Palm Marrakech and Beachcomber Hotel Marrakech

Skills & Experience – Financial auditing • IT auditing • Internal auditing • Business consulting • Corporate finance • Highly skilled in financial reporting, IFRS, financial structuring and financial modelling • Strong experience in agriculture and property development



Jean-Louis PISMONT

Non-Executive Director (Born in 1961)
Appointed in: September 2018
Resigned on: 15 July 2021
Qualifications: Graduated from the Hotel School of Granville and holds a degree from Thonon-les-Bains Hotel Management School, France

Professional Journey – Worked in several countries within reputable international hotel chains • Joined New Mauritius Hotels Limited in 1996 and managed various Beachcomber hotels • Represents the interests of New Mauritius Hotels Limited as owners' representative of the Fairmont Royal Palm Marrakech • Past President of the Association of Hotels and Restaurants of Mauritius (AHRIM)

Skills & Experience – Project management • Hotel design • Leisure sports management

CORPORATE GOVERNANCE REPORT

Semaris Ltd ("Semaris" or the "Company") is classified as a PIE under the provisions of the Financial Reporting Act 2004. The Company's Corporate Governance Report sets out its 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 National Code of Corporate Governance (2016) for Mauritius (the "Code").

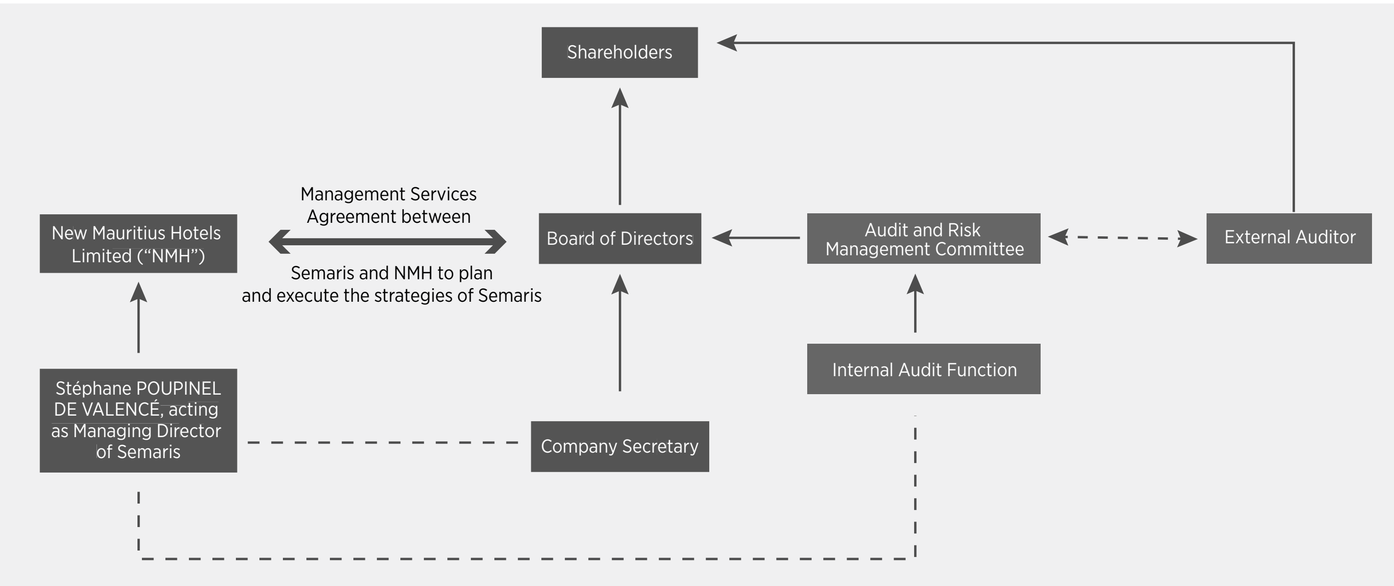
Semaris was listed on the DEM of the SEM in September 2019. During the financial year under review, Grant Thornton was appointed in December 2020 as internal auditor for DPM. DPM has also adopted a Code of Ethics to enhance its governance framework. In light of the imminent commercial launch of the PDS project at Les Salines, the internal audit team of NMH has been appointed in July 2021 to assist in the internal audit function for Les Salines PDS Ltd.

1. GOVERNANCE STRUCTURE

The Board of Semaris 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 illustrated hereunder)*; and
• adopted a Code of Ethics.

The Board Charter and Code of Ethics are available for consultation on the Company's website: **www.semaris.mu**



2. THE BOARD

2.1. Board Composition

Semaris is headed by a unitary Board comprising eight Directors, including one female Director. As at 30 June 2021, the Board of Directors comprised 3 Executive Directors, 3 Non-Executive Directors and 2 Independent Non-Executive Directors. The size of the Board is determined by Semaris' Constitution, which is available for consultation on the Company's website: **www.semaris.mu**

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 across Semaris. All the Directors of Semaris ordinarily reside in Mauritius.
In July 2021, Mr Jean-Louis Pismont resigned as Director and Mr Jean-Noël Wong Wan Khin was appointed as Director of Semaris. The names and profiles of the Directors are disclosed on pages 21 to 23 of the Annual Report.
For more information on directorships held by the Directors, please refer to the Company's website: **www.semaris.mu**

2.2. Audit and Risk Management Committee

In order to facilitate efficient decision-making, the Board has delegated some of its powers and responsibilities to the Audit and Risk Management Committee (ARMC). The ARMC operates within defined terms of reference which are available for consultation on the Company's website: **www.semaris.mu**
The ARMC Charter is reviewed annually by the Committee and any proposed amendments are recommended to the Board for approval.
Proceedings of the Committee are reported to the Board to allow other Directors to be informed and seek clarification from the Committee members. Each Director has access to all Committee meetings and records.

The ARMC is composed of:

Sidharth SHARMA ❍	Independent Non-Executive Director
Kevin TEEROOVENGADUM	Independent Non-Executive Director
Pauline SEEYAVE	Executive Director

Chairperson ❍

During the financial year, the Chairperson of the ARMC extended Committee meeting invitations on an ad hoc basis to the Managing Director, key executives and external auditors. Outside of formal meetings, the Committee Chairperson maintains a dialogue with key individuals involved in the Company's governance, namely the Chairman of the Board, the Managing Director and the external audit lead partner.

During the financial year under review, the ARMC met four times and its deliberations included the following:

- **Financial Statements & Reporting Responsibilities**
  - reviewed and recommended to the Board the approval of:
    - the audited financial statements for the period ended 30 June 2020;
    - the publication of the audited abridged financial statements for the period ended 30 June 2020; and
    - the publication of the unaudited quarterly consolidated results of the Group.

- **Internal & External Audit Matters**
  - recommended the appointment of BDO & Co. as auditors for the year ended 30 June 2021;
  - reviewed and approved the external audit plan of BDO & Co. for the year ended 30 June 2021;
  - recommended the appointment of Grant Thornton as internal auditor for DPM;
  - examined reports issued by the internal auditor of DPM; and
  - reviewed and approved the internal audit plan for the 3-year period 2021-2023.

- **Internal Controls & Risk Management**
  - reviewed the risk management framework of Semaris.

- **Governance & Compliance**
  - reviewed the Code of Ethics and the Audit and Risk Management Committee Charter;
  - reviewed and recommended:
    - the adoption of the AML-CFT Procedures Manual and AML-CFT Compliance Manual;
    - the appointment of LPA to undertake a GDPR Gap Analysis at DPM;
    - the appointment of an internal audit function for Les Salines PDS Ltd; and
    - the adoption of a Data Protection Policy.

2.3. Board Deliberations

During the financial year under review, the Board met four times and its deliberations included the following:

- **Strategy & Finance**
  - approval of the audited financial statements/Annual Report for the period ended 30 June 2020;
  - approval of the unaudited quarterly consolidated results of the Group for publication purposes;
  - review of the Group's operations as reported by the Managing Director and regular assessment of the group structure; and
  - review of the strategy of the Semaris Group.

- **Governance, Compliance and Risk**
  - preparation of meetings of shareholders;
  - approval of press releases following delays in publication of financial reports;
  - approval of various off-market transfers;
  - review of the Guidelines on the measures for prevention of Money Laundering and Countering the Financing of Terrorism for the real estate sector and appointment of a Money Laundering Reporting Officer and a Compliance Officer;
  - approval of the appointment of Grant Thornton as internal auditor for DPM; and
  - approval of change in bank signatories.

- **Standing Agenda Items**
  - receipt of reports/recommendations of the ARMC; and
  - receipt of reports from the Managing Director.

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.

In accordance with the Company's Constitution, at each Annual Meeting of the Company, one-third of the Independent and Non-Executive Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office and shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The re-election of Mr Kevin Teeroovengadum as Director of the Company in accordance with Section 25.9.3 of the Company's Constitution will be proposed for approval at the forthcoming shareholders' meeting scheduled for March 2022.

The Chairperson confirms that following a performance evaluation, Mr Kevin Teeroovengadum continues to be performing and remains committed to his role as Director of the Company.

2.4.2. Board Induction

All new Directors, upon joining the Board, are provided with 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 Managing Director.

Upon his appointment as Director of the Company, Mr Jean-Noël Wong Wan Khin has been provided with an induction pack by the Company Secretary.

2.4.3. Professional Development and Training

Directors are encouraged to keep themselves abreast of changes and trends in the Company's businesses, environment and markets. The Board regularly assesses the development needs of its Directors and of the Board as a whole. It facilitates attendance at appropriate training programmes so that Directors can continuously update their skills and knowledge.

2.4.4. Succession Planning

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 adheres to the rules for DEM companies issued by the SEM and the Companies Act 2001 in respect of share dealings. The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect of the above rules.

Semaris' 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 or changes in 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 Semaris.

The Directors' interests in Semaris' shares as at 30 June 2021 were as follows:

	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
Gilbert ESPITALIER-NOËL	131,675	0.02	14,163,739	2.58
Hector ESPITALIER-NOËL	57,007	0.01	16,445,858	3.00
Jean-Pierre MONTOCCHIO	10,212	0.00	494,084	0.09
Jean-Louis PISMONT	-	-	-	-
Stéphane POUPINEL DE VALENCÉ	60,000	0.01	-	-
Pauline SEEYAVE	3,314	0.00	-	-
Sidharth SHARMA	-	-	-	-
Kevin TEEROOVENGADUM	-	-	-	-

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

	Shares Acquired	Shares Sold
Hector ESPITALIER-NOËL	52,677*	-
Gilbert ESPITALIER-NOËL	52,677*	-
Jean-Pierre MONTOCCHIO	10,212*	165,550**

** through inheritance.*

*** indirectly through associates.*

Note 16 to the financial statements for the year ended 30 June 2021, set out on pages 67 and 68 of the 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 DEM Rules of the SEM.

2.5.2. Information, Information Technology and Information Security Governance

Pursuant to the Management Services Agreement entered into between NMH and Semaris, NMH controls and manages all the aspects of information and communication technology for Semaris.

2.5.3. Legal Duties and Access to Information

The Directors are aware of their legal duties. During the discharge of their duties, they are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company. Directors are also entitled to have access, at all reasonable times, to all relevant Company information and to the management, if useful, to perform their duties.

2.5.3. Legal Duties and Access to Information (cont'd)

A Directors' and Officers' Liability Insurance policy has been taken out by the Company. The policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of the Company.
The Board has delegated to the ARMC 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 in alignment with their individual as well as joint contribution towards the achievement of the Group's objective and performance, while taking into account the current market conditions and the Group'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.

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 monthly fee structure of the Company:

Category of Member	Board	ARMC
Chairperson	MUR 30,000	MUR 10,000
Member	MUR 20,000	MUR 5,000
Independent Director (based outside Mauritius)	Fixed fee of MUR 30,000 and an attendance fee of MUR 10,000 per Board Meeting	

In view of the significant adverse impact of the COVID-19 pandemic on the affairs of the Company and in a spirit of solidarity:
- for the period July to December 2020, the monthly remuneration was paid to the Independent Directors only; and
- from January 2021, only 75% of the monthly fee was paid to all Directors.

2.5.5. Attendance and Remuneration/Benefits Paid

For the financial year under review, the attendance at Board and Committee meetings and actual remuneration and benefits perceived by the Directors are as follows:

		Board	ARMC	Remuneration and Benefits Received (Rs)
Number of Meetings held		4	4	
Category	Directors	Attendance		
Executive	Gilbert ESPITALIER-NOËL	4/4	N/A	90,000
	Stéphane POUPINEL DE VALENCé	4/4	N/A	90,000
	Pauline SEEYAVE	4/4	4/4	112,500
Non-Executive	Hector ESPITALIER-NOËL	❍ 4/4	N/A	135,000
	Jean-Pierre MONTOCCHIO	4/4	N/A	90,000
	Jean-Louis PISMONT*	4/4	N/A	90,000
Independent	Sidharth SHARMA	4/4	❍ 4/4	315,000
	Kevin TEEROOVENGADUM	4/4	4/4	347,500

❍ Chairperson

* *Resigned as Director of Semaris in July 2021.*

*** The Directors of the Company did not receive any remuneration from the Company's subsidiaries.*

2.5.6. Board Evaluation

Every year, the Board carries out a critical evaluation of its performance and that of the Committee, as well as their respective processes and procedures to ensure that they are designed to assist the Board in effectively fulfilling its role. During the year under review, an internal evaluation of the Board, its ARMC and Directors was undertaken. Directors were issued with a questionnaire designed by the Company Secretary to elicit their views and opinions. The evaluation was focused on specific areas of improvement, namely conduct of Board meetings, risk management Board committees, the leadership of the Board and self-evaluation.

The Board considered the findings of the aforesaid appraisal and concluded that the Board, its ARMC and each of its Directors continue to be effective. The report also contained recommendations to improve the Board's performance.

3. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

For internal control, internal audit and risk management, please refer to pages 12 to 19.

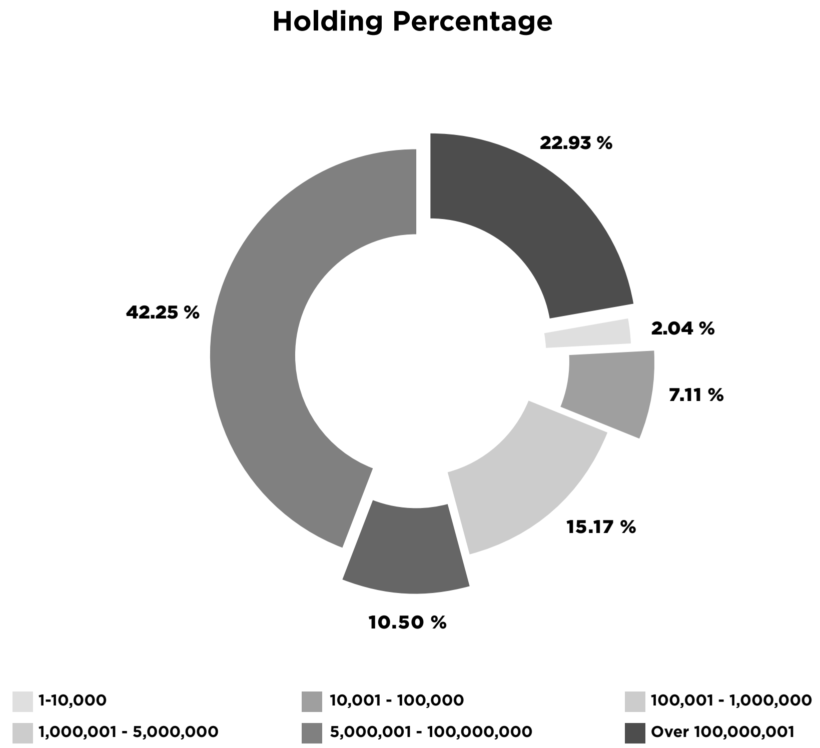
4. SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

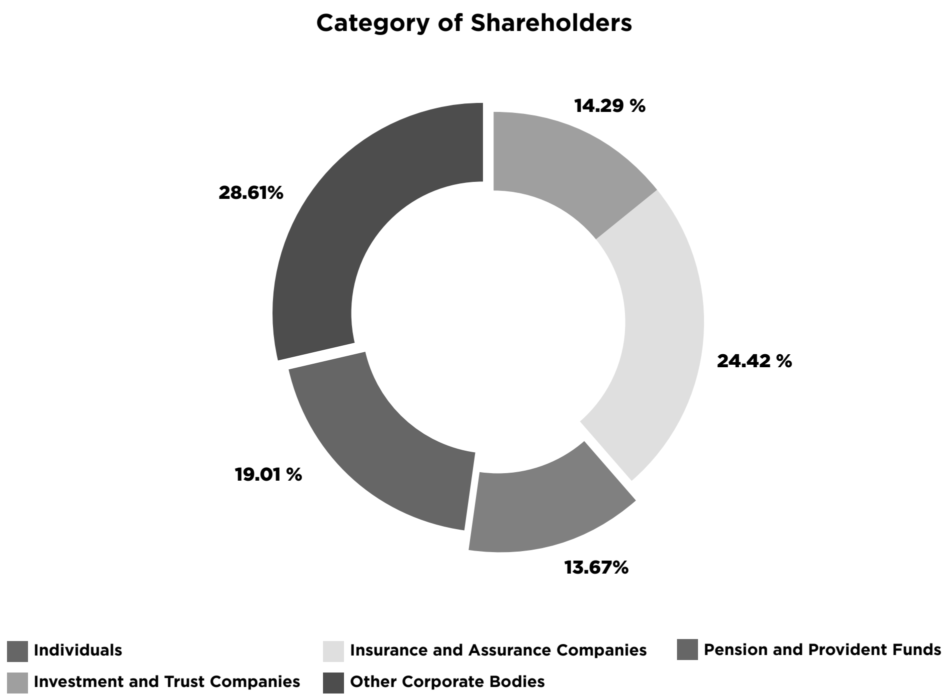
4.1. Shareholding Profile

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

	Ordinary (%)
Rogers and Company Limited	22.93
ENL Limited	15.24
Swan Life Ltd	10.64
Joseph René Herbert Maingard Couacaud	6.35

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





4.2. Contract 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

Semaris has a Management Services Agreement with NMH 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 Annual Report, circulars issued in compliance with the DEM Rules of the SEM, press announcements, publication of unaudited quarterly and audited abridged financial statements and meetings of shareholders, as applicable.

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

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 Semaris, at which the Board of Directors is also present. Such meetings 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 in place. The Board aims to distribute regular and stable dividends, subject to the financial performance and cash flow availability of the Company.

5. COMPANY SECRETARY

ENL Secretarial Services Limited provides corporate secretarial services to Semaris. All Directors, including the Chairperson, have access to the advice and services of the Company Secretary, delegated by ENL Secretarial Services Limited, for the purposes of the Board's affairs and the business of the Company.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

8 November 2021

OTHER STATUTORY DISCLOSURES

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

Activities

The activities of Semaris Ltd ("Semaris") are disclosed in Note 2 to the financial statements included in the Annual Report 2021.

Directors

A list of the Directors of the Company and its subsidiaries for the period 1 July 2020 to 30 June 2021 is set out below:

List of Directors of the Company and its Subsidiaries	**ESPITALIER-NOËL Marie Edouard Gilbert**	**ESPITALIER-NOËL Marie Maxime Hector**	**MONTOCCHIO Marie Joseph Jean-Pierre**	**PIAT Maurice Daniel Laurent Evenor**	**PISMONT Jean-Louis Fernand André**	**POUPINEL DE VALENCÉ Stéphane Jean François**	**SEEYAVE Pauline Sybille Cheh**	**SHARMA Sidharth**	**TEEROOVENGADUM Kevindra**
Domaine Palm Marrakech S.A.	✓			✓		✓	✓		
Gold Coast Resort Limited	✓				✓	✓	✓		
Kingfisher 3 Limited	✓					✓	✓		
Les Salines PDS Ltd	✓				✓	✓	✓		
Les Salines IHS Limited	✓				✓	✓	✓		
Praslin Resort Limited	✓				✓	✓	✓		
Semaris Ltd	✓	✓	✓		✓	✓	✓	✓	✓

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 Semaris from the Company and its subsidiaries are found on page 29 of the Annual Report 2021; and

(ii) by the Directors of subsidiaries who are not Directors of the Company are provided below:

		2021	2020 *(9 months)*
Domaine Palm Marrakech S.A.	**Director**	**Rs**	Rs
Executive Director **(2021: 1** ; 2020: 1)	Laurent PIAT		
Employment benefits		**8,025,000**	5,432,900
Post-employment benefits		**29,000**	19,200

Directors' Interests in the Equity of Semaris

(i) The interests of the Directors in the shares of Semaris as at 30 June 2021 are found on page 28 of the 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:

	Domaine Palm Marrakech S.A.	
	No. of Shares	%
Gilbert ESPITALIER-NOËL	1	0.000
Pauline SEEYAVE	1	0.000
Stéphane POUPINEL DE VALENCÉ	1	0.000

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

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			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Laurent PIAT	11,050	0.002	-	-
Jean-Noël WONG WAN KHIN	25,000	0.005	3,610	0.000

Contracts of Significance

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

Shareholders

At 8 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	15.24
Swan Life Ltd	10.64
Joseph René Herbert Maingard Couacaud	6.35

Donations

During the financial year, DPM made a total donation of Rs 82,085 (2020 - 9-months : Rs 963,000). The donation contributed to assist the local community in fighting the negative effects resulting from the COVID-19 pandemic.

External Auditors' Remuneration

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Audit fees paid to:				
BDO & Co.	**900,000**	750,000	**900,000**	750,000
Other firms	**1,331,100**	986,450	**-**	-
Fees paid for the other services provided by:				
BDO & Co.	**-**	-	**-**	-
Other firms	**525,518**	50,000	**-**	50,000

Other services related to the valuation of investment properties of DPM.

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 those 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 maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group. The Board affirms that it has monitored the key strategic, financial, operational and compliance risks in line with the current business environment.

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.

(Pursuant to Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): Semaris Ltd
Reporting Period: 1 July 2020 to 30 June 2021

We, the Directors of Semaris Ltd, 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

Stéphane POUPINEL DE VALENCÉ
Managing Director

8 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

8 November 2021

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Semaris Ltd and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 50 to 88 which comprise the statements of financial position as at 30 June 2021 and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 50 to 88 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 (IFRSs) and comply with the 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 Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code").* We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Carrying values of Land and Buildings

Key Audit Matter

As at 30 June 2021, the Group and Company had land and buildings classified as Property and equipment and Investment property amounting to Rs 419m and Rs 897m (2020: Rs 369m and Rs 757m) respectively. The significance of the land and buildings on the statement of financial position resulted in them being identified as a key audit matter.

Land and buildings are stated at their fair value based on periodic valuations by Directors subsequent to valuation carried out by external valuers, less depreciation for buildings. The fair value of land and buildings is arrived at using the open market value approach.

Related Disclosures

Refer to Notes 25 and 27 to the accompanying financial statements.

Audit Response

Our audit procedures included testing design, existence and operating effectiveness of internal control procedures implemented as well as test of detail to ensure completeness and accuracy of the land and buildings through the following:

- we ensured the estimated remaining useful lives and residual values of land and buildings are reasonable by comparing the Directors' estimates to the useful lives of assets with similar characteristics;
- we reviewed the Group's depreciation policy for buildings and verified the inputs to the calculation;
- we performed predictive tests on depreciation charge;
- we checked consistency and reasonableness of the component allocation with previous years;
- we tested the key inputs to the valuation of the Group's land and buildings as follows:
  - assessing and discussing management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers;

1. Carrying values of Land and Buildings (cont'd)

Audit Response (cont'd)

- obtaining the external valuation reports and discussing with the external valuers about their results. We discussed and challenged the valuation process, performance of the portfolio, significant judgements and assumptions applied to the valuation model by benchmarking the different valuations available and challenged the key assumptions to external industry data and comparable property valuation;
- testing the integrity of a sample of the data provided to the external valuers. This included verifying a sample of information provided to the external valuers;
- testing land values by comparing the values used by the valuers to land values with similar characteristics; and
- ensured that for assets with indication of impairment, management complied with IAS 36 requirements in their impairment assessment.

• we verified the value-in-use provided by management and ensured that the assumptions used reflect the market conditions in line with the business operations; and

• we performed an independent sensitivity analysis to assess the impact of changes in the key assumptions underlying the value-in-use such as a further decrease in discount rate and terminal growth rate.

2. Valuation of Inventories at Group and Company Level

Key Audit Matter

Land at Les Salines earmarked for development, amounting to Rs 2bn as at 30 June 2021, is included in inventories at Company level. Les Salines project will consist of the development of 174 Arpents to be sold for residential purposes under the Property Development Scheme.

At Group level, the carrying value of inventories as at 30 June 2021 amounted to Rs 3.6bn, representing land earmarked for development in Seychelles, Morocco and Mauritius.

In line with IAS 2, inventories are stated at the lower of cost or NRV.
The NRV of land at Les Salines has been based on the report of the Independent Valuer, Noor Dilmohamed & Associates.

Given the significance of the inventories on the total assets at 30 June 2021, and the significant estimates and judgements used in the valuation by both the Independent Valuer and management to estimate the costs to complete the project in Mauritius, Seychelles and Morocco, and the expected timing for the future sale of villas and land as well as the risk of material impairment losses due to uncertainty which may exist, we have identified the valuation of the stock of residential properties and land earmarked for projects as a key audit matter.

Related Disclosures

Refer to Note 30 to the accompanying financial statements.

Audit Response

Our audit procedures to assess the carrying value of the villas classified as inventories under Phase 1a and Phase 1b included the following:

• we have obtained the NRV tests as performed by management for the different projects;

• we have agreed the expected realisable value of the assets with the selling prices from management. We have ensured that the estimated cost to sell is properly calculated and deducted from the proceeds to arrive at the proper NRV and discounted to reflect time value of money thereon;

• we have critically assessed the assumptions made and the benchmark relied on and ensured they are reasonable and appropriate;

• we ensured that the list for the different projects is complete and accurate and according to the plan; and

• for the villas under construction, we ensured that the assessment is performed on a unit-by-unit basis, in line with IAS 2 Inventories and costs to completion is reasonable compared to the actual costs incurred, and in comparison with similar villas.

For the projects under Phase 2 in Domaine Palm Marrakech S.A., Praslin Resort Limited and Les Salines IHS Limited, we have reviewed the reasonableness of the costs to complete by examining relevant agreements, corresponding valuation report and project costs and ensured that the estimates are reasonable. We assessed management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers.

3. Basis of Preparation – Impact of COVID-19 on Going Concern

Key Audit Matter

Management has explained the rationale for adopting the going concern basis when preparing the Group's and Company's financial statements. This is based on the view that the Group will be able to maintain liquidity in order to repay its existing bank borrowers and creditors.

Management's assessment of going concern is based on cash flow projections and the restructuring of borrowing facilities with New Mauritius Hotels Limited (NMH) and SBM Bank (Mauritius) Ltd. The projection is dependent on significant management judgement and can be influenced by management bias.

The risk for our audit was whether or not the COVID-19 pandemic and the measures to limit its transmission were such that they amounted to a material uncertainty that cast significant doubt on the ability of the Group and Company to meet their current debts and thus to continue as going concerns.

Related Disclosures

Refer to Note 12 to the accompanying financial statements.

Audit Response

Our audit procedures to validate management's assessment of going concern included the following:

- we obtained the cash flow forecast prepared by management for the financial year ending 30 June 2022. We checked the mathematical accuracy of the forecast and validated the opening cash position;
- we leveraged the work that we performed when assessing the impairment of both financial and non-financial assets of the Group. We assessed the reasonableness of the cash flow projections over the forecast period considered by management to assess their ability to continue operations;
- we have assessed the maturity profile of the Group's borrowings and considered the refinancing events occurring in and after the reporting period, focusing on management's plan to service the existing debts;
- we have obtained and reviewed the amended terms of the existing debt facilities of Semaris Ltd and have critically assessed the ability of the Group and Company to continue to meet the financial covenants of these facilities and their financial obligations under reasonably foreseeable stressed scenarios that could erode liquidity headroom;
- through inquiry and inspection of the latest banking arrangements and the changes to the terms of the facility, we considered the intent of the Company's lender to continue to support the Group with existing facilities; and
- furthermore, we reviewed the adequacy and appropriateness of management's going concern disclosures in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's Report, Managing Director's Report, Risk Management Report, Secretary's Certificate, Corporate Governance Report and Other Statutory Disclosures (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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

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

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the Annual Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the Group has, pursuant to Section 75 of the Financial Reporting Act, complied with the requirements of the Code.

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

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as going concerns, 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 Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 going concerns;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for 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

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

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

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

BDO & Co

BDO & Co.
Chartered Accountants
Port Louis
Mauritius

A Ramdin

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

8 November 2021

AUDITED FINANCIAL STATEMENTS


Rivière Noire
Saint Esprit College
Rivière Noire

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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 Nine-month period ended 30 June 2020 Rs '000	THE COMPANY Year ended 30 June 2021 Rs '000	THE COMPANY Nine-month period ended 30 June 2020 Rs '000
Revenue from contract with customers	17	**710,583**	176,543	**-**	-
Direct costs		**(498,479)**	(160,952)	**-**	-
Staff costs	18	**(54,429)**	(30,416)	**(1,270)**	(675)
Other expenses	19	**(73,860)**	(49,665)	**(16,402)**	(10,721)
Profit/(loss) before normalised EBITDA		**83,815**	(64,490)	**(17,672)**	(11,396)
Other income	20	**42,911**	54,049	**-**	-
Net impairment losses on financial assets	31/32	**(42,886)**	(552)	**-**	-
Normalised EBITDA		**83,840**	(10,993)	**(17,672)**	(11,396)
Other impairment losses	13	**-**	(457,003)	**-**	(545,518)
Other gains	14	**39,094**	-	**-**	-
Fair value movement of investment property	27	**17,500**	(205,353)	**-**	-
EBITDA		**140,434**	(673,349)	**(17,672)**	(556,914)
Finance revenue	21	**5,983**	295	**148**	-
Finance costs					
- on financial debt	22	**(110,008)**	(81,569)	**(108,407)**	(60,612)
- on lease liabilities	22	**(7,898)**	(6,497)	**-**	-
Depreciation of property and equipment	25	**(13,844)**	(15,064)	**-**	-
Depreciation of right-of-use assets	26(a)	**(11,737)**	(8,938)	**-**	-
Amortisation of intangible assets	28	**(508)**	(306)	**-**	-
Profit/(loss) before tax		**2,422**	(785,428)	**(125,931)**	(617,526)
Income tax	23(a)	**149,617**	2,194	**-**	-
Profit/(loss) for the year/period		**152,039**	(783,234)	**(125,931)**	(617,526)
Earnings/(loss) per share					
Basic earnings/(loss) per share (Rs)	24	**0.28**	(1.43)		

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	THE GROUP Year ended 30 June 2021 Rs '000	THE GROUP Nine-month period ended 30 June 2020 Rs '000	THE COMPANY Year ended 30 June 2021 Rs '000	THE COMPANY Nine-month period ended 30 June 2020 Rs '000
Profit/(loss) for the year/period	**152,039**	(783,234)	**(125,931)**	(617,526)
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	**458,715**	254,127	**-**	-
Other comprehensive income for the year/period	**458,715**	254,127	**-**	-
Total comprehensive income/(loss) for the year/period	**610,754**	(529,107)	**(125,931)**	(617,526)

The notes on pages 54 to 88 form an integral part of these financial statements.
Auditor's report on pages 40 to 45.

	Notes	THE GROUP 30 June 2021 Rs '000	THE GROUP 30 June 2020 Rs '000	THE COMPANY 30 June 2021 Rs '000	THE COMPANY 30 June 2020 Rs '000
ASSETS					
Non-current assets					
Property and equipment	25	**514,001**	452,607	**-**	-
Right-of-use assets	26(a)	**545,774**	538,966	**-**	-
Investment property	27	**897,049**	756,718	**-**	-
Intangible assets	28	**1,125**	1,442	**-**	-
Investments in subsidiaries	29	**-**	-	**3,049,483**	3,049,483
Financial assets at amortised cost	32(a)	**365,575**	332,634	**-**	-
Deferred tax asset	23(c)	**3,539**	3,029	**-**	-
Total non-current assets		**2,327,063**	2,085,396	**3,049,483**	3,049,483
Current assets					
Inventories	30	**3,608,575**	3,771,080	**2,000,000**	2,000,000
Contract assets	17(a)	**17,128**	3,832	**-**	-
Trade receivables	31	**71,171**	1,670	**-**	-
Financial assets at amortised cost	32(a)	**55,350**	37,954	**3,660**	1,990
Other assets	33	**423,334**	425,066	**6,298**	4,187
Cash in hand and at bank	34	**166,114**	159,591	**45,249**	74,888
Total current assets		**4,341,672**	4,399,193	**2,055,207**	2,081,065
Total assets		**6,668,735**	6,484,589	**5,104,690**	5,130,548
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	35	**3,595,000**	3,595,000	**3,595,000**	3,595,000
Revenue deficit		**(530,263)**	(682,302)	**(769,972)**	(644,041)
Foreign exchange difference reserves	36	**711,964**	253,249	**-**	-
Total equity		**3,776,701**	3,165,947	**2,825,028**	2,950,959
Non-current liabilities					
Borrowings	37	**1,392,385**	2,168,250	**1,314,790**	2,085,657
Lease liabilities	26(b)	**108,621**	89,830	**-**	-
Total non-current liabilities		**1,501,006**	2,258,080	**1,314,790**	2,085,657
Current liabilities					
Trade and other payables	38	**357,390**	423,803	**41,248**	26,341
Contract liabilities	17(a)	**75,313**	306,820	**-**	-
Borrowings	37	**948,568**	174,334	**923,624**	67,591
Lease liabilities	26(b)	**4,290**	10,480	**-**	-
Income tax payable	23(a)	**5,467**	145,125	**-**	-
Total current liabilities		**1,391,028**	1,060,562	**964,872**	93,932
Total liabilities		**2,892,034**	3,318,642	**2,279,662**	2,179,589
Total equity and liabilities		**6,668,735**	6,484,589	**5,104,690**	5,130,548

Approved by the Board of Directors on 8 November 2021 and signed on its behalf by:

HECTOR ESPITALIER-NOËL
CHAIRMAN

STÉPHANE POUPINEL DE VALENCÉ
MANAGING DIRECTOR

The notes on pages 54 to 88 form an integral part of these financial statements.
Auditor's report on pages 40 to 45.

THE GROUP

	Stated Capital Rs '000	Revenue Deficit Rs '000	Foreign Exchange Difference Reserves Rs '000	Total Equity Rs '000
As at 1 July 2020	3,595,000	(682,302)	253,249	3,165,947
Profit for the year	-	152,039	-	152,039
Other comprehensive income for the year	-	-	458,715	458,715
Total comprehensive income for the year	-	152,039	458,715	610,754
As at 30 June 2021	**3,595,000**	**(530,263)**	**711,964**	**3,776,701**
As at 1 October 2019	3,595,000	100,932	(878)	3,695,054
Loss for the period	-	(783,234)	-	(783,234)
Other comprehensive income for the period	-	-	254,127	254,127
Total comprehensive (loss)/income for the period	-	(783,234)	254,127	(529,107)
As at 30 June 2020	3,595,000	(682,302)	253,249	3,165,947

THE COMPANY

	Stated Capital Rs '000	Revenue Deficit Rs '000	Total Equity Rs '000
As at 1 July 2020	3,595,000	(644,041)	2,950,959
Loss for the year	-	(125,931)	(125,931)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(125,931)	(125,931)
As at 30 June 2021	**3,595,000**	**(769,972)**	**2,825,028**
As at 1 October 2019	3,595,000	(26,515)	3,568,485
Loss for the period	-	(617,526)	(617,526)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(617,526)	(617,526)
As at 30 June 2020	3,595,000	(644,041)	2,950,959

The notes on pages 54 to 88 form an integral part of these financial statements.
Auditor's report on pages 40 to 45.

	Notes	THE GROUP Year ended 30 June 2021 Rs '000	THE GROUP Nine-month period ended 30 June 2020 Rs '000	THE COMPANY Year ended 30 June 2021 Rs '000	THE COMPANY Nine-month period ended 30 June 2020 Rs '000
Cash flows from operating activities					
Profit/(loss) before tax		**2,422**	(785,428)	**(125,931)**	(617,526)
Adjustments to reconcile profit/loss before tax to net cash flows					
Amortisation of intangible assets	28	**508**	306	**-**	-
Depreciation of right-of-use assets	26(a)	**11,737**	8,938	**-**	-
Depreciation of property and equipment	25	**13,844**	15,064	**-**	-
Finance revenue	21	**(5,983)**	(295)	**(148)**	-
Interest expense on right-of-use assets	26(b)	**7,898**	6,497	**-**	-
Interest expense		**110,008**	81,569	**108,407**	60,612
Profit on disposal of property and equipment		**(677)**	(6)	**-**	-
Other gains	14	**(39,094)**	-	**-**	-
Fair value (gains)/losses on investment property	27	**(17,500)**	205,353	**-**	-
Other impairment losses	13	**-**	457,003	**-**	545,518
Foreign exchanges differences		**1,484**	(40,769)	**-**	
Net impairment losses on financial assets	31/32	**42,886**	552	**-**	-
Working capital adjustments:					
Decrease/(increase) in inventories		**388,961**	(92,288)	**-**	-
(Increase)/decrease in trade receivables		**(64,065)**	6,471	**-**	-
(Increase)/decrease in financial assets at amortised cost		**(29,308)**	63,421	**(1,522)**	(1,990)
Decrease/(increase) in other assets		**63,968**	57,895	**(2,111)**	(2,248)
Increase in contract assets		**(11,734)**	-	**-**	-
(Decrease)/increase in trade and other payables		**(77,492)**	89,565	**14,907**	5,451
Decrease in contract liabilities		**(259,778)**	(91,338)	**-**	-
		138,085	(17,490)	**(6,398)**	(10,183)
Income tax paid	23(a)	**(2,576)**	(1,246)	-	-
Net cash generated from/(used in) operating activities		**135,509**	(18,736)	**(6,398)**	(10,183)
Cash flows from investing activities					
Acquisition of property and equipment		**(2,291)**	(2,450)	**-**	-
Acquisition of intangible assets		**-**	(736)	**-**	-
Acquisition of investment property		**-**	(873)	**-**	-
Proceeds from sale of property and equipment		**887**	6	**-**	-
Net cash flows used in investing activities		**(1,404)**	(4,053)	**-**	-
Cash flows from financing activities					
Proceeds from borrowings	34(b)	**-**	79,540	**-**	-
Repayment of borrowings	34(b)	**(103,417)**	(10,815)	**-**	-
Interest paid on lease liabilities	26(b)/34(b)	**(248)**	(1,995)	**-**	-
Principal paid on lease liabilities	26(b)/34(b)	**(5,458)**	(926)	**-**	-
Interest paid	22	**(38,368)**	(28,022)	**(29,561)**	(24,815)
Net cash flows (used in)/generated from financing activities		**(147,491)**	37,782	**(29,561)**	(24,815)
Net (decrease)/increase in cash and cash equivalents		**(13,386)**	14,993	**(35,959)**	(34,998)
Cash and cash equivalents at 1 July/1 October		**148,586**	130,521	**63,883**	98,881
Net foreign exchange differences		**13,591**	3,072	**-**	-
Cash and cash equivalents at year/period end	34(a)	**148,791**	148,586	**27,924**	63,883

The notes on pages 54 to 88 form an integral part of these financial statements.
Auditor's report on pages 40 to 45.

CORPORATE AND GROUP INFORMATION

1. Corporate information

The financial statements of Semaris Ltd (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 8 November 2021. Semaris Ltd is a public limited company incorporated in Mauritius and is listed on the DEM. 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 consist of the development of property for sale across different countries.

2. Group information

Information on subsidiaries:

Name of Corporation	Main business Activity	Country of Incorporation	Effective % Holding June 2021 & 2020
Les Salines PDS Ltd	Property development	Mauritius	100%
Les Salines IHS Limited	Property development	Mauritius	100%
Kingfisher 3 Limited	Investment	Mauritius	100%
Praslin Resort Limited	Property	Seychelles	99%
Gold Coast Resort Limited	Property	Seychelles	100%
Domaine Palm Marrakech S.A.	Property development	Morocco	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.

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 investment property is stated at fair value and relevant financial assets and financial liabilities are stated at their fair value 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 Semaris Ltd (the "Company") and its subsidiaries (the "Group") comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The figures in the statements of profit or loss and other comprehensive income and statements of cash flows for the Group and Company which represent twelve months of operation for the year ended 30 June 2021 are not comparable with prior period figures which represented Nine-month of operation.

4. Summary of other significant accounting policies

(a) Foreign currency translation

The Group's financial statements are presented in Mauritian rupees, which are also the parent company's functional and presentation currency. Each entity in 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 spot rates on the date on which the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at 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 of 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 as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at 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 is also recognised in other comprehensive income or profit or loss, respectively).

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

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

(a) Foreign currency translation (cont'd)

Group companies
The assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing at the reporting date and their profit or loss items are translated at exchange rates prevailing at the transaction dates. 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 recognised in profit or loss.

(b) Financial assets
The Group classifies its financial assets into the following categories:

(i) 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 loss allowance for impairment.

Expected credit loss allowance for trade receivables is 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 loss allowances are recorded in a separate loss allowance 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 collectable, the gross carrying value of the asset is written off against the associated loss allowance.

Expected credit loss allowance for receivable 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 loss allowance 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.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with whom it has 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 financial assets measured at amortised cost comprise trade receivables, contract assets, financial assets at amortised cost and cash and cash equivalents in the statements of financial position.

Cash and cash equivalents include cash in hand 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.

(ii) 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 has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor has transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has 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 could be required to repay.

(c) Financial Liabilities

The Group classifies its financial liabilities into the following category:

Amortised cost
Financial liabilities at amortised cost include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. For the purpose of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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

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

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

(c) Financial Liabilities (cont'd)

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

(d) Current versus non-current classification

The Group presents 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 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.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in 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 classifies all other liabilities as non-current.

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

(e) Provisions

Provisions are recognised when the Group has 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 expects 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.

(f) 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.
- The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of accounts receivables or payables in the statements of financial position.

(g) Impairment of non-financial assets

The Group assesses, 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 estimates 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 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 makes 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.

Impairment of non-financial assets is assessed at the Company level for Investments in subsidiaries and Inventories. At Group level, impairment assessment is performed for each identifiable cash-generating unit (CGU) for all subsidiaries.

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

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

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

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

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

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

(h) Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition
Revenue from customers includes both the sale of goods and of services made to customers. The Group's main activity consists of property development and it is therefore engaged in the construction and sale of villas.

All revenue generated from the sale of goods and services defined above is recognised at a point in time 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.

Revenue from sale of villas
The Group develops and sells villas. Revenue is recognised when control over the villas has been transferred to customers. As per the contract terms, customers can cancel the contract anytime by paying applicable penalties. Also, the ownership of villas being constructed is transferred to customers on completion. On cancellation of contract by the customer, the Group has the option to sell the villas to other customers. Therefore, revenue is recognised at a point in time when the legal title has been passed to the customer.

Villas sold by the Group include a one-year snagging period given to customers and a ten-year warranty which require the Group to either mend a villa's structure and waterproofing during the warranty period if the villa fails to comply with agreed-upon specifications. The warranties are back to back with the Group's suppliers/contractors. For the one-year snagging period, the contractors have to make good (the Group keeps the retention money for one year). If the contractors default to correct the snag, the Group uses the retention money to rectify the snag. For the ten-year guarantee on structure/waterproofing, the Group requests contractors to provide same warranty to the Group.

No provision for warranty has been included in the financial statements as management believes that the probability of claims is remote. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Determining transaction price
The transaction price of the Group'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 revenues earned by the Group 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).

5(i). 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 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 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 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 financial statements.

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. The amendment has no impact on the Group's financial statements.

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 financial statements.

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

5(ii). Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2021 or later periods, but which the Group has 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)

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT

6. Basis of consolidation

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.

7. 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.

Sometimes a business combination is achieved in stages, where the acquirer obtains control of an acquiree in which it held an equity interest immediately before the acquisition date and the previously held equity interest is remeasured to fair value as its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

7. Business combinations (cont'd)

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

(a) the aggregate of:

(i) the consideration transferred measured in accordance with this IFRS, which generally requires acquisition date fair value (see paragraph 37);
(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 (see paragraphs 41 and 42), 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.

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 through equity or profit or loss.

If the contingent consideration is classified as equity, it shall not be remeasured and its subsequent settlement shall be accounted for in equity.

8. Financial risk management objectives and policies

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

The Group'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 overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised as folllows:

(i) Credit risk

The Group's credit risk arises mainly from cash and cash equivalents, financial assets at amortised cost as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a Group basis. 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 has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group trades only with recognised, creditworthy third parties. The Group has 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 also has 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, which comprise cash and cash equivalents and financial assets at amortised cost, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as stated 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	**Neither past due nor impaired**	**Past due but not impaired**			**Impaired and impairment charge**	**Carrying amount at year end**
		Less than 3 months	**3 to 12 months**	**> 1 year**		
2021	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Trade receivables	**-**	**71,171**	**-**	**-**	**-**	**71,171**
Financial assets at amortised cost	**-**	**1,839**	**53,511**	**365,575**	**-**	**420,925**
Cash in hand and at bank	**166,114**	**-**	**-**	**-**	**-**	**166,114**
	166,114	**73,010**	**53,511**	**365,575**	**-**	**658,210**

	Neither past due nor impaired	Past due but not impaired			Impaired and impairment charge	Carrying amount at year end
		Less than 3 months	3 to 12 months	> 1 year		
2020	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Trade receivables	-	1,670	-	-	-	1,670
Financial assets at amortised cost	-	-	37,954	332,634	-	370,588
Cash in hand and at bank	159,591	-	-	-	-	159,591
	159,591	1,670	37,954	332,634	-	531,849

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(i) Credit risk (cont'd)

THE COMPANY	**Neither past due nor impaired**	**Past due but not impaired**			**Impaired and impairment charge**	**Carrying amount at year end**
		Less than 3 months	**3 to 12 months**	**> 1 year**		
2021	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Financial assets at amortised cost	**-**	**-**	**3,660**	**-**	**-**	**3,660**
Cash in hand and at bank	**45,249**	**-**	**-**	**-**	**-**	**45,249**
	45,249	**-**	**3,660**	**-**	**-**	**48,909**

	Neither past due nor impaired	Past due but not impaired			Impaired and impairment charge	Carrying amount at year end
		Less than 3 months	3 to 12 months	> 1 year		
2020	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Financial assets at amortised cost	-	-	1,990	-	-	1,990
Cash in hand and at bank	74,888	-	-	-	-	74,888
	74,888	-	1,990	-	-	76,878

(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 two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include bank accounts, trade receivables, trade and other payables and loans and borrowings.

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 provisions and on the non-financial assets and liabilities of the Group.

(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 is exposed to foreign currency risk with respect to foreign currency arising from foreign supplies and revenue. The Group mitigates part of its foreign currency risk through trading activities.

The following table demonstrates the sensitivity to a reasonable possible change in Moroccan dirham and Seychelles rupee exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of net investment in foreign operations). Sensitivity rates are derived from historical observations for the past three years as at 30 June 2021.

		THE GROUP	**THE COMPANY**
	Increase in rates	**Effect on (loss)/ profit before tax**	**Effect on (loss)/ profit before tax**
2021		**Rs '000**	**Rs '000**
Moroccan dirhams	13%	**25,916**	**-**
Seychelles rupees	1%	**(1,199)**	**-**
2020			
Moroccan dirhams	5%	(4,997)	43
Seychelles rupees	5%	(3,618)	-

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(ii) Market risk (cont'd)
(a) Foreign currency risk (cont'd)

Currency profile

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

	THE GROUP				THE COMPANY			
	Financial Assets		Financial Liabilities		Financial Assets		Financial Liabilities	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Mauritian rupees	**45,249**	74,888	**2,313,861**	2,213,784	**45,249**	76,878	**2,279,661**	2,179,589
Moroccan dirhams	**612,703**	456,961	**411,434**	580,561	**-**	-	**-**	-
Seychelles rupees	**260**	-	**85,959**	72,352	**-**	-	**-**	-
	658,212	531,849	**2,811,254**	2,866,697	**45,249**	76,878	**2,279,661**	2,179,589

	THE GROUP		THE COMPANY	
	30 June 2021	30 June 2020	**30 June 2021**	30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net exposure, excluding Mauritian rupees	**115,570**	(195,952)	**-**	-

(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 exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing loans and borrowings with floating interest rates.

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before taxation (through the impact of variable rate borrowing). The percentage change in interest rates taken is: 1%.

		THE GROUP	THE COMPANY
	Increase/ Decrease in rates	Effect on profit/loss before tax	Effect on profit/loss before tax
	%	Rs '000	Rs '000
2021			
Interest-bearing loans and borrowings in Mauritian rupees	(1%)	**(6,927)**	**(6,927)**
Interest-bearing loans and borrowings in Moroccan dirhams	(1%)	**(354)**	**-**
Interest-bearing lease liabilities in Seychelles rupees	(1%)	**(795)**	**-**
Interest-bearing lease liabilities in Moroccan dirhams	(1%)	**(171)**	**-**
2020			
Interest-bearing loans and borrowings in Mauritian rupees	1%	9,110	9,110
Interest-bearing loans and borrowings in Moroccan dirhams	1%	1,556	-
Interest-bearing lease liabilities in Seychelles rupees	1%	720	-
Interest-bearing lease liabilities in Moroccan dirhams	1%	287	-

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(iii) Liquidity risk

The Group'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 table below summarises the maturity profile of the Group'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
2021						
Trade and other payables	**-**	**357,390**	**-**	**-**	**-**	**357,390**
Borrowings*	**-**	**934,261**	**84,138**	**538,916**	**1,198,272**	**2,755,587**
Lease liabilities*	**-**	**-**	**14,576**	**42,981**	**570,809**	**628,366**
	-	**1,291,651**	**98,714**	**581,897**	**1,769,081**	**3,741,343**
2020						
Trade and other payables	-	423,803	-	-	-	423,803
Borrowings*	-	14,876	169,107	1,756,671	686,527	2,627,181
Lease liabilities*	-	-	20,115	68,090	486,981	575,186
	-	438,679	189,222	1,824,761	1,173,508	3,626,170

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
2021						
Trade and other payables	**-**	**41,248**	**-**	**-**	**-**	**41,248**
Borrowings*	**-**	**927,059**	**63,047**	**492,593**	**1,198,272**	**2,680,971**
	-	**968,307**	**63,047**	**492,593**	**1,198,272**	**2,722,219**
2020						
Trade and other payables	-	26,341	-	-	-	26,341
Borrowings*	-	14,876	66,021	1,704,528	686,527	2,471,952
	-	41,217	66,021	1,704,528	686,527	2,498,293

* Borrowings and lease liabilities include future interest costs.

(iv) Financial instruments by category

	THE GROUP		THE COMPANY	
	Amortised cost		Amortised cost	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Financial assets				
Trade receivables	**71,171**	1,670	**-**	-
Financial assets at amortised cost	**420,925**	370,588	**3,660**	1,990
Cash in hand and at bank	**166,114**	159,591	**45,249**	74,888
	658,210	531,849	**48,909**	76,878
Financial liabilities				
Trade and other payables	**357,390**	423,803	**41,248**	26,341
Borrowings	**2,340,953**	2,342,584	**2,238,414**	2,153,248
Lease liabilities	**112,911**	100,310	**-**	-
	2,811,254	2,866,697	**2,279,662**	2,179,589

9. Capital management

The primary objective of the Group, when managing capital, is to safeguard the Group'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 manages and makes adjustments to its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares.

The implications of the COVID-19 pandemic on capital management have been discussed under the going concern note (Note 12).

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

9. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus debt. The actual gearing is higher than anticipated by management and is principally due to the financing of projects as part of the Group's strategy. The gearing ratio will improve once cash is generated from the projects. The Group includes, within net debt, interest-bearing loans and borrowings adjusted for interest accrued but not yet paid, less cash and cash equivalents. The target gearing of the Group is dependent on the country of operation and project. As such, Domaine Palm Marakech S.A. and Praslin Resort Limited have a target gearing of 85:15 and 50:50 respectively. Total equity is attributable to equity holders of the parent as shown in the statements of financial position. The gearing ratios at 30 June 2021 and 2020 were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest-bearing loans and borrowings	**2,755,587**	2,627,181	**2,680,971**	2,471,952
Lease liabilities	**628,366**	575,186	**-**	-
Less interest costs included above	**(963,838)**	(759,473)	**(442,558)**	(329,708)
Less cash in hand and at bank	**(166,116)**	(159,591)	**(45,249)**	(74,888)
Net debt	**2,253,999**	2,283,303	**2,193,164**	2,067,356
Total equity	**3,776,701**	3,165,947	**2,825,028**	2,950,959
Equity attributable to equity holders of the parent	**3,776,701**	3,165,947	**2,825,028**	2,950,959
Gearing ratio (net debt/total equity plus debt)	**37%**	42%	**44%**	41%
Gearing ratio (net debt excluding IFRS 16 Leases/total equity plus debt)	**30%**	35%	**44%**	41%

10. Distributions

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.

If the Company declares dividends to holders of equity instruments after the reporting period, the Company shall not recognise those dividends as a liability at the end of the reporting period. If dividends are declared after the reporting period but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with IAS 1.

As at 30 June 2021, no dividend has been declared (2020: nil).

11. Segmental reporting

The Group presents segmental information using 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.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

11. Segmental reporting (cont'd)

Segmental information has been disclosed on a geographical basis as follows:

2021	**Mauritius**	**Morocco**	**Seychelles**	**Consolidation adjustment**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Revenue from contract with customers	**-**	**710,583**	**-**	**-**	**710,583**
Direct costs	**-**	**(498,479)**	**-**	**-**	**(498,479)**
Other expenses	**(16,592)**	**(57,928)**	**(203)**	**863**	**(73,860)**
Other income	**-**	**42,745**	**166**	**-**	**42,911**
Net impairment losses on financial assets	**-**	**(42,886)**	**-**	**-**	**(42,886)**
Fair value movement of investment property	**-**	**17,500**	**-**	**-**	**17,500**
Finance revenue	**148**	**5,835**	**-**	**-**	**5,983**
Finance costs	**(108,407)**	**(9,161)**	**(338)**	**-**	**(117,906)**
Depreciation and amortisation	**-**	**(15,511)**	**(1,536)**	**(9,042)**	**(26,089)**
Profit/(loss) after tax	**(126,121)**	**288,211**	**(1,911)**	**(8,140)**	**152,039**
Segment assets	**5,141,192**	**3,853,582**	**287,692**	**(2,613,731)**	**6,668,735**
Segment liabilities	**2,317,509**	**492,214**	**199,919**	**(117,608)**	**2,892,034**
Other segment information:					
Capital expenditure	**-**	**(2,291)**	**-**	**-**	**(2,291)**
Depreciation of property and equipment	**-**	**(13,844)**	**-**	**-**	**(13,844)**
Depreciation of right-of-use assets	**-**	**(1,159)**	**(1,536)**	**(9,042)**	**(11,737)**
Amortisation of intangible assets	**-**	**(508)**	**-**	**-**	**(508)**

2020	Mauritius	Morocco	Seychelles	Consolidation adjustment	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Revenue from contract with customers	-	176,543	-	-	176,543
Direct costs	-	(160,952)	-	-	(160,952)
Other expenses	(11,793)	(36,869)	(140)	(863)	(49,665)
Other income	-	48,012	6,037	-	54,049
Net impairment losses on financial assets	-	(552)	-	-	(552)
Other impairment losses	-	(457,003)	-	-	(457,003)
Fair value movement of investment property	-	(205,353)	-	-	(205,353)
Finance costs	(60,612)	(5,321)	(22,133)	-	(88,066)
Depreciation and amortisation	-	(16,150)	(1,370)	(6,788)	(24,308)
Loss after tax	(618,598)	(688,336)	(17,606)	541,306	(783,234)
Segment assets	5,164,715	3,660,701	262,701	(2,603,528)	6,484,589
Segment liabilities	2,214,912	1,032,505	168,769	(97,544)	3,318,642
Other segment information:					
Capital expenditure	-	(4,059)	-	-	(4,059)
Depreciation of property and equipment	-	(15,064)	-	-	(15,064)
Depreciation of right-of-use assets	-	(779)	(1,371)	(6,788)	(8,938)
Amortisation of intangible assets	-	(306)	-	-	(306)

Disclosure note for 30 June 2020 has been amended to conform with changes in presentation in the current year.

12. 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 revenues, 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:

Going concern
We are in a phase of recovery from the COVID-19 pandemic and we are currently undertaking the next phases of our development although the launch has been delayed due to several lockdowns.

During the reporting year, the Group focused on keeping overheads as low as possible and managed to finalise a number of sales in Morocco despite the difficult context. This positively resulted in profit after tax (PAT) of Rs 152m (2020: loss after tax of Rs 783m) for the Group. The Company incurred losses amounting to Rs 126m (2020: Rs 618m). The performance of the Group and Company continues to be impacted by the high finance costs due to delays in Les Salines project.

The net asset value as at 30 June 2021 has improved by Rs 611m mainly due to depreciation of the Mauritian rupee and resulted in Rs 458m of foreign exchange gain.

(i) Mauritius
Semaris Ltd has a land bank of 174 Arprents valued at Rs 2bn earmarked for the development of a high-end residential estate project under the “Property Development Scheme”.

During the financial year, the project financing of Les Salines project has been revised following the cancellation of the partnership with Safran Landcorp. As at 30 June 2021, a request for debt restructuring was made to the SBM Bank (Mauritius) Ltd and NMH whereby debt repayment is planned based on delivery of villas per phases. NMH has agreed to the request for rescheduling made while the SBM has extended the maturity of the bank loan up to January 2023 and increased the overdraft limit to Rs 100m for a period of one year which is renewable thereafter. Funds of approximately Rs 125m will be obtained from DPM, following a capital reduction in 2022.

Cost estimates for the next twelve months were obtained from reputed professional consultants and follow market norms. The available overdraft limit for the coming year also caters for the planned pre-operating expenses for the said period. The Company has received a moratorium for interest payment on the amount due to NMH during the pre-operating period and the bank interest will be financed partly by the DSRA and funds received from Domaine Palm Marakech S.A..

The Group is fully committed to the development of this major project. The concept design is nearly finalised and the sale and marketing campaign of Phase 1 is expected to be launched in early 2022. Management targets to reach the minimum presale level within one year in order to kick-start construction work in early 2023. The international luxury property market seems to be resilient, which augurs a promising launch campaign for this prime high-end development.

(ii) Morocco
The team completed the sale of five prime serviced plots and has secured several reservations. Morocco has been recognised among the countries in Africa that have best managed the effects of the COVID-19 pandemic and has put in place a series of measures to adapt to this new normal such as accelerating the pace of vaccination and limiting lockdowns.

On the infrastructure side, DPM has finalised the planning and design of the Ocre zone and is currently preparing the launch of work on that zone. On the sales and marketing side, DPM has signed a broker's agreement with Chesterton during the year specifically to boost sales in the Middle East. DPM has secured several reservations on its recently launched phase for an amount of approximately Rs 630m. Moreover, the team was in final negotiation stage for the signature of additional reservation contracts of a combined value of nearly Rs 325m before the end of 2021.

(iii) Seychelles
Due to the COVID-19 pandemic, the project has been further delayed and management is pursuing a number of options in consultation with the Seychelles authorities.

Based on the above, management remains confident on the going concern of the Group and Company for the next 12 months and hence the financial statements have been prepared on a going concern basis.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its 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. Such changes are reflected in the assumptions when they occur.

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

12. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

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 years. 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.

As at 30 June 2021 and 30 June 2020, the Group's assessment of impairment of non-financial assets is disclosed under Note 25 and 27 respectively.

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. Provisions for possible tax consequences are based on estimates (Note 23).

Valuation of land and buildings
The fair value of land and buildings classified as Property and equipment and Investment property is determined by independent real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement.

Land and buildings are measured based on estimates prepared by independent real estate valuation experts. The significant methods and assumptions used by valuers in estimating the fair value of Property and equipment and Investment property are set out in Notes 25 and 27 respectively.

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 and equipment of the Group analysed by component as well as their residual values (Note 25).

Fair value measurements
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 significant methods and assumptions used by valuers in estimating the fair value are set out in Notes 25 and 27 respectively.

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

SIGNIFICANT TRANSACTIONS AND EVENTS

13. Other impairment losses

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Other impairment losses	**-**	457,003	**-**	545,518

Other impairment losses incurred in 2020 related to the golf course, inventory and VAT recoverable amounting to Rs 371m, Rs 44m and Rs 42m respectively in Domaine Palm Marrakech S.A..

14. Other gains

	THE GROUP	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020
	Rs '000	Rs '000
Other gains	**39,094**	-

During the year, Domaine de l'Harmonie Ltd which is a related party to the Group has relinquished its rights on the payable amount held in the books of Domaine Palm Marrakech S.A. which resulted in a gain recognised at Group level.

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

15. Events after the reporting date

Events which occurred after the reporting date and which require disclosure in the financial statements for the period ended 30 June 2021 are as follows:

The SBM Bank (Mauritius) Ltd (SBM) has agreed on the restructuring of the bank loan in Semaris Ltd following an updated business model. The bank loan was disbursed in August 2019 for the acquisition of land from New Mauritius Hotels Limited. As per the original contract, the bank repayment was due in September 2021. As part of the restructuring exercise, the maturity has been extended to January 2023 and the bank overdraft has increased from Rs 30m to Rs 100m for a period of one year and renewable thereafter. The full restructuring of the debt by the SBM will be made upon transfer of the land to Les Salines PDS Ltd.

The main impact on statements of financial position is reclassification of a term loan amounting to Rs 900m to non-current liabilities post-year end.

16. Related party transactions and disclosures

The following transactions have been entered into with related parties:

(i) Included in other income are:

	Nature of goods and services	THE GROUP Year ended 30 June 2021	THE GROUP Nine-month period ended 30 June 2020	THE COMPANY Year ended 30 June 2021	THE COMPANY Nine-month period ended 30 June 2020
Subsidiaries of fellow associate:		**Rs '000**	Rs '000	**Rs '000**	Rs '000
Beachcomber Hotel Marrakech S.A.	Management fees	**30,125**	28,536	**-**	-
Ste Anne Resort Limited	Reversal of accruals	**-**	5,195	**-**	-

(ii) Included in finance revenue are:

	Nature of goods and services	THE GROUP Year ended 30 June 2021	THE GROUP Nine-month period ended 30 June 2020	THE COMPANY Year ended 30 June 2021	THE COMPANY Nine-month period ended 30 June 2020
Subsidiaries of fellow associate:		**Rs '000**	Rs '000	**Rs '000**	Rs '000
Beachcomber Hotel Marrakech S.A.	Interest on receivable	**5,757**	-	**-**	-

(iii) Included in other expenses are:

	Note	Nature of goods and services	THE GROUP Year ended 30 June 2021	THE GROUP Nine-month period ended 30 June 2020	THE COMPANY Year ended 30 June 2021	THE COMPANY Nine-month period ended 30 June 2020
			Rs '000	Rs '000	**Rs '000**	Rs '000
Fellow associate:						
New Mauritius Hotels Limited	19	Management fees	**10,000**	7,500	**10,000**	7,500

(iv) Included in finance cost are:

	Nature of goods and services	THE GROUP Year ended 30 June 2021	THE GROUP Nine-month period ended 30 June 2020	THE COMPANY Year ended 30 June 2021	THE COMPANY Nine-month period ended 30 June 2020
Fellow associate:		**Rs '000**	Rs '000	**Rs '000**	Rs '000
New Mauritius Hotels Limited	Interest on borrowing	**75,135**	35,755	**75,135**	35,755

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

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

(v) Included under financial assets at amortised cost are:

	Notes	THE GROUP 2021 Rs '000	THE GROUP 2020 Rs '000	THE COMPANY 2021 Rs '000	THE COMPANY 2020 Rs '000
Subsidiaries:					
Domaine Palm Marrakech S.A.			-	**-**	863
Les Salines PDS Ltd		**-**	-	**3,647**	1,127
Kingfisher 3 Ltd		**-**	-	**13**	-
Subsidiaries of fellow associate:					
Ste Anne Resort Limited	32	**260**	-	**-**	-
Beachcomber Hotel Marrakech S.A.	32	**420,665**	370,588	**-**	-

(vi) Long-term loan payable to related party included under borrowings:

		THE GROUP 2021 Rs '000	THE GROUP 2020 Rs '000	THE COMPANY 2021 Rs '000	THE COMPANY 2020 Rs '000
Fellow associate:					
New Mauritius Hotels Limited	37	**1,348,540**	1,273,406	**1,314,790**	1,239,656

(vii) Included under trade and other payables:

	THE GROUP 2021 Rs '000	THE GROUP 2020 Rs '000	THE COMPANY 2021 Rs '000	THE COMPANY 2020 Rs '000
Fellow associate:				
New Mauritius Hotels Limited	**37,125**	24,971	**37,125**	24,971
Subsidiaries of fellow associate:				
Ste Anne Resort Limited	**5,894**	129	**-**	-
Kingfisher Ltd	**26**	26	**-**	-
Domaine de l'Harmonie Ltd	**-**	52,308	**-**	-

Terms and conditions of transactions with related parties
Outstanding balances at year end are unsecured and settlement occurs in cash. The Company has acted as guarantor for a bank loan taken by Domaine Palm Marrakech S.A., a subsidiary of the Company from Attijariwafa Bank for an amount of Rs 80m which expired in December 2020. The bank loan was taken to finance infrastructural works and has been fully repaid in January 2021. During the financial year, the Group and Company assessed recoverability of amounts owed by related parties and no impairment loss was recorded (2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loans from related parties
Loan payable to New Mauritius Hotels Limited bears interest rate of 5% per annum (2020: 5%).
All sales and purchases within the Group are made at commercial rates.

(viii) Compensation of key management personnel

	THE GROUP Year ended 30 June 2021 Rs '000	THE GROUP Nine-month period ended 30 June 2020 Rs '000	THE COMPANY Year ended 30 June 2021 Rs '000	THE COMPANY Nine-month period ended 30 June 2020 Rs '000
Salaries	**9,295**	5,433	**1,270**	195
Post-employment benefits	**29**	19	**-**	-
	9,324	5,452	**1,270**	195

17. Revenue from contract with customers

	THE GROUP Year ended 30 June 2021 Rs '000	THE GROUP Nine-month period ended 30 June 2020 Rs '000
Revenue from contract with customers (Note 11)	**710,583**	176,543
Timing of revenue recognition		
At a point in time	**710,583**	176,543

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

17. Revenue from contract with customers (cont'd)

(a) Assets and liabilities related to contract with customers

	THE GROUP			
	Contract assets		Contract liabilities	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
At 1 July/1 October	**3,832**	3,493	**306,820**	366,173
Amounts included in contract liabilities that were transferred to contract assets during the year/period	**-**	-	**(240,271)**	(177,474)
Revenue recognised during the year/period on contract assets	**537,209**	612,810	**-**	-
Amount transferred from contract liabilities during the year	**145,664**	-	**(145,664)**	-
Amount transferred to trade receivable during the year/period	**(286,813)**	(97,119)	**-**	-
Payment received	**(384,326)**	(520,080)	**-**	-
Cash received from deposit billed	**-**	-	**126,157**	86,136
Exchange differences	**1,562**	4,728	**28,271**	31,985
At 30 June 2021	**17,128**	3,832	**75,313**	306,820

Contract assets relate to amount already recognised as revenue for which payment has not yet been received. Such receipt is conditional upon receipt of the "quitus".

Contract liabilities relate to deposit received from customers upon call of funds when reaching contractual milestones.

The terms of payments relating to the remaining amount to be received do not include any variable component and are not yet due as at 30 June 2021.

18. Staff costs

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Wages, salaries, fees and bonuses	**36,122**	22,710	**1,270**	675
Social costs	**4,960**	(1,563)	**-**	-
Other employee benefits and related expenses	**13,347**	9,269	**-**	-
	54,429	30,416	**1,270**	675

19. Other expenses

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Operating supplies	**1,981**	1,812	**-**	-
Repairs and maintenance	**1,551**	683	**-**	-
Utility costs	**4,320**	10,725	**-**	-
Management fees (Note 16(iii))	**10,000**	7,500	**10,000**	7,500
Marketing expenses	**6,086**	3,015	**-**	-
Administrative expenses	**12,465**	8,892	**5,886**	3,081
Homeowners' association contribution	**5,945**	4,227	**-**	-
Professional fees	**6,255**	11,041	**-**	-
Licences and insurance	**3,416**	1,770	**516**	140
Sales commission	**21,841**	-	**-**	-
	73,860	49,665	**16,402**	10,721

20. Other income

	THE GROUP	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020
	Rs '000	Rs '000
Management income	**30,125**	28,536
Other operating income	**12,109**	25,507
Profit on disposal of plant and equipment	**677**	6
	42,911	54,049

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

21. Finance revenue

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest income	**5,983**	295	**148**	-

22. Finance costs

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Exchange loss on retranslation of lease liability	**(6,088)**	17,630	**-**	-
Interest costs on:				
Bank overdrafts	**569**	306	**569**	306
Bank and other loans repayable by instalments	**115,527**	63,633	**107,838**	60,306
Lease liabilities (Note 26(b))	**7,898**	6,497	**-**	-
	117,906	88,066	**108,407**	60,612
Interest cost analysed as follows:				
Interest recognised in statement of cash flows	**38,368**	28,022	**29,561**	24,815
Accrued interest (Note 34(b))	**85,516**	42,294	**78,846**	35,797
Exchange differences	**110**	120	**-**	-

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 an expense when incurred.

Borrowing costs capitalised are analysed as follows:

	THE GROUP	
	2021	2020
	Rs '000	Rs '000
Interest cost on bank loans included in inventories	**375,436**	348,719
Total borrowing costs capitalised	**375,436**	348,719

23. 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 operates and generates taxable income.

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

Deferred income tax
Deferred income 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 income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or 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 taxable temporary differences associated with investments in subsidiary 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.

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

23. Income tax (cont'd)

Accounting Policy (cont'd)

Deferred income tax (cont'd)

Deferred income tax assets are recognised for all deductible temporary differences, 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 income 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; or

- in respect of deductible temporary differences associated with investments in subsidiary companies, deferred income 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 income 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 income tax asset to be utilised. Unrecognised deferred income 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 income 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 income 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 income tax assets and deferred income tax liabilities are offset, if and only if:

(a) legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority;

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 statements 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 require future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. 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 companies. 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 upon 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)

23. Income tax (cont'd)

Significant accounting judgements and estimates (cont'd)

Taxes (cont'd)

The Directors have assessed the impact of IFRIC 23 - Uncertainty over Income Tax Treatments on the consolidated and separate financial statements and have concluded that there is no uncertain tax positions.

(a) Current income tax

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
The major components of income tax expense for the year/period ended 30 June 2021 and 30 June 2020 are:				
Statements of profit or loss:				
Income tax on the adjusted profit for the year/period at 15%-31% (2020: 15%)	**6,258**	1,246	-	-
Reversal of tax liability *	**(155,837)**	-	-	-
Deferred tax movement	**(38)**	(3,440)	-	-
Income tax credit	**(149,617)**	(2,194)	-	-
Statements of financial position:				
At 1 July/1 October	**145,125**	132,284	-	-
Income tax on the adjusted loss/profit for the year/period at 15%-31%	**6,258**	1,246	-	-
Less: Payment during the year/period	**(2,576)**	(1,246)	-	-
Reversal of tax liability *	**(155,837)**	-	-	-
Exchange difference	**12,497**	12,841	-	-
At 30 June	**5,467**	145,125	-	-

(b) A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian tax rate for the year/period ended 30 June 2021 and 30 June 2020 as follows:

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Profit/(loss) before tax	**2,422**	(785,428)	**(125,931)**	(617,526)

	THE GROUP		THE COMPANY	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Tax calculated at a rate of 15%-31% (2020: 15%-31%)	**22,682**	(227,877)	**(18,890)**	(92,629)
Effect of different tax rates in foreign countries	**(22,319)**	108,822	**-**	-
Expenses not deductible for tax purposes	**70,849**	186,596	**83**	81,828
Income not subject to tax	**(6)**	(81,706)	**-**	-
Deferred tax asset not recognised	**18,837**	11,971	**18,807**	10,801
Utilisation of tax losses	**(83,823)**	-	**-**	-
Reversal of tax liability *	**(155,837)**	-	**-**	-
Income tax credit	**(149,617)**	(2,194)	**-**	-

* During the year, shared expenses were reversed in a subsidiary company (Domaine Palm Marrakech S.A.) with minimal tax charge, causing previous tax liability recognised to be reversed.

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

23. Income tax (cont'd)

Significant accounting judgements and estimates (cont'd)

Taxes (cont'd)

(c) Deferred income tax

(i) Deferred income taxes are calculated on all temporary differences under the liability method at 15%-31% (2020: 15%-31%). There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP	
	2021	2020
	Rs '000	Rs '000
Deferred tax asset (Note (iv))	**21,783**	18,941
Deferred tax liability (Note (iv))	**(18,244)**	(15,912)
Net deferred income tax assets	**3,539**	3,029

(ii) No deferred tax asset has been recognised for both the Group and Company following losses in the reporting period due to unpredictability of future profit streams. The tax losses not recognised as deferred tax on the Group and Company amounted to Rs 305m (2020: Rs 228m) and Rs 207m (2020: Rs 93m) respectively.

(iii) The movement on the deferred income tax account is as follows:

	THE GROUP	
	2021	2020
	Rs '000	Rs '000
At 1 July	**3,029**	-
Credited to profit or loss (Note (a))	**38**	3,440
Exchange losses	**472**	(411)
At 30 June	**3,539**	3,029

(iv) The movement in deferred tax assets and liabilities during the reporting period, without taking into consideration the offsetting of balances is as follows:

Deferred tax liability	**THE GROUP**
	Right-of-use assets
	Rs '000
At 1 October 2019	
- As previously reported	-
- Effect of adopting IFRS 16	(16,859)
- As restated	(16,859)
Amount recognised in profit or loss	258
Exchange gains	689
At 30 June 2020	(15,912)
Amount recognised in profit or loss	**335**
Exchange losses	**(2,667)**
At 30 June 2021	**(18,244)**

Deferred tax asset	**THE GROUP**
	Lease liabilities
	Rs '000
At 1 October 2019	
- As previously reported	-
- Effect of adopting IFRS 16	16,859
- As restated	16,859
Amount recognised in profit or loss	3,182
Exchange losses	(1,100)
At 30 June 2020	18,941
Amount recognised in profit or loss	**(297)**
Exchange gains	**3,139**
At 30 June 2021	**21,783**

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

24. Earnings/loss per share

Accounting Policy
Basic EPS is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The number of ordinary shares of the Company as at year end amounts to 548,982,130.

The following table reflects the income and share data used in the basic EPS computation:

	Note	Year ended 30 June 2021	Nine-month period ended 30 June 2020
		Rs '000	Rs '000
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings		**152,039**	(783,234)
Number of ordinary shares for basic EPS	35	**548,982,130**	548,982,130
Basic earnings/loss per share (Rs)		**0.28**	(1.43)

25. Property and equipment

Accounting Policy

Property 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 equipment and borrowings 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 initially stated at deemed cost and are subsequently measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Following initial recognition at cost, freehold land and buildings are reviewed 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 deficit 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 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 a straight-line basis over the useful life as follows:

Office buildings	50 years
Property and equipment	Between 6 and 15 years
Furniture, fittings, office equipment and electrical appliances	Between 3 and 10 years
Computers and electronic equipment	Between 3 and 10 years
Motor vehicles	5 years

Land is not depreciated.

Other fixed assets include equipment, furniture and fittings, office equipment and electrical appliances and computers and electronic equipment.

An item of property 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 and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

Significant accounting judgements and estimates
Revaluation of freehold land and buildings
The Group measures freehold land and buildings at revalued amounts with changes in fair value being recognised in statements of other comprehensive income and accumulated in equity. The Group engaged an independent valuation specialist to determine fair value based on prevailing market data.

With the outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, the global financial markets have been impacted. Travel restrictions have been implemented by many countries. The market activity is impacted in all sectors. As at year end, the Directors have considered to attach less weight to previous market evidence for comparison purposes when forming opinions of value. Indeed, the current response to COVID-19 means that an unprecedented set of circumstances are faced on which to base a judgement. In addition, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case, given the unknown future impact that COVID-19 might have on the real estate market. There has been no change in the valuation methodology used for land and buildings as a result of COVID-19.

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

25. Property and equipment (cont'd)

Property 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 and equipment of the Group analysed by component as well as their residual values. In estimating residual values, the Group has 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 best judgement to assess the useful life of the assets at the end of each reporting year and to forecast the expected residual values of the assets at the end of their expected useful lives. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each year is recognised in profit and loss.

The carrying amount of property and equipment is disclosed below.

	Freehold Land	Buildings	Other Fixed Assets	Motor Vehicles	Work in Progress	Total
THE GROUP	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
COST						
At 1 October 2019	10,120	696,633	45,904	13,790	83,586	850,033
Additions	-	711	1,739	-	-	2,450
Disposal	-	-	(105)	-	-	(105)
Impairment	-	(381,722)	-	-	-	(381,722)
Exchange differences	982	52,774	4,520	1,273	(12,859)	46,690
At 30 June 2020	11,102	368,396	52,058	15,063	70,727	517,346
Additions	-	-	2,291	-	-	2,291
Disposal	-	-	(11)	(875)	-	(886)
Exchange differences	1,781	59,111	8,537	2,318	12,859	84,606
At 30 June 2021	**12,883**	**427,507**	**62,875**	**16,506**	**83,586**	**603,357**
DEPRECIATION						
At 1 October 2019	-	8,819	34,215	11,811	-	54,845
Charge for the period	-	11,530	2,765	769	-	15,064
Disposal adjustment	-	-	(105)	-	-	(105)
Impairment	-	(10,561)	-	-	-	(10,561)
Exchange differences	-	894	3,425	1,177	-	5,496
At 30 June 2020	-	10,682	40,300	13,757	-	64,739
Charge for the year	-	8,511	4,463	870	-	13,844
Disposal adjustment	-	-	(11)	(666)	-	(677)
Exchange differences	-	2,401	6,825	2,224	-	11,450
At 30 June 2021	**-**	**21,594**	**51,577**	**16,185**	**-**	**89,356**
Net book value at 30 June 2021	**12,883**	**405,913**	**11,298**	**321**	**83,586**	**514,001**
Net book value at 30 June 2020	11,102	357,714	11,758	1,306	70,727	452,607

(a) Revaluation of freehold land and buildings
The Group has a policy of revaluing its freehold land and buildings every three years. Assets and liabilities have been brought into the Group at fair value as at 30 September 2019. The fair value of assets were determined by Mr Noor Dilmohamed, BSc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer based on prevailing market data. The Directors are of the opinion that there has been no material change to the property value during the year ended 31 June 2021.

Details of the Group's freehold land and buildings measured at fair value and information about the fair value hierarchy are as follows:

	Level 1	Level 2	Level 3
As at 30 June 2021	**Rs '000**	**Rs '000**	**Rs '000**
Freehold land	-	12,883	-
Buildings	-	34,918	370,995
Total	**-**	**47,801**	**370,995**

	Level 1	Level 2	Level 3
As at 30 June 2020	Rs '000	Rs '000	Rs '000
Freehold land	-	11,102	-
Buildings	-	31,286	326,428
Total	-	42,388	326,428

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

25. Property and equipment (cont'd)

(b) The significant input used in the valuation of buildings is price per square metre.

Significant observable valuation input

	2021 Range	2020 Range
Price per square metre:		
Buildings	Rs 500-Rs 600 per sqm	Rs 400-Rs 500 per sqm

The increase represents mainly change in exchange rates of MUR vis-a-vis MAD.

The fair value measurements of the buildings using significant unobservable inputs are as follows:

	THE GROUP	
	2021	2020
	Rs '000	Rs '000
At 1 July/1 October	**326,428**	-
- Effect of prior year error	**-**	659,052
- As restated	**326,428**	659,052
Other impairment losses recognised in profit or loss (Note 13)	**-**	(371,161)
Depreciation charge	**7,227**	-
Exchange differences	**37,340**	38,537
At 30 June	**370,995**	326,428

The following summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	Valuation technique and key Inputs	**Unobservable Inputs**	**Sensitivity used**	**Effect on fair value 30 June 2021 Rs '000**
Buildings	Depreciation rate	Price per square metre	1% increase price per square metre	**3,710**
			1% decrease price per square metre	**(3,710)**

	Valuation technique and key inputs	Unobservable inputs	Sensitivity used	Effect on fair value 30 June 2020 Rs '000
Buildings	Value-in-use approach	Weighted average cost of capital	1% increase in fair value	3,264
			1% decrease in fair value	(3,264)

(c) Impairment of assets

As at 30 June 2021, an impairment assessment has been performed in accordance with IAS 36 and no additional impairment losses were identified for the year ended 30 June 2021.

In prior year, an impairment loss of Rs 371m was identified and recognised on the golf course in DPM. The impairment assessment was made in accordance with IAS 36 Impairment of assets where a value-in-use (VIU) approach has been used. The method involved the projection of cash flows which would derive from the operation of the golf course.

Main assumptions used in the valuation of the golf course under the value-in-use method are:

	2021	2020
Discount rate	**10.60%**	10.60%
Terminal growth rate	**1.5%**	2%
Exit EBITDA multiple	**7.3x**	7.3x
VIU period*	**5 years**	7 years

** Management was of view that the stabilisation period in prior year would be reflected on the 7th year of the forecast.*

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

Accounting Policy (cont'd)

26. Right-of-use assets and lease liabilities

Accounting Policy

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

• lease of low-value assets (below Rs 200k); and
• lease with a duration of 12 months or less.

Identifying Leases
The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) there is an identified asset;
(b) the Group obtains substantially all the economic benefits from use of the asset; and
(c) the Group has the right to direct use of the asset.

The Group considers 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 obtains substantially all the economic benefits from use of the asset, the Group considers 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 has the right to direct use of the asset, the Group considers whether it directs 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 considers whether it was 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 applies other applicable IFRSs rather than IFRS 16.

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 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 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 is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same rate as 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 renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

• if the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

• in all other cases where the renegotiated 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; and

• 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.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, nor account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

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

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

Accounting Policy (cont'd)

Significant accounting judgements and estimates

Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in leases where it is the lessee. Therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group 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. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(a) RIGHT-OF-USE ASSETS	**THE GROUP**		
	Land and buildings	**Plant machinery and motor vehicles**	**Total**
	Rs '000	**Rs '000**	**Rs '000**
At 1 October 2019	554,241	4,900	559,141
Depreciation	(8,550)	(388)	(8,938)
Exchange differences	(11,697)	460	(11,237)
At 30 June 2020	533,994	4,972	538,966
Depreciation	(11,161)	(576)	(11,737)
Exchange differences	17,793	752	18,545
At 30 June 2021	**540,626**	**5,148**	**545,774**
(b) LEASE LIABILITIES			
At 1 October 2019	86,426	2,310	88,736
Interest expense	6,398	99	6,497
Lease payments	(2,342)	(579)	(2,921)
Exchange differences	7,792	206	7,998
At 30 June 2020	98,274	2,036	100,310
Interest expense	7,650	248	7,898
Lease payments	(4,845)	(861)	(5,706)
Exchange differences	10,243	166	10,409
At 30 June 2021	**111,322**	**1,589**	**112,911**

Analysed as follows:	**2021**	2020
	Rs '000	Rs '000
Current	**4,290**	10,480
Non-current	**108,621**	89,830
	112,911	100,310

	THE GROUP	
Maturity analysis of lease liabilities:	**Year ended 30 June 2021**	Nine-month period ended 30 June 2020
Minimum lease payments:	**Rs '000**	Rs '000
- Within one year	**14,576**	20,115
- After one year and before two years	**11,160**	17,837
- After two years and before five years	**31,821**	50,253
- After five years	**570,809**	486,981
	628,366	575,186
Less: Future finance charges on obligations	**(515,455)**	(474,876)
Present value of obligations	**112,911**	100,310
Present value analysed as follows:		
Current		
- Within one year	**4,290**	10,480
Non-current		
- After one year and before two years	**8,899**	8,019
- After two years and before five years	**26,883**	21,189
- After five years	**72,839**	60,622
	108,621	89,830
	112,911	100,310

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

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

(c) The leasehold rights recognised at Group level through investment made by Semaris Ltd in Kingfisher 3 Limited for its underlying assets in Praslin Resort Limited, are amortised over the remaining lease term of the parcels of land, i.e. 47 years.

(d) Nature of leasing activities (in the capacity as lessee)
The Group leases land in the jurisdictions from which it operates. 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.

The Group also leases certain items of plant and equipment. Some contracts for services with distributors contain a lease of vehicles. Leases of property, equipment and vehicles comprise only fixed payments over the lease terms.

(e) Extension and termination options
There are no extension and termination options included in property and equipment leases across the Group.

(f) 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).

Extension and termination options are included in property leases in the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group operation. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(g) Interest expense

	THE GROUP	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020
	Rs '000	Rs '000
Interest expense (included in finance cost) (Note 22)	**7,898**	6,497

The total cash outflow for leases in 2021 was Rs 5.7m (2020: Rs 2.9m) for the Group.

27. 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 properties are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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 an owner-occupied property becomes an investment property, the Group shall account for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Significant accounting judgements and estimates

Fair value of land and buildings
The Group measures investment properties at revalued amounts with changes in fair value being recognised in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to determine fair value based on prevailing market data.

The fair value of investment properties is determined by using a discounted cash flows method, using assumptions that are based on market conditions existing at the end of the relevant reporting year, valuation uncertainty due to novel coronavirus ("COVID-19"):

As at valuation date, the valuers have considered to attach less weight to previous market evidence for comparison purposes, to form opinions of value. Indeed, the current response to COVID-19 means that an unprecedented set of circumstances are faced on which to base a judgement. The valuation is therefore reported on the basis of 'valuation uncertainty'. In addition, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case, given the unknown future impact that COVID-19 might have on the real estate market. For the avoidance of doubt, the valuation uncertainty declaration does not mean that the valuation cannot be relied on as it only serves as a precaution and does not invalidate the valuation. There has been no change in the valuation methodology used for investment properties as a result of COVID-19.

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

27. Investment property (cont'd)

Accounting Policy (cont'd)

Significant accounting judgements and estimates (cont'd)

Fair value of land and buildings (cont'd)

	THE GROUP	
	2021	2020
	Rs '000	Rs '000
At 1 July/1 October		
- As previously reported	**756,718**	1,542,464
- Effect of correction of prior year error	**-**	(659,052)
- As restated	**756,718**	883,412
Additions	**-**	873
Fair value movement (Note (b))	**17,500**	(205,353)
Exchange differences	**122,831**	77,786
At 30 June	**897,049**	756,718

(a) The investment properties are stated at fair value which has been determined by Directors, based on valuations performed by the accredited independent valuers A. Lazrak Advisory. As at 30 June 2021, revaluation of the investment properties was carried out using a fair value approach which was supported by open market value by reference to market evidence of transaction prices for similar properties and discounted cash flow method. The revaluations were based on market economic conditions and active market prices existing at the reporting date, adjusted for any difference in the nature, location or condition of the specific property. Cash flows of the different projects have been discounted using a WACC specific to the projects to reflect the current market assessments. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property. As at 30 June 2021, investment properties are classified under Level 3.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	Valuation technique and key inputs	**Unobservable inputs**	**Sensitivity used**	**Effect on fair value**
				30 June 2021
				Rs '000
4-star hotel	Discounted cash flows	Weighted average cost of capital	1% increase in fair value	**1,860**
			1% decrease in fair value	**(1,860)**
5-star hotel	Discounted cash flows	Weighted average cost of capital	1% increase in fair value	**3,804**
			1% decrease in fair value	**(3,804)**
Country club	Discounted cash flows	Weighted average cost of capital	1% increase in fair value	**3,117**
			1% decrease in fair value	**(3,117)**

	Valuation technique and key inputs	**Unobservable inputs**	**Sensitivity used**	**Effect on fair value**
				30 June 2020
				Rs '000
4-star hotel	Discounted cash flows	Weighted average cost of capital	1% increase in fair value	1,603
			1% decrease in fair value	(1,603)
5-star hotel	Discounted cash flows	Weighted average cost of capital	1% increase in fair value	3,278
			1% decrease in fair value	(3,278)
Country club	Discounted cash flows	Weighted average cost of capital	1% increase in fair value	2,686
			1% decrease in fair value	(2,686)

Significant valuation input:

	Fair value	**Range**
	Rs '000	
2021		
Price per square metre	**897,049**	**Rs 4,500 - Rs 13,500**
2020		
Price per square metre	756,718	Rs 4,000 - Rs 12,000

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

27. Investment property (cont'd)

Significant accounting judgements and estimates (cont'd)

Fair value of land and buildings (cont'd)

Detail of the Group's freehold land and buildings measured at fair value and information about the fair value hierarchy are as follows:

As at 30 June 2021	**Level 1** **Rs '000**	**Level 2** **Rs '000**	**Level 3** **Rs '000**
Freehold land	**-**	**-**	**522,252**
Buildings	**-**	**-**	**374,797**
Total	**-**	**-**	**897,049**

As at 30 June 2020	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000
Freehold land	-	-	444,026
Buildings	-	-	312,692
Total	-	-	756,718

Reconciliation of level 3 fair value hierarchy is as follows:	**THE GROUP**	
	2021	2020
	Rs '000	Rs '000
At 1 July	**756,718**	-
Transfer from property and equipment (Level 3)	**-**	962,071
Fair value movement	**17,500**	(205,353)
Exchange differences	**122,831**	-
At 30 June	**897,049**	756,718

(b) Included in the fair value movement are the following properties:

(i) a fair value decrease of Rs 5.8m was recognised on land earmarked for 5-star hotel in Domaine Palm Marrakech S.A.. The movement in fair value is based on latest fair valuation of the property using a WACC of 9.7% compared to a higher WACC of 10.6% in prior year. Based on the COVID-19 implications, the cash flows used have been revised to adapt to the prevailing conditions. The fair value is further supported by a set of 10 comparable property assets in the region;

(ii) the fair value of the country club has increased by Rs 1.9m following a slight increase in future cash flows and using a WACC of 10.6% and terminal growth rate of 1.5% over a discounted cash flows (DCF) period of 5 years; and

(iii) a fair value increase of Rs 21.4m has also been recognised for 4-star hotel using DCF method with a WACC of 9.7%. The fair value is further supported by a set of 10 comparable property assets in the region.

The following amounts have been recognised in profit or loss:	**THE GROUP**	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020
	Rs '000	Rs '000
Rental income	**12,852**	10,537

No direct operating expenses (including repairs and maintenance) arising from investment property have been incurred during the year (2020: Nil).

28. Intangible assets

Accounting Policy

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 is 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 profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with finite lives are amortised over a period of two to five years.

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

28. Intangible assets (cont'd)

Accounting Policy (cont'd)

Other intangible assets (cont'd)

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indicator of impairment either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. 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 are recognised in profit or loss when the asset is derecognised.

THE GROUP	**Computer software**
COSTS	**Rs '000**
At 1 October 2019 (restated)	2,269
Additions	736
Exchange differences	249
At 30 June 2020	3,254
Exchange differences	522
At 30 June 2021	**3,776**
AMORTISATION	
At 1 October 2019 (restated)	1,361
Amortisation charge	306
Exchange differences	145
At 30 June 2020	1,812
Amortisation charge	508
Exchange differences	331
At 30 June 2021	**2,651**
Net book value at 30 June 2021	**1,125**
Net book value at 30 June 2020	1,442

29. Investments 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 a 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
Investments in subsidiaries are carried at the cost at 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 taken to the statements of profit or loss.

	THE COMPANY	
Cost (Unquoted)	**2021**	2020
	Rs '000	Rs '000
At 1 July/1 October	**3,049,483**	3,595,001
Impairment (Note 13)	**-**	(545,518)
At 30 June	**3,049,483**	3,049,483

As prescribed by IAS 36, an impairment assessment was done as at year end on the carrying value of the Company's investment. The value-in-use approach has been used to test for the recoverability of the investment held by Semaris Ltd. A discount rate of 9.7% (2020: 10.6%) was used in DPM which is based on its discounted free cash flow while for Praslin Resort Limited, the valuation of land was determined by an independent valuer as the project has not yet started. In prior year, the Company recognised an impairment loss on its investment in Domaine Palm Marrakech S.A. due to recoverable value being lower than the carrying amount. The impairment loss was recognised in the statement of profit or loss under other impairment losses (Note 13).

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

30. 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:
- stock of villas is accounted at costs which comprise cost of land, construction costs, leasehold rights and borrowing costs;
- villas being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventory and measured at the lower of cost and net realisable value; and
- the leasehold right acquired on the parcel of land for construction of villas has been allocated to inventory. Upon disposal of villas, the leasehold rights will be released to the profit and loss account.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The Group uses forward price for sales of completed inventory in future years. Cash flows associated with net realisable value is discounted at an appropriate rate (WACC) to determine the estimated net realisable value of the inventory in its present location and condition.

Consequently, the outstanding cost of conversion and cost to sell are adjusted to take into account the time value of money.

Significant accounting judgements and estimates

Estimation of net realisable value for inventories
Inventories are stated at the lower of cost and NRV.
NRV for land banks are assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group in the same geographical market serving the same real estate segment.

NRV in respect of projected villas under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money (WACC).

	THE GROUP		THE CO3MPANY	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Stock of land for sale (Note (a))	**3,479,600**	3,642,105	**2,000,000**	2,000,000
Leasehold rights acquired	**128,975**	128,975	**-**	-
	3,608,575	3,771,080	**2,000,000**	2,000,000

(a) Stock of land for sale is made up of:

Land for sale at Les Salines, Mauritius	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Land for development of integrated hotel scheme ("IHS") at Les Salines	**34,023**	34,023	**-**	-
Development under Les Salines PDS Ltd	**2,305**	-	**-**	-
Villas under construction in Marrakech, Morocco	**1,443,272**	1,608,082	**-**	-
	3,479,600	3,642,105	**2,000,000**	2,000,000

(b) Inventories are included in assets given as collateral for bank borrowings and loan to related parties.

(c) Interest costs capitalised in inventory amounted to Rs 375m as at 30 June 2021 (2020: Rs 349m) for the Group. The rate used to determine the amount of borrowing costs eligible for capitalisation varied between 4.6% and 6% for loans denominated in foreign currency, which was the effective rate of interest on the specific borrowings.

(d) Cost of inventories expensed amounted to Rs 528m during the year (2020: Rs 156m) for the Group.

(e) No additional impairment on inventory was incurred during the year ended 30 June 2021 (2020: Rs 44m).

31. Trade receivables

	THE GROUP	
	2021	2020
	Rs '000	Rs '000
Trade receivables	**71,171**	1,670

Trade receivables are unsecured, non-interest-bearing and are generally on 30 to 60 days' term.

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

31. Trade receivables (cont'd)

(i) *Impairment of trade receivables*
The Group and Company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and assess for those receivables which has an significant increase in credit risks. In addition, where there is no indication of impairment for those appearing past due, management assesses the risk of the non-recoverability of trade receivables not yet due nor impaired.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Since trade receivables relate only to Domaine Palm Marrakech S.A and the value of trade receivables is low, a specific provisioning is used to assess expected loss allowance. In prior year, trade receivables at nominal value of Rs 552k for the Group were fully provided for (2021: Nil).

(ii) The ageing of trade and other receivables is disclosed in Note 8(i).

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

(iv) The Group does not hold any collateral as security for trade and other receivables.

(v) The carrying amounts of trade and other receivables which are receivable within one year approximate their fair values.

32. Financial assets at amortised cost

(a)	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Non-current	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Financial assets at amortised cost	**365,575**	332,634	**-**	-
Current				
Financial assets at amortised cost	**55,350**	37,954	**3,660**	1,990
Total financial assets at amortised cost	**420,925**	370,588	**3,660**	1,990

This relates to amounts receivable from Beachcomber Hotel Marrakech S.A. (BH) for use of country club, golf and other services provided by DPM. During the year, an amount of Rs 43m was written off representing mainly waiver of recharge expenses and rental of country club.

Terms and conditions:
- a repayment agreement has been established between Domaine Palm Marrakech S.A and Beachcomber Hotel Marrakech S.A whereby it is agreed that the receivable amount as at 30 June 2020 will be repayble quarterly over eight years starting from 01 July 2020 to 30 June 2028. Following the impact of COVID-19 on the hospitality industry, Beachcomber Marrakech S.A has requested a moratorium up to November 2021 to repay DPM which was agreed by the latter.

- an interest rate of 2.5% and 4% per annum will be charged on current and non-current receivables respectively.

The Group has made an impairment assessment by considering the previous repayment behaviours and assessing the future cash flow forecasts covering the contractual period of the receivable balances. The Group does not expect any default on repayment and is certain of Beachcomber Hotel Marrakech S.A. ability to repay its debt as it falls due in the normal course of business and/or in any adverse economic and business conditions except for impairment losses amounting to Rs 43m which has been accounted following an overbilling of invoices to BH in prior years.

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

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
MUR	**-**	-	**3,660**	1,990
MAD	**420,925**	370,588	**-**	-
	420,925	370,588	**3,660**	1,990

(c) The ageing of financial assets at amortised cost is disclosed in Note 8(i).

(d) The Group does not hold any collateral as security for financial assets at amortised cost.

33. Other assets

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
VAT receivable	**385,059**	380,857	**5,976**	4,136
Prepayments	**22,866**	20,555	**322**	51
Other receivables	**15,409**	23,654	**-**	-
	423,334	425,066	**6,298**	4,187

(a) VAT is receivable on capital expenditure incurred by the Group. In the prior period, an amount of Rs 42m (Note 13) has been impaired following lapse of time on the recoverability of VAT.

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

34. 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	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash in hand and at bank	**166,114**	159,591	**45,249**	74,888
Bank overdrafts (Note 37)	**(17,323)**	(11,005)	**(17,325)**	(11,005)
	148,791	148,586	**27,924**	63,883

The fair value of cash is Rs 166m (2020: 160m) for the Group and Rs 45m (2020: 75m) for the Company.

At 30 June 2021, the Group and Company did not have any undrawn loan facilities. Undrawn overdraft facilities amounted to Rs 12.7m in 2021 (2020: Rs 8.9m) for both Group and Company.

While cash and cash equivalents are also subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(b) Reconciliation of liabilities arising from financing activities:

(i) **THE GROUP**

			Non-cash changes			
	2020	**Cash flows**	**Recognition of IFRS 16**	**Amortisation cost**	**Foreign exchange differences**	**2021**
2021	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Borrowings	**2,331,579**	**(103,417)**	**-**	**77,618**	**17,850**	**2,323,630**
Lease liabilities	**100,310**	**(5,706)**	**-**	**7,898**	**10,409**	**112,911**
	2,431,889	**(109,123)**	**-**	**85,516**	**28,259**	**2,436,541**
2020						
Borrowings	2,215,685	68,725	(2,310)	39,352	10,127	2,331,579
Lease liabilities	-	(2,921)	88,736	6,497	7,998	100,310
	2,215,685	65,804	86,426	45,849	18,125	2,431,889

(ii) **THE COMPANY**

			Non-cash changes	
	2020	**Cash flows**	**Amortisation cost**	**2021**
2021	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Borrowings	**2,142,243**	**-**	**78,846**	**2,221,089**
	2,142,243	**-**	**78,846**	**2,221,089**
2020				
Borrowings	2,102,891	-	39,352	2,142,243
	2,102,891	-	39,352	2,142,243

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

35. Stated capital

	Issued number of shares		Issued and fully paid	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
As at 30 June	**548,982,130**	548,982,130	**3,595,000**	3,595,000

As at 30 September 2019, the Company had issued 548,982,130 shares of no par value. All shares have been fully paid and carry equal voting rights. The ordinary shares are classified as equity.

36. Foreign exchange differences reserves

Nature and purpose of reserves

	THE GROUP	
	2021	2020
	Rs '000	Rs '000
Foreign exchange difference	**711,964**	253,249

These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries.

37. Borrowings

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Current portion				
Bank overdrafts (Note (a)/Note 34)	**17,323**	11,005	**17,325**	11,005
Bank loans	**931,245**	135,735	**906,299**	28,992
Loan from related company (Note (b))	**-**	27,594	**-**	27,594
	948,568	174,334	**923,624**	67,591
Non-current portion				
Bank loans	**43,845**	922,438	**-**	873,595
Loan from related company (Note (b))	**1,348,540**	1,245,812	**1,314,790**	1,212,062
	1,392,385	2,168,250	**1,314,790**	2,085,657
Total borrowings	**2,340,953**	2,342,584	**2,238,414**	2,153,248

(a) Bank overdrafts

The bank overdrafts are secured by fixed and floating charge on the assets of the individual companies of the Group. The interest rate on bank overdraft vary between 4.25% and 4.75%.

(b) Loan from related company has been disclosed under related party transactions and disclosures (Note 16(vi)).

(c) Bank loans and loan from related party

Bank loans and loan from related party can be analysed as follows:	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Current				
- Within one year	**931,245**	163,329	**906,299**	56,586
Non-current				
- After one year and before two years	**24,945**	957,061	**-**	908,856
- After two years and before five years	**301,279**	582,918	**248,629**	548,531
- After five years	**1,066,161**	628,271	**1,066,161**	628,270
	1,392,385	2,168,250	**1,314,790**	2,085,657
	2,323,630	2,331,579	**2,221,089**	2,142,243

Bank loans and loan from related party are denominated as follows:

	Effective Interest rate	Maturity	THE GROUP	
			2021	2020
			Rs '000	Rs '000
Denominated in:				
MUR	4.75% - 5%	2021-2029	**2,254,840**	2,175,993
MAD	6% - 7%	2017-2023	**68,790**	155,586
			2,323,630	2,331,579

	Effective Interest rate	Maturity	THE COMPANY	
			2021	2020
			Rs '000	Rs '000
Denominated in:				
MUR	4.75% - 5%	2021-2029	**2,221,089**	2,142,243

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

37. Borrowings (cont'd)

The bank loans are secured by fixed and floating charges over the Group's assets as follows:
• floating charge on all immovable and movable assets of the Group; and
• fixed charge on freehold land acquired by the Company.

The loan from related company amounting to Rs 1.2bn is unsecured and subordinated to the bank loans. Following the restructuring of the debt of the Company, the terms of repayment of the loan from related party has been renegotiated as at 30 June 2021 whereby bullet repayments are planned the earlier of targeted sales as disclosed in the agreement or at the end of each Phase of the PDS project.

38. Trade and other payables

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade payables	**320,290**	342,860	**32,852**	21,352
Other payables	**37,100**	80,943	**8,396**	4,989
	357,390	423,803	**41,248**	26,341

Trade payables are non-interest-bearing and are generally on 30 to 60 days' term.

39. Fair value of assets and liabilities

Accounting Policy

Fair value measurement
The Group measures its financial instruments and non-financial assets such as investment property and items of property at fair value at each reporting date.

The Group uses 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; and
• 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 determines 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 management determines the policies and procedures for the measurement of both recurring and non-recurring fair values. 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.

External valuers are used to fair value land and buildings classified under "Property and equipment" and "Investment property", by applying specific valuation techniques. Involvement of external valuers for the valuation of its 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 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 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.

For the purpose of fair value disclosures, the Group has 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 statement 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. As at 30 June 2021 and 30 June 2020, the Group held the following financial instruments carried at fair value in the statements of financial position which have been disclosed under Notes 25 and Note 27 respectively.

The carrying amounts of financial assets and liabilities approximate their fair values.

For valuation techniques regarding property classified under Property and equipment and Investment property refer to Notes 25 and 27 respectively.

In prior year, transfers from level 2 to level 3 have been disclosed under Note 27 whereas for the financial year ended 30 June 2021 no transfer has been made.

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

40. Commitments

	THE GROUP	
	Year ended 30 June 2021	Nine-month period ended 30 June 2020
	Rs '000	Rs '000
Capital commitments		
Les Salines PDS Ltd (i)	**14,301,000**	10,650,574
Les Salines IHS Limited (ii)	**349,000**	349,000
Domaine Palm Marrakech S.A. (iii)	**2,275,903**	1,373,531
Praslin Resort Limited (Seychelles) (iv)	**1,100,000**	1,080,000
	18,025,903	13,453,105

(i) The project will comprise 220 exclusive plots which will be developed on a total land area of 73 hectares. The plots averaging 2,100m^2 will be located around an 18-hole golf course. Out of the 220 available plots, 25% will be sold as serviced plots.

(ii) The development of an IHS under Les Salines IHS Limited is currently being restructured by Semaris and NMH following the impact of the COVID-19 pandemic on the hospitality industry.

(iii) The amount of Rs 2.3bn represents the estimated cost for Phases 1b and 2 of the property development in Marrakech. Phase 1b includes the development and sale of 18 plots and 35 premium villas. As at 30 June 2021, five prime plots were already sold and several reservation contracts were signed. Phase 2 includes mainly infrastructure costs.

(iv) Property development under the "villa policy" will be carried out on the 64 hectares of land acquired by Praslin Resort Limited. This development will allow the sale of residential units to foreigners provided that the project has an important hospitality component.

SEMARIS
Property Development