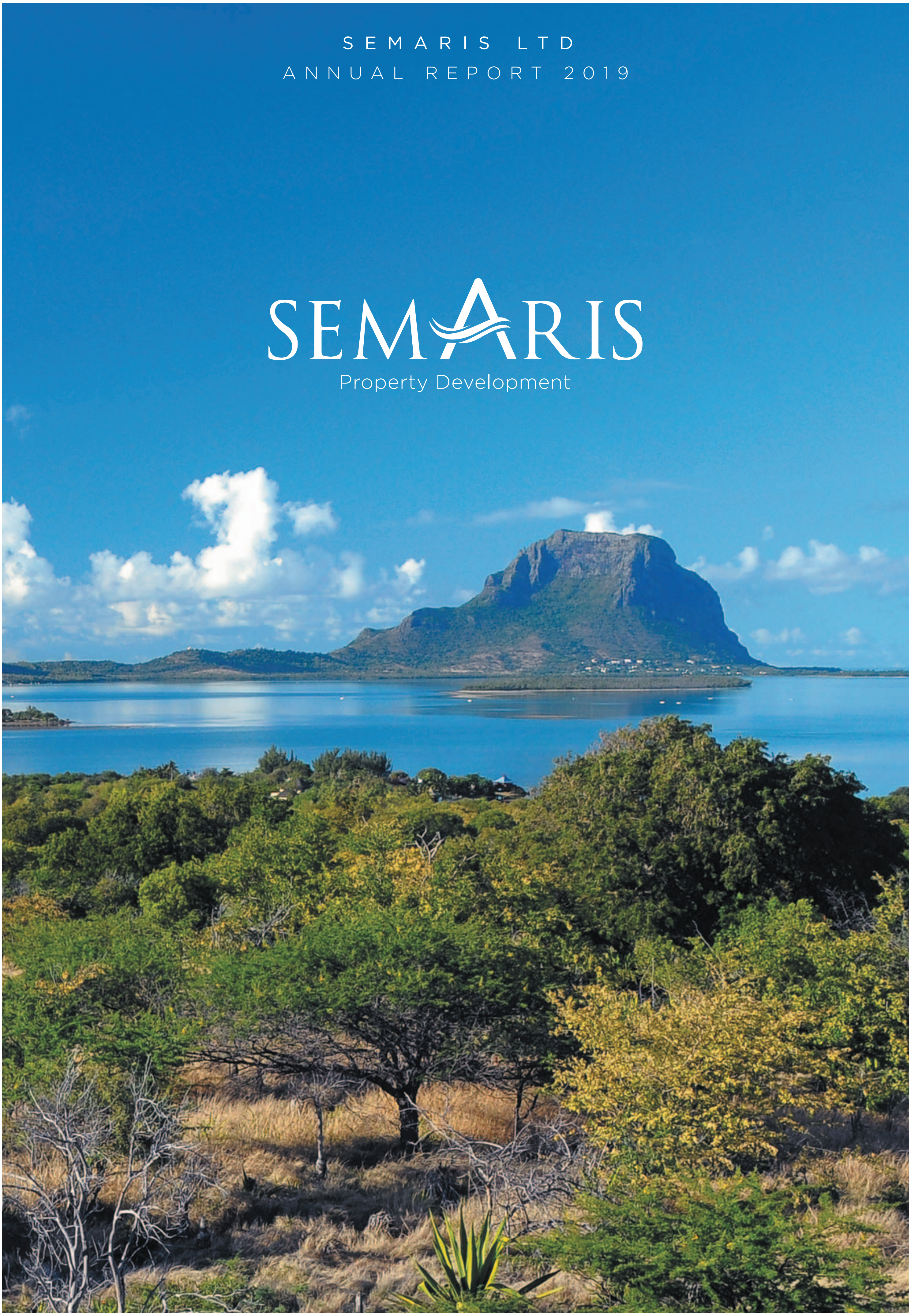
SEMARIS LTD
ANNUAL REPORT 2019

SEMARIS
Property Development



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CHAIRMAN'S REPORT

Dear Shareholder,

I am pleased to present the first Annual Report of Semaris Ltd ("Semaris") and its subsidiaries for the year ended 30 September 2019.

For most of the year under review, Semaris was a fully owned subsidiary of New Mauritius Hotels Limited ("NMH").

On 16 September 2019, the Company was officially listed on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius.

Subsequently, on 27 September 2019, NMH proceeded with a Capital Reduction, which was settled by way of ordinary shares in Semaris, whereby NMH's shareholders were allotted one ordinary share in Semaris for each ordinary share held in NMH.

Since that date, Semaris is therefore totally independent from the ownership of NMH and is managed by a dedicated Board of Directors comprising an appropriate mix of Independent and Executive Directors. As the carve-out of Semaris only took place three days before the financial year end, the Company was not fully compliant with the National Code of Corporate Governance 2016 ("the Code") as at 30 September 2019. However, all necessary steps are being taken to apply the Code in its integrity by the end of the next financial period ending 30 June 2020.

Semaris' vision is to concentrate on the development of its real estate assets formerly owned by NMH, with the principal objective of unlocking value from the available land bank located in Seychelles, Morocco and Mauritius. Semaris aims to develop luxury residential real estate on these lands. It is envisaged that mainly residential units will be sold to generate returns for Semaris' shareholders.

Semaris holds today about Rs 3.6 billion worth of assets split as follows:

(i) the shares of Domaine Palm Marrakech S.A. ("DPM"), located in Morocco, valued at Rs 2.92 billion which owns some 93 hectares of land on which luxury villas and apartments are being developed. The sale of properties is carried out under the VEFA scheme, thus reducing the company's exposure to risks. Since its inception, DPM has generated more than USD 100 million in revenue from Phase 1 of the development through the sale of 97 villas; and

(ii) the shares of Kingfisher 3 Limited valued at Rs 675 million to develop a property project, under conditions similar to the Property Development Scheme ("PDS") in Mauritius. The project will be developed on a plot of land of 64 hectares located in Praslin, Seychelles. The construction of villas will be financed by revenue generated from sales under the VEFA scheme. Semaris plans to construct a 60-key, 4-star hotel at an estimated cost of USD 35 million, which it will then sell to a hospitality operator.

In addition to the above, Semaris has acquired two plots of land from NMH in Mauritius, namely:

(i) a plot of land of approximately 73 hectares located at Les Salines, Black River for a consideration of Rs 2 billion for the purpose of developing the Imperia Golf Estate project under the PDS scheme in partnership with a consortium of seasoned international property developers, Safran Landcorp. The financing of this acquisition will be through a combination of bank loans and a "solde de prix" from NMH amounting to Rs 1.2 billion; and

(ii) a plot of land of 1.2 hectares for a consideration of Rs 100 million located at Les Salines, Black River, within the premises of NMH's new 4-star hotel, to develop 56 units under the Invest Hotel Scheme. The construction of IHS units will be financed by revenue obtained from sales made under the VEFA scheme.

We are now confident that with Semaris being an independent entity with fresh leadership at both management and Board levels, the property developments mentioned above will be managed with the required focus and know-how in order to drive successfully the important developments mentioned above.

I take this opportunity to thank my fellow Directors, the management of Semaris and our external consultants for completing this ambitious listing and carve-out project and am confident that this new structure will yield satisfactory results for our shareholders over the anticipated timeframe.

Yours sincerely,

Hector ESPITALIER-NOËL
Chairman
16 December 2019

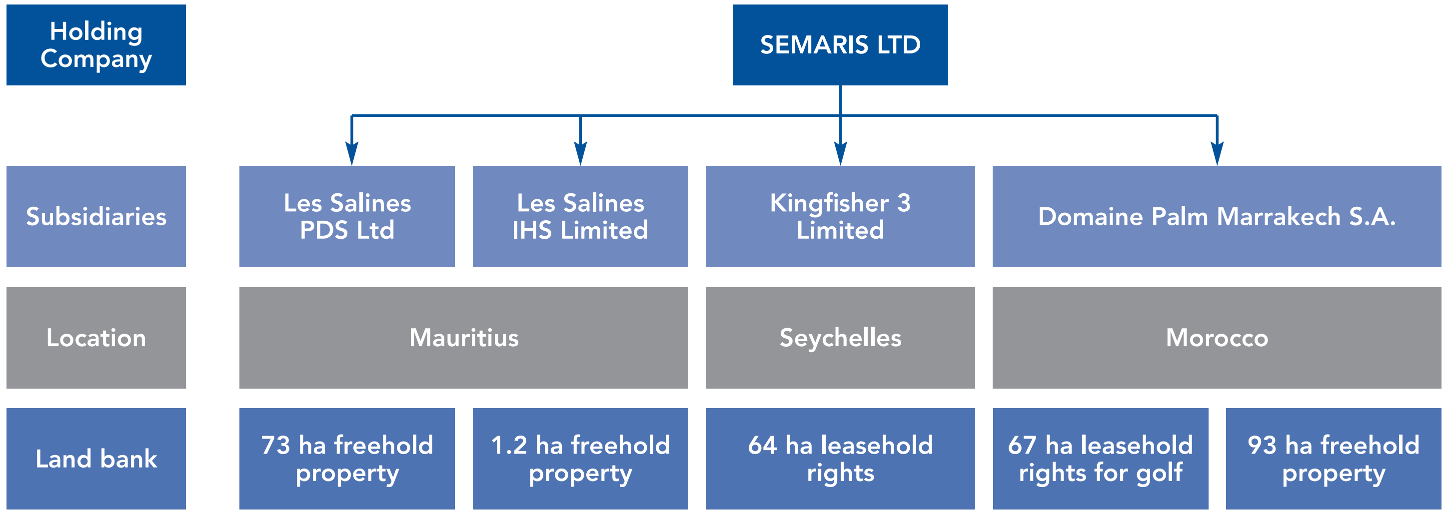
Dear Shareholder,

The financial year ended 30 September 2019 saw the birth of Semaris as an independent group. The Company has been fully carved out of NMH and is now listed on the Development & Enterprise Market of the Stock Exchange of Mauritius with a clear strategy and vision.

I am pleased to give you hereunder some details about your new Company as well an operational review of the main milestones of the year.

Semaris Structure

As at 30 September 2019, the structure of Semaris was as follows:



For more details on the Group's holding structure, please refer to Note 2.

Semaris Business Model

Semaris' core business is property development and the Company focuses on the following key elements at strategic level:

Strategic Partners

In order not to overload its statement of financial position, Semaris is on the lookout for appropriate partners to develop its projects. These partners are selected mainly according to their ability to bring financial support, their sales networks and their experience in property development.

Product Design and Construction

Semaris operates on the high-end residential property market. The developments offered for sale must therefore be properly positioned and have optimum designs in terms of master planning, architecture, cost efficiency and sustainability. The choice of consultants such as architects, engineers, project managers, environmental consultants, quantity surveyors, but also experienced builders and subcontractors is therefore a key aspect for Semaris.

Sales and Marketing

A critical success factor for the implementation of high-end property developments is the ability to sell them efficiently. Semaris will therefore rely on the extensive international marketing network of its partners Accor/Fairmont and Safran Landcorp, as well as a network of preferred international sales agents to ensure sales targets are met. Time is of essence in property development and the faster the pace of sales, the more profitable the projects can be.

MANAGING DIRECTOR'S REPORT

Permits

Semaris operates in three different countries with specific legislations. Property developments are dependent on the timely receipt of various permits. Delays in obtaining such permits can substantially affect the projects' success. Semaris therefore strives to work in very close collaboration with local authorities in Mauritius, Morocco and the Seychelles for proper submission of the different applications and permit issuance within the prescribed timeframes.

Cash Flow Management

Semaris adopts a prudential approach to cash flow management. Property developments are often altered not only by the pace of sales, but also by construction issues and permit delivery. The Company therefore fosters pre-sale of units prior to committing to major construction work.

Semaris Road Map

The table below illustrates the high-level road map for the next ten years designed by the management of Semaris per country and per project.

Holding Company	Les Salines PDS Ltd	Les Salines IHS Limited	Kingfisher 3 Limited		Domaine Palm Marrakech (DPM) S.A.				TOTAL
Semaris Holding	**50%**	**100%**	**100%**		**100%**				
Location	**Mauritius**	**Mauritius**	**Seychelles**		**Morrocco**				
Project Name	**Imperia Golf Estate**	**Les Salines I H S**	**Praslin Resort**		**Royal Palm Marrakech**				
Land Bank in Hectares (ha)	**73**	**1.2**	**64**		**93**			**67**	**298**
Product for Sale	**Villas**	**Apartments**	**Villas**	**Hotel**	**Villas and Plots**	**Apartments**	**Villas**	**Golf/Country**	
Launch*	2020	2020	2021	2021	On sale	2022	2023	**Club**	
Expected turnover	Rs 17.6bn	Rs 670m	Rs 2bn	Land	Rs 2.2bn	Rs 2.1bn	Rs 5.2bn	Non-residential	**Rs 29.8bn**
Expected completion time	11 years	2 years	4 years	earmarked	3 years	7.5 years	8 years	assets to be	**11 years**
No. of units for sale	220	56	40	for hotel	56	150	150	sold upon project	**672**
Average selling price/unit	Rs 80m	Rs 12m	Rs 50m	project	Rs 39m	Rs 14m	Rs 35m	completion	**Rs 44m**
Average sale pace/year (units)	**20**	**28**	**10**		**18**	**20**	**19**		**61**
Expected project cash margin	20%	24%	20%		15%	15%	15%		
Expected Total Project Cash Margin	**Rs 3.5bn**	**Rs 160m**	**Rs 400m**	**Rs 525m**	**Rs 330m**	**Rs 315m**	**Rs 780m**	**Rs 1bn**	**Rs 7bn**

Operational Review

During the year ended 30 September 2019, important milestones have been achieved in the three countries where Semaris operates.

In July and August 2019, the shares in Domaine Palm Marrakech S.A. and Kingfisher 3 Limited were transferred from NMH to Semaris to give the latter a direct holding in these entities. The land earmarked for the PDS and IHS developments at Les Salines was also sold by NMH to Semaris during that period.

Mauritius

In October 2018, Safran Landcorp Ltd and Semaris signed a Memorandum of Understanding (MOU) to jointly develop and promote the proposed Imperia Golf Estate. This high-end residential estate project under the Property Development Scheme (PDS) will involve the construction, promotion and sale of 220 villas. The development will also comprise an 18-hole international standard golf course and a clubhouse. We are confident to have found the right partners with the required experience, financial resources, networks and know-how to develop this ambitious project. The EIA and PDS Certificate applications were submitted in June 2019 and a PDS Letter of Approval was obtained in September from the Economic Development Board. We expect to receive the EIA and other regulatory permits and hence bring the first phase to market during the financial period ending 30 June 2020.

In June 2019, Semaris has signed an MOU with Hyvec Partners for the development of 56 apartment units under the Invest Hotel Scheme at Les Salines, Mauritius. They will be located within the upcoming Les Salines Beachcomber Golf Resort & Spa and marketing is expected to start as soon as all relevant permits and clearances are received for building the hotel. The MOU provides for construction of the apartments simultaneously with the hotel to allow the opening of all components of the resort at the same time.

Seychelles

Following application in October 2018 for a new development on its Praslin property, the Group was granted formal in-principle approval in May 2019 by the Seychelles Investment Board to develop a resort, as per a Master Plan comprising 60 suites and 40 villas. Semaris is actively looking for financial partners to jointly invest in the project.

MANAGING DIRECTOR'S REPORT

Morocco

Domaine Palm Marrakech has completed its first phase of Al Ain Villas during the year and launched its new phase of Fairmont-branded residences. These new units will be located around the golf course, offering superb views over the golf course itself but also the Atlas mountain range. The team in Morocco has been busy preparing a detailed Marketing Plan and ensuring proper sales networks in Europe, Morocco and the Gulf Cooperation Council countries in order to reach the minimum sales levels during the financial period ending 30 June 2020.

Management will endeavour to deliver according to the ambitious forecasts included in the road map and tackle the major challenges ahead. We will regularly keep you informed of progress on the different projects.

I take this opportunity to thank my colleagues and consultants in Mauritius and Morocco for their hard work in setting up and listing this new entity. I also thank my Chairman and fellow Directors for their unconditional support.

Yours sincerely,

Stéphane POUPINEL DE VALENCÉ
Managing Director
16 December 2019

RISK MANAGEMENT
REPORT

Risks

Developing and selling property is relatively riskier than the traditional property management business, and significant short-to medium-term factors could potentially create wide deviations from performance forecasts.

Accordingly, the Board of Semaris diligently considers the macroeconomic conditions of the different geographies in the specific risks set out below. The Company's performance may materially deviate from expectations should there be changes in the economic or regulatory landscape of either Seychelles, Morocco or Mauritius. Should any of the mentioned risks materialise, the financial and operational conditions of the Company could be materially and adversely affected.

The listed risks are not the only risks to which the Company may be exposed. The Company may either be unaware of certain risks or believe certain risks to be immaterial that may later prove to be material.

The risks presented in the following table, along with their risk mitigation strategies, have been classified into three categories: Strategic, Operational and Financial. The Company believes that classifying the risks would help manage them and enhance reporting. The order and classification in which risks are presented are not indications of the likelihood of these actually occurring, of the potential significance of the risks or of the scope of any potential harm to the Company.

Strategic Risks	Description and risk context	Corresponding mitigating factors
Commercial	- Changes in global & local conditions - Rise in international competition (e.g. Portugal) - Increased diversity of products in Mauritius that are available to non-citizens	- Geographically diversified portfolio - Pre-selling of villas before beginning construction - Adequate market research in all jurisdictions where the Company will have a presence and all markets from which clients will originate - Engaging with international realty players with good understanding of global markets
Legal & regulatory	- Regulatory constraints in target countries - Legal disputes - Delays in obtaining permits & licences	- Setting adequate due diligence procedures to ensure compliance - Appointment of experienced local legal advisors - Processes duly followed with the assistance of qualified professionals
Operational Risks	**Description and risk context**	**Corresponding mitigating factors**
Project construction	- Delays in meeting deadlines caused by unexpected circumstances - Lack of control over design/ completion of project - Shortage of skilled labour (in Mauritius) - Unsatisfactory quality of finished products causing post-construction issues	- Appointment of experienced building and project contractors and project management consultants - Set timelines for deliverables, including penalties for targets not achieved - Close monitoring of quality of construction and finishing
Health & safety	- Insufficient procedures in case of accidents and extreme weather conditions	- Health and Safety Officers to continually review processes and ensure compliance with standard operating procedures and international best practices - Adherence to industry norms and standards
Financial Risks	**Description and risk context**	**Corresponding mitigating factors**
Treasury management	- Inability to meet financial obligations - Increase in interest rates - Higher raw materials pricing - Inability to secure funds to complete project(s)	- Use of project financing techniques including sensitivity analysis - Use of fixed and variable interest rates - Due diligence on potential partner(s) for timely cash injections
Foreign exchange	- Exposure to market volatility in currencies	- Use of derivatives to limit exposure - Matching borrowing currency with revenue currency to reduce exposure to exchange rate movements

DIRECTORS' PROFILES

Hector ESPITALIER-NOËL
up for re-election at the next Annual Meeting
(Born in 1958)
Chairman, Non-Executive Director
Appointed in: September 2018
Qualifications: Member of the Institute of Chartered Accountants in England and Wales

Professional Journey: **Hector ESPITALIER-NOËL** previously worked with Coopers and Lybrand in London and with De Chazal du Mée in Mauritius. He is the Chief Executive Officer of ENL Limited and the ENL Group since 1990. He is also the Chairman of New Mauritius Hotels Limited and Bel Ombre Sugar Estate Ltd and a past Chair of Rogers and Company Limited, the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Mauritius Sugar Syndicate.
Skills: Seasoned CEO with strong financial skills and experience in developing businesses, building alliances, ventures and partnerships. As Chairman and Board member of numerous blue-chip companies and trade organisations, Hector Espitalier-Noël has gathered in-depth knowledge and significant experience in key sectors of the Mauritian economy, including agro-industry, real estate, hospitality and financial services.

Gilbert ESPITALIER-NOËL
(Born in 1964)
Executive Director
Appointed in: February 2018
Qualifications: Masters in Business Administration, INSEAD, BSc University of Cape Town, BSc (Hons) Louisiana State University

Professional Journey: **Gilbert ESPITALIER-NOËL** commenced employment with the Food and Allied Group (now Eclosia Group) in 1990 and was appointed Group Operations Director in 2000. He joined the ENL Group, where he was Executive Director from February 2007 until June 2015. He is since July 2015 the Chief Executive Officer of New Mauritius Hotels Limited. Gilbert Espitalier-Noël was President of the Mauritius Chamber of Commerce and Industry in 2001, the Joint Economic Council in 2002 and 2003 and the Mauritius Sugar Producers Association in 2008 and 2014.
Skills: Extensive experience and expertise in the agro-industry, property and hospitality sectors. Gilbert Espitalier-Noël laid the foundation for the development of Moka Smart City and spearheaded ENL's growth into a major property player. He is currently leading the modernisation of New Mauritius Hotels.

For full directorship list of the Directors, please refer to the Company's website: www.semaris.mu

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

Professional Journey: **Jean-Pierre MONTOCCHIO** was appointed Notary Public in Mauritius in 1990. He was a member of the Board of Directors' Sub-Committee of the National Committee on Corporate Governance.
Skills: Well versed in corporate governance matters and NED experience across the private and public sectors. Jean-Pierre Montocchio also has extensive experience in alliances, ventures and partnerships.

Jean Louis PISMONT
(Born in 1961)
Non-Executive Director
Appointed in: September 2018
Qualifications: Graduated from the Hotel School of Granville and holds a degree from Thonon-les-Bains Hotel Management School, France

Professional Journey: **Jean Louis PISMONT** worked in several countries within reputable international hotel chains. He joined the New Mauritius Hotels Group in 1996, and managed various Beachcomber hotels. He represents the interests of New Mauritius Hotels Limited as owners' representative of the Fairmont Royal Palm Marrakech. He is also a past President of the Association of Hotels and Restaurants of Mauritius (AHRIM).
Skills: Project management, hotel design and leisure sports management.

Stéphane POUPINEL de VALENCÉ
(Born in 1978)
Managing Director, Executive Director
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: **Stéphane POUPINEL DE VALENCÉ** spent the first 9 years of his career working in Sales and Marketing for Panagora Marketing Co. Ltd, part of the Eclosia Group. In 2009, he joined Medine Property, the property arm of Medine Limited, where he gained broad experience in property development during 9 years. His last function there was Managing Director. Stéphane Poupinel de Valencé joined New Mauritius Hotels Limited in August 2018.

Skills: Strong experience in property development, master planning and sales & marketing.

For full directorship list of the Directors, please refer to the Company's website: www.semaris.mu

Pauline SEEYAVE
(Born in 1974)
Executive Director
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: **Pauline SEEYAVE** is currently the Group Chief Financial Officer of New Mauritius Hotels Limited. She has more than 20 years of working experience in the UK and Mauritius. She has managed client portfolios in Audit and Business Assurance and has occupied senior executive roles in banking, finance, risk management, credit, project finance and corporate banking. She is a current Non-Executive Director of Innodis Ltd and was a past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Méditerranée Albion Resorts Ltd.
Skills: Extensive experience in risk management, corporate finance and financial reporting.

Sidharth SHARMA
up for re-appointment at the next Annual Meeting
(Born in 1974)
Independent Non-Executive Director
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: **Dr Sidharth SHARMA** is currently the Group Chief Executive Officer of RHT Holding Ltd and its subsidiaries. The Group is active in the mobility and investment sectors. Dr Sidharth Sharma is a Chartered Engineer registered with the UK Engineering Council and a Fellow of the Mauritius Institute of Directors. He is currently a council member of the National Committee on Road Safety and of Business Mauritius. Dr Sidharth Sharma is an advocate for a greener public transportation system and has a keen interest in electric vehicles.
Dr Sidharth Sharma has published several technical papers in industry journals on dynamic cellular network planning and wireless technologies. He is also an alumnus of the University of Cape Town from where he completed his bachelor's degree in Electrical Engineering. Dr Sidharth Sharma has worked for British Telecoms Plc before joining Island Communications Ltd, a portfolio company of RHT Ventures as Managing Director. He is a past Board member of the Mauritius Institute of Directors, Courts Mammouth and Globefin Management Services Ltd.
Skills: Strong expertise in strategy, innovation, sustainability, operational management, investment management, mobility and technology.

Kevin TEEROOVENGADUM
(Born in 1974)
Independent Non-Executive Director
Appointed in: June 2019
Qualifications: MSc in Finance and Master of Business Administration (MBA) (The University of Leicester, UK), BSc in Economics
Committee: Member of the Audit and Risk Management Committee

Professional Journey: **Kevin TEEROOVENGADUM** holds a BSc in Economics, MBA and MSc in Finance from Leicester University, UK. He 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, he joined Actis, the leading Emerging Market Private Equity Firm, as a Director on their Africa real estate team. He was the co-founder and CEO in 2013 of AttAfrica which became the premier investor in shopping malls in Africa. He is a frequent writer and speaker at conferences globally and currently serves on numerous boards and advised a number of companies in Mauritius and Africa leveraging his 19 years of experience in financial services and the real estate/hospitality sector.

Skills: Strategy, investment, real estate development/management and deal-making.

For full directorship list of the Directors, please refer to the Company's website: www.semaris.mu

CORPORATE GOVERNANCE
REPORT

Semaris Ltd ("Semaris" or "the Company"), (previously known as Alto Development Ltd), was incorporated in February 2018. Following its listing on the Development & Enterprise market ("DEM") of the Stock Exchange of Mauritius Limited ("SEM") in September 2019, Semaris is now classified as a public interest entity ("PIE") under the provisions of the Financial Reporting Act 2004.

The main business activity of Semaris is the development of non-hotel real estate assets formerly owned by New Mauritius Hotels Limited ("NMH"), with the principal objective of unlocking value from the available land bank located in Seychelles, Morocco and Mauritius. Semaris will develop essentially luxury residential real estate on these lands, which will, after completion, be sold to generate returns for its shareholders.

The stated capital of Semaris consists of 548,982,130 ordinary shares amounting to Rs 3,595,000,000 and its registered office is situated at Beachcomber House, Botanical Garden Street, Curepipe.

This report, along with the Annual Report, is published in its entirety on the Company's website: **www.semaris.mu**

1. INTRODUCTION

The Corporate Governance Report of Semaris sets out the Company's commitment to transparency, good corporate governance and the continuous effort to enhance shareholder value. It describes the application of the principles of the Code of Corporate Governance for Mauritius (the "Code") by the Company and explains how our governance works.

In December 2019, Dr Sidharth Sharma was appointed as additional Independent Non-Executive Director of the Company and an Audit & Risk Management Committee ("ARMC") has been set up.

Since Semaris became a PIE only in September 2019, the Company expects to fully adopt the principles of the Code during its financial period ending 30 June 2020, more specifically the adoption of a Code of Ethics, and the setting up of systems of risk governance, internal control and internal audit.

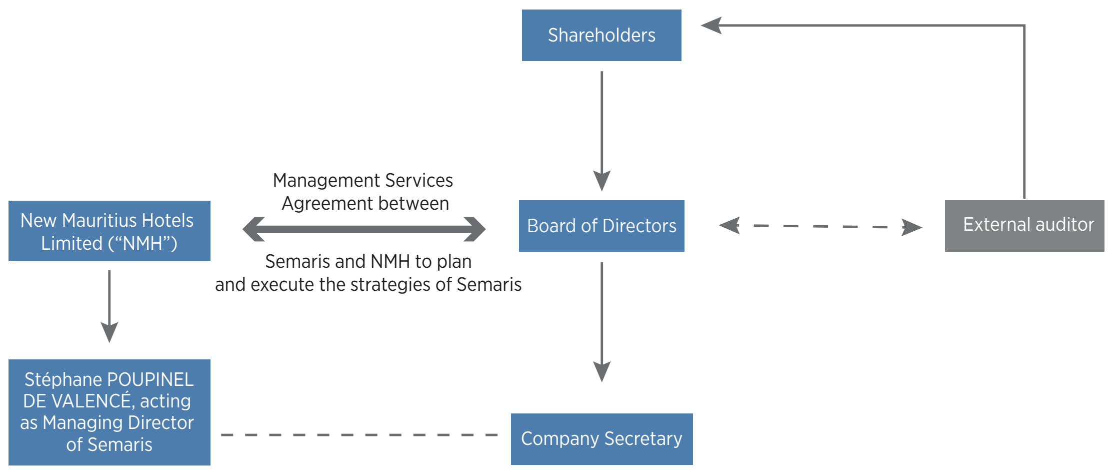
2. GOVERNANCE STRUCTURE

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.

The Group operates within a clearly defined governance framework which provides for delegation of authority and clear lines of responsibility while enabling the Board to retain effective control. As such, the Board is ultimately accountable and responsible for the performance and affairs of the Group.

2.1 Oganisational and Governance Structure

The organisational and governance structure of Semaris is illustrated as follows:



2.2 Board Charter and Position Statements

The Board of Directors' Charter sets out the objectives, limits of authority, roles, responsibilities and composition of the Board of Directors of Semaris.

The Board Charter as well as the position statements, approved by the Board, provide for a clear definition of the roles and responsibilities of the Chairperson, Executive and Non-Executive Directors, the Board Committees, Managing Director of Semaris as well as the Company Secretary.

The Board Charter is available for consultation on the Semaris website: **www.semaris.mu**

2.3 Ethical Conduct

Semaris is committed to fostering the highest standards of integrity and ethical conduct in dealing with all its stakeholders as well as high ethical and moral standards within the Group.

The Semaris Group adheres to some fundamental principles in the way it conducts its activities, such as:
• observing good corporate governance practices, good accounting and management principles and practices, as well as clear, objective and timely communication with its shareholders;
• achieving its business objectives with corporate social responsibility, valuing its employees and preserving the environment; and
• observing its legal obligations in the countries where it is active, directly or indirectly.

2.4 Constitution of Semaris

The material clauses of Semaris' Constitution are as follows:
• the Company may acquire and hold its own shares;
• fully paid-up ordinary shares are freely transferable;
• a special meeting of shareholders may be called at any time by the Board and shall be so called on the written request of shareholders holding shares carrying together not less than 5% of the voting rights entitled to be exercised on the issue;
• the Chairperson of a shareholder meeting is not entitled to a casting vote;
• the Board consists of not less than 6 and not more than 10 Directors;
• a quorum for a meeting of the Board is at least 50% of the number of Directors;
• a Director is not required to hold shares in the Company;
• an Independent Director can only be appointed for a period of 3 years, and after a period of 3 years can only be re-elected for 2 additional periods of 3 years. The Independent Director can only be reappointed as an Independent Director after a cooling-off period of 2 years; and
• a Non-Executive Director can be appointed for a period of 3 years and after that period, can be re-elected for additional periods of 3 years.

The Constitution of Semaris is available for consultation on the Company's website: **www.semaris.mu**

3. THE BOARD

3.1 Board Profile

• The names and profiles of Semaris' Directors as at date are disclosed on pages 13 to 15 of the Annual Report. All the Directors of Semaris ordinarily reside in Mauritius.

3.2 Board Composition

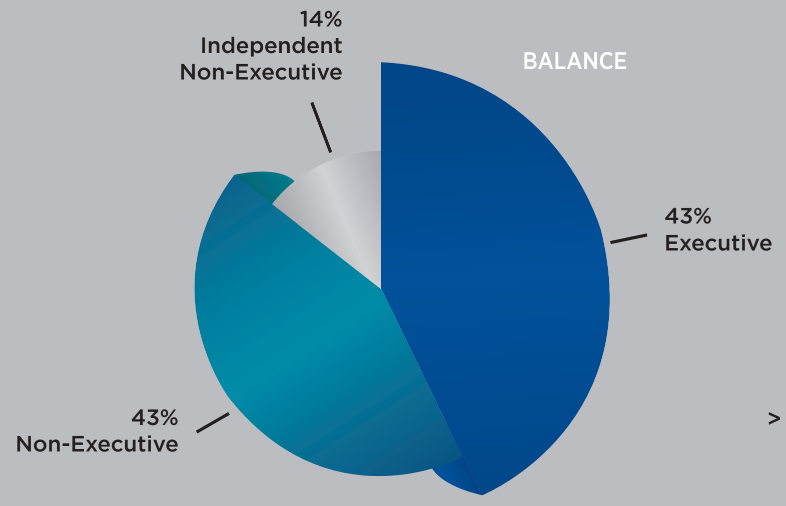
• The Board of Directors is the Company's supreme governing body and has full power over the affairs of Semaris.
• As per the Board Charter, the Board has a unitary structure comprising Executive, Non-Executive and Independent Directors.
• In accordance with Semaris' Constitution, the Board consists of not less than 6 and not more than 10 Directors.
• The members of the Board are elected at the meeting of shareholders.

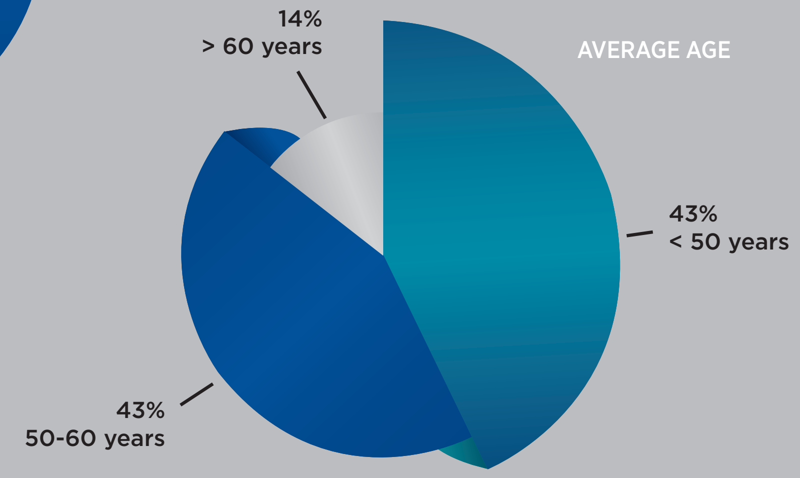
CORPORATE GOVERNANCE REPORT

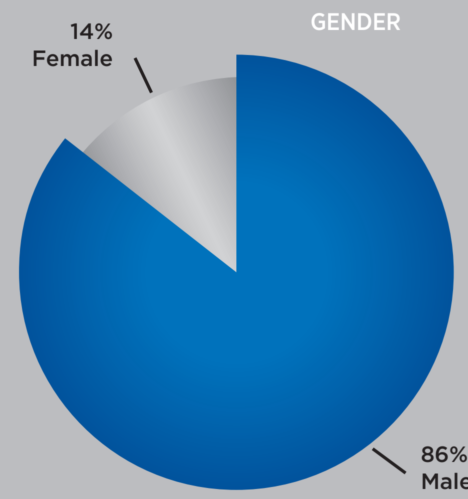
3.2 Board Composition (cont'd)

• The Board uses its best efforts to ensure that:
- its members can act critically and independently of one another;
- each Board member can assess the broad outline of the Company's overall policy;
- each Board member has sufficient expertise to perform his/her role as a Board member;
- the Board matches the Board Profile and comprises Directors from both genders with at least one male and one female Director;
- at least one Board member is a financial expert, meaning he has expertise in financial administration and accounting for companies similar to the Company in size and sophistication; and
- no less than 2 of the Board members are independent.

• As at 30 September 2019, the Board comprised 7 members. Board members have a diverse mix of skills and experience and are distinguished by their professional ability, integrity and independence of opinion.
• The Board composition for the year ended 30 September 2019 was as follows:







3.3 Board Committees

- The Board of Directors is ultimately responsible and accountable for the performance and affairs of the Company including risk management and integrity of the financial statements of the Company and the Group.
- In December 2019, the Board has established an ARMC to assist the Board and its Directors in discharging their duties in this respect.
- The composition of the ARMC is as follows:

Sidharth SHARMA	Independent Non-Executive Director, Chairman
Kevin TEEROOVENGADUM	Independent Non-Executive Director
Pauline SEEYAVE	Executive Director

- Semaris shall adopt an ARMC Charter during its financial period ending 30 June 2020.

3.4 Board Deliberations

- During the year under review, the Board met four times and its deliberations included the following:
  - approval of financial summary for the year ended 30 September 2018;
  - approval of the change in financial year end from 30 September to 30 June;
  - recommendation for the appointment of BDO & Co. as auditors for the year ended 30 September 2019;
  - approval and recommendation for approval to the shareholders, as appropriate:
    - the acquisition of real estate assets from NMH;
    - the adoption of a Constitution;
    - the conversion of the Company from private to public;
    - the issue of 548,981,130 additional ordinary shares to NMH;
    - the admission of the ordinary shares of the Company to the DEM at an indicative price of Rs 4.25 per share;
    - the off-market transfer of ordinary shares of the Company on the Stock Exchange of Mauritius Limited; and
    - approval of banking facilities with SBM Bank (Mauritius) Ltd.

3.5. Directors' Appointment Procedures

3.5.1. 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 insofar as the total number of Directors does not at any time exceed the number fixed in accordance with the Company's Constitution. The Director so appointed by the Board will hold office only until the following Annual Meeting and will then be eligible for reappointment.
- Once the candidate has been approved by the Board, he/she is required to sign a letter of appointment, which states that he/she shall owe a duty to the Board and to the Company as Director, that he/she will act in good faith and that he/she is willing to allocate sufficient time to the Company.
- Nomination or recommendation of a candidate for the Board at the meeting of shareholders includes a brief of biographical details (namely age, profession, academic qualifications and any other information relevant to assess the suitability as a member of the Board) of the proposed Director.
- 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 Marie Maxime Hector Espitalier-Noël as Director of the Company in accordance with Section 25.9.3 of the Company's Constitution will be proposed to the shareholders for approval at the forthcoming Annual Meeting of Semaris to be held on 20 March 2020.
- The Board confirms that following a performance evaluation, Mr Marie Maxime Hector Espitalier-Noël continues to be performing and remain committed to his role as Chairman of the Company.

CORPORATE GOVERNANCE REPORT

3.5. Directors' Appointment Procedures (cont'd)

3.5.2 Board Induction

- On their first appointment, Non-Executive Directors benefit from an induction programme aimed at deepening their understanding of the business, environment and markets in which the Group operates.
- As part of the induction programme, all newly appointed Directors receive a folder of essential Board and Company information and meet the Company's key executives.

3.5.3 Professional Development and Training

- The Directors are aware of their legal duties.
- The Board encourages its members to keep themselves abreast of changes and trends in the Company's business, environment and markets.
- The Board regularly assesses:
  - the development needs of its Directors and facilitates attendance at appropriate training programmes to continuously update the skills and knowledge of the Directors so that they fulfill properly their role on the Board; and
  - the development needs of the Board as a whole to promote its effectiveness as a team.

3.5.4 Succession Planning

The Board regularly reviews its composition, structure and succession plans.

3.6 Directors' Duties, Remuneration and Performance

3.6.1 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 to the above rules.
- Semaris' Board Charter also contains policies on Conflicts of Interests and Related Party Transactions.
- Directors, after becoming aware of the fact that they 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.
- 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 September 2019 were as follows:

	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
Gilbert ESPITALIER-NOËL	78,998	0.01	14,130,800	2.58
Hector ESPITALIER-NOËL	4,330	0.00	15,184,846	2.77
Jean-Pierre MONTOCCHIO	-	-	521,533	0.10
Jean Louis PISMONT	-	-	-	-
Stéphane POUPINEL DE VALENCÉ	60,000	0.01	-	-
Pauline SEEYAVE	3,314	0.00	-	-
Kevin TEEROOVENGADUM	-	-	-	-

3.6 Directors' Duties, Remuneration and Performance (cont'd)

3.6.1 Directors' Interests, Dealings in Securities and Related Party Transactions (cont'd)

- During the year under review, none of the Directors have traded in the shares of Semaris.
- Note 15 of the financial statements for the year ended 30 September 2019, set out on page 59 of the Annual Report 2019 details all related party transactions between the Company or any of its subsidiaries or associates and a Director, Chief Executive, controlling shareholder or companies owned or controlled by a Director, Chief Executive or controlling shareholder.
- Shareholders are apprised of related party transactions through the issue of circulars and press releases by the Company in compliance with the DEM Rules of the Stock Exchange of Mauritius Limited.

3.6.2 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.

3.6.3 Access to Information

- The Chairman, the Company Secretary and the Managing Director ensure that the management provides the Board, in a timely manner, with the information they need to properly function.
- Directors of the Company are entitled to have access, at all reasonable times, to all relevant Company information and to the management, if useful, to perform their duties.
- During the discharge of their duties, the Directors are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company.
- A Directors' and Officers' Liability Insurance policy has been subscribed to by the Company. The said policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of the Company.

3.6.4 Remuneration Policy

- The remuneration of the Independent Non-Executive Director of the Company comprised a fixed fee of Rs 30,000 per month and an attendance fee of Rs 10,000 per Board Meeting. No other Directors received any remuneration from the Company during the year under review.
- Particulars of Directors' remuneration are entered into the Interests Register of the Company.
- None of the Non-Executive Directors are entitled to remuneration in the form of share options or bonuses associated with the Company's performance.

3.6.5 Attendance and Remuneration/Benefits paid

- For the year under review, the attendance at Board meetings and actual remuneration and benefits received by the Directors are as per below:

Category	Directors	Board Attendance	Remuneration received (Rs.)
Executive	Gilbert ESPITALIER-NOËL	4/4	-
	Stéphane POUPINEL DE VALENCÉ	4/4	-
	Pauline SEEYAVE	4/4	-
Non-Executive	Hector ESPITALIER-NOËL	4/4	-
	Jean-Pierre MONTOCCHIO	4/4	-
	Jean Louis PISMONT	3/4	-
Independent	Kevin TEEROOVENGADUM	2/2	110,000

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

3.6 Directors' Duties, Remuneration and Performance (cont'd)

3.6.6 Board Appraisal

Since Semaris was listed on the DEM only in September 2019, the Board of Directors has resolved that the first Board appraisal will be carried out during the period ended 30 June 2020.

4. SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

4.1 Shareholding Profile

- The ordinary shares of Semaris are listed on the DEM and accordingly, the Company is governed by the DEM Rules.
- As at 30 September 2019, the share capital of Semaris was composed of 548,982,130 ordinary shares.
- As at 30 September 2019, 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	10.65
Joseph René Herbert Maingard Couacaud	6.22

Distribution of Shareholders at 30 September 2019

	ORDINARY SHARES		
Range of Shareholding	Shareholder Count	Number of Shares held	% of Shares held
1 – 1000	4,002	1,035,569	0.19
1,001 – 5,000	2,201	5,489,053	1.00
5,001 – 10,000	703	5,083,894	0.93
10,001 – 25,000	705	11,421,973	2.08
25,001 – 50,000	387	13,812,527	2.52
50,001 – 75,000	159	9,615,548	1.75
75,001 – 100,000	90	7,860,540	1.43
100,001 – 250,000	192	30,181,510	5.50
250,001 – 500,000	95	32,093,131	5.85
500,001 – 1,000,000	42	26,659,239	5.40
1,000,001 – 1,500,000	17	19,775,832	3.60
1,500,001 – 2,000,000	5	8,477,673	1.54
2,000,001 – 2,500,000	2	4,907,952	0.89
2,500,001 – 5,000,000	8	25,200,308	4.59
5,000,001 – 8,000,000	1	6,437,994	1.17
8,000,001 – 25,000,000	2	35,771,614	6.52
Over 25,000,001	4	302,157,773	55.04
Total	**8,615**	**548,982,130**	**100.00**

4. SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

4.1 Shareholding Profile (cont'd)

Spread of Shareholders

To the best knowledge of the Directors, the spread of shareholders as at 30 September 2019 was as follows:

	ORDINARY SHARES		
	No. of Shareholders	**No. of Shares held**	**%**
Individuals	8,096	145,597,687	26.52
Insurance and Assurance Companies	19	40,441,748	7.36
Investment and Trust Companies	187	241,000,417	43.90
Other Corporate Bodies	195	22,873,513	4.17
Pension & Provident Funds	116	98,314,257	17.91
PLC Groups	2	754,508	0.14
Total	**8,615**	**548,982,130**	**100.00**

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 of the Company and meeting 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 of shareholders provide an opportunity to shareholders to raise and discuss matters relating to the Company with the Board.

4.4.2 Shareholders' Calendar

December 2019	Publication of abridged audited financial statements for the year ended 30 September 2019
February 2020	Publication of results for the quarter ended 31 December 2019
March 2020	Issue of Annual Report 2019 Annual Meeting of Shareholders
May 2020	Publication of results for the quarter ended 31 March 2020

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 Chairman, have access to the advice and services of the Company Secretary, delegated by ENL Secretarial Services Limited, for the purposes of the Board's affairs and 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, ACIS
For ENL Secretarial Services Limited
Company Secretary

16 December 2019

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005) 30 September 2019

Activities
The activities of Semaris Ltd ("Semaris") are disclosed in Note 2 of the Annual Report 2019.

Directors
A list of the Directors of the Company and its subsidiaries for the period 1 October 2018 to 30 September 2019 is set out below:

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

✓: In office
A: Appointed
R: Resigned

Directors' Service Contracts
None of the Directors of the Company and of the subsidiaries have 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 from its subsidiaries are found on page 22 of the Annual Report 2019;

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

Name of Subsidiary	Director	2019 Rs.	2018 Rs.
Executive Directors **(2019: 1** ; 2018: Nil)			-
Domaine Palm Marrakech S.A.	Laurent PIAT	**515,000***	-
Post-employment benefits - Executive Directors		**-**	-
Domaine Palm Marrakech S.A.	Laurent PIAT	**68,000***	-

* The amount relates to the month of September 2019 only as the carving out of Semaris has been effected in September 2019.

Directors' Interests in the Equity of Semaris
(i) The interests of the Directors in the shares of Semaris as at 30 September 2019 are found on page 21 of the Annual Report 2019.

(ii) As at 30 September 2019, 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 September 2019, 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	
	Number of Shares	(%)	Number of Shares	(%)
Laurent PIAT	11,500	0.002	-	-

Contracts of Significance

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

Shareholders

At 16 November 2019, 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	10.65
Joseph René Herbert Maingard Couacaud	6.22

Donations

The Company and its subsidiaries did not make any donations during the year.

External Auditors' Remuneration

	GROUP		COMPANY	
	2019 Rs.	2018 Rs.	**2019 Rs.**	2018 Rs.
Audit fees paid to:				
BDO & Co.	**350,000**	-	**350,000**	-
Other firms	**-**	-	**-**	-
Fees paid for the other services provided by:				
BDO & Co.	**-**	-	**-**	-
Other firms	**1,935,000**	-	**1,850,000**	-

Other services related to the valuation of the Company advisory fees, transaction advisors for listing and tax fees.

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.

In Respect of Financial Statements (cont'd)

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 the Company.

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

Name of Public Interest Entity ("PIE"): Semaris Ltd
Reporting Period: 1 October 2018 to 30 September 2019

We, the Directors of Semaris Ltd, confirm to the best of our knowledge that the PIE has not fully complied with the principles of the Code of Corporate Governance for the reasons stated below:

Principles	Areas of non-application of the Code	Explanation for non-application
Principle 2	Board composition: Independent Directors	Please refer to Section 1 of the Corporate Governance Report
Principle 2	Board composition: Board Committees	
Principle 4	Code of Ethics	
Principle 5	Risk Governance and Internal Control	
Principle 7	Audit	

Hector ESPITALIER-NOËL
Chairman

Stéphane POUPINEL DE VALENCÉ
Managing Director

16 December 2019

(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, ACIS
For ENL Secretarial Services Limited
Company Secretary

16 December 2019

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEMARIS LTD

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 39 to 78 which comprise the statements of financial position as at 30 September 2019, and the statements of profit or loss, the statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 39 to 78 give a true and fair view of the financial position of the Group and of the Company as at 30 September 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the 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 of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Acquisition of subsidiaries and issue of shares

Key Audit Matter

The new shareholding structure of Semaris Ltd

Effective on 27 September 2019, the shareholding structure of Semaris Ltd has changed from a wholly owned subsidiary of New Mauritius Hotels Ltd ("NMH") to the ultimate shareholders of NMH. Semaris Ltd is henceforth a company under common control with NMH.

Following the reorganisation of the operating units of NMH, which includes the separation of its property development activities from its core hospitality activities, subsidiaries earmarked for non-hotel property development were acquired by Semaris Ltd from NMH for an amount of Rs 3.6bn, settled through the issue of shares. Consideration price of acquisition of subsidiaries was based on Independent Financial Advisor (IFA), KPMG Mauritius, report issued on 10 July 2019.

548,982,130 ordinary shares of Semaris Ltd have been transferred from NMH to all the shareholders holding ordinary shares in NMH in the ratio of one ordinary share of Semaris Ltd for each ordinary share held in NMH. Semaris Ltd was admitted on the Development and Enterprise Market ('DEM') of the SEM, on 15 August, 2019.

The acquisition of Rs 3.6bn worth of assets has given rise to a goodwill of Rs 567m (leasehold rights Rs 438m and land under villas Rs 129m) and net bargain purchase of Rs 128m.

Management has considered and determined that the values arrived at by the IFA represents the carrying values of the investment in subsidiaries. The values as arrived at by the IFA is based on assumptions provided by management which is inherently judgemental and involves the application of critical accounting estimates.

Given the significance of the transaction and its impact on the financial statements, it has been considered as a key audit matter.

INDEPENDENT AUDITOR'S REPORT

1. Acquisition of subsidiaries and issue of shares (Cont'd)

Related Disclosures

Refer to notes 21 and 31 of the accompanying financial statements.

Audit Response

- We have ensured with the board of directors and the company secretary that all the requirements of the Companies Act 2001 have been complied with for the issue of shares in consideration for subsidiaries acquired.
- We have agreed the acquisition of assets earmarked as property development with board minutes and the Admission Document and ensured the transfer value is as per the IFA report.
- We obtained the calculation for the goodwill and net bargain purchase and ensured that they have been properly calculated and fairly stated. We have discussed with management the impairment review of investment in subsidiaries.
- We also performed the following substantive procedures:
  - ensured that control is effective as at the date of the transfer of subsidiaries.
  - ensured that the financial statements fairly present the substance of the transaction whereby the results of the entities being transferred are consolidated from the date control is gained.
  - agreed the net assets being acquired with the corresponding audited financial statements of the entities.
  - ensured that all assets and liabilities acquired were properly recognized in the consolidated statement of financial position of Semaris Ltd in line with IFRS 10 *'Consolidated Financial Statements'*.
  - obtained a copy of the Admission Document of Semaris Ltd and ensured consistency with the financial statements.

2. Valuation of Inventory at Group and Company level

Key Audit Matter

Land at Les Salines earmarked for development amounting to Rs 2bn as at 30 September 2019, is included in inventory 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 ("PDS").

At Group level, the carrying value of inventory as at 30 September 2019 amounted to Rs 3.6bn representing land earmarked for development in Seychelles, Morocco and Mauritius.

In line with IAS 2, inventory is stated at the lower of cost or net realisable value ("NRV").

The NRV of these acquired assets have been based on the Independent Valuer Report Noor Dilmohamed & Associates and the IFA report.

Given the significance of the inventory on the total assets at 30 September 2019, and the significant estimates and judgements used in the valuation by both the Independent Valuer and by the IFA to estimate the costs to complete the project in Mauritius, Seychelles and Marrakech, and the expected timing for the future sale of villas and land and 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 26 of the accompanying financial statements.

Audit Response

Our audit procedures to assess the carrying value of the villas classified as inventory under Phase 1a 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 Independent Financial Advisor Report and Valuer's Report.
- We have ensured that the sales commission is properly calculated and deducted from the proceeds to arrive at the proper NRV.

2. Valuation of Inventory at Group and Company level (cont'd)

Audit Response (cont'd)

- 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;
- For the villas under construction, we ensured that the assessment is performed on a unit-by-unit basis, in line with the relevant accounting standard and costs to completion is reasonable compared to the actual costs incurred, and in comparison with similar villas.

For the projects under Phase 1b and Phase 2 in Domaine Palm Marrakech, Praslin Ltd and Les Salines IHS, 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.

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, Corporate Governance Report and Other Statutory Disclosures which we obtained prior to the date of this Auditor's report. Other information does not include the financial statements and our auditor's report thereon.

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

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

When we read the Chairman's report, Managing Director's Report and Risk Management Report, if we conclude there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Corporate Governance Report

Our responsibility under the 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 Public Interest Entity has not complied with the Principle 5 'Risk Governance and Internal Control' and Principle 7 'Audit' of the Code. The Company became a Public Interest Entity in September 2019 and expects to fully adopt all the principles of the Code during its financial period ending 30 June 2020.

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

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

INDEPENDENT AUDITOR'S REPORT

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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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.

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

Report on Other Legal and Regulatory Requirements (cont'd)

Companies Act 2001 (cont'd)

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
Chartered Accountants
Port Louis, Mauritius.

Ameenah RAMDIN, FCCA, ACA
Licensed by FRC

16 December 2019.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 30 SEPTEMBER 2019

		THE GROUP		THE COMPANY	
			Period from		Period from
		Year ended	23 February 2018	**Year ended**	23 February 2018
		30 September	to 30 September	**30 September**	to 30 September
	Notes	**2019**	2018	**2019**	2018
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
			Restated		
Revenue		-	-	-	-
Staff costs	16	**(110)**	-	**(110)**	-
Other expenses	17	**(17,893)**	(1,244)	**(17,810)**	(1,244)
Operating loss		**(18,003)**	(1,244)	**(17,920)**	(1,244)
Finance costs	18	**(7,351)**	-	**(7,351)**	-
Gain on bargain purchase	21	**127,530**	-	**-**	-
Profit/(loss) before tax		**102,176**	(1,244)	**(25,271)**	(1,244)
Income tax	19(a)	-	-	-	-
Profit/(loss) for the year/period		**102,176**	(1,244)	**(25,271)**	(1,244)
Earnings/(loss) per share:					
Basic earnings/(loss) per share (Rs.)	20	**0.19**	(1,244)		

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

		THE GROUP		THE COMPANY	
			Period from		Period from
		Year ended	23 February 2018	**Year ended**	23 February 2018
		30 September	to 30 September	**30 September**	to 30 September
	Notes	**2019**	2018	**2019**	2018
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
			Restated		
Other comprehensive income:					
Items that may be reclassified to profit or loss					
in subsequent periods:					
Exchange differences on translation of foreign operations	32	**(878)**	-	**-**	-
Other comprehensive income for the year/period		**(878)**	-	**-**	-
Total comprehensive income for the year/period		**101,298**	(1,244)	**(25,271)**	(1,244)

The notes on pages 44 to 78 form an integral part of these financial statements. Auditor's report on pages 32 to 37.

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

		THE GROUP		THE COMPANY	
	Notes	**2019**	2018	**2019**	2018
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
			Restated		
ASSETS					
Non-current assets					
Property and equipment	22	**141,036**	-	**-**	-
Investment property	23	**1,542,464**	-	**-**	-
Intangible assets	24	**447,856**	-	**-**	-
Investment in subsidiaries	25	**-**	-	**3,595,001**	365,151
Total non-current assets		**2,131,356**	-	**3,595,001**	365,151
Current assets					
Inventories	26	**3,603,525**	-	**2,000,000**	-
Contracts assets	35	**3,493**	-	**-**	-
Trade receivables	27	**7,650**	-	**-**	-
Financial assets at amortised cost	28	**419,496**	-	**-**	-
Other assets	29	**420,843**	-	**1,939**	-
Cash in hand and at banks	30	**131,542**	-	**99,902**	-
Total current assets		**4,586,549**	-	**2,101,841**	-
Total assets		**6,717,905**	-	**5,696,842**	365,151
EQUITY AND LIABILITIES					
Equity/(deficit) attributable to owners of the parent					
Stated capital	31	**3,595,000**	1	**3,595,000**	1
Retained earnings/(revenue deficit)		**100,932**	(1,244)	**(26,515)**	(1,244)
Other component of equity	32	**(878)**	-	**-**	-
Total equity/(deficit)		**3,695,054**	(1,243)	**3,568,485**	(1,243)
Non-current liability					
Borrowings	33	**2,193,107**	-	**2,102,891**	-
Total non-current liability		**2,193,107**	-	**2,102,891**	-
Current liabilities					
Trade and other payables	34	**307,689**	1,243	**24,445**	366,394
Contracts liabilities	35	**366,173**	-	**-**	-
Borrowings	33	**23,598**	-	**1,021**	-
Income tax payable		**132,284**	-	**-**	-
Total current liabilities		**829,744**	1,243	**25,466**	**366,394**
Total liabilities		**3,022,851**	1,243	**2,128,357**	366,394
Total equity and liabilities		**6,717,905**	-	**5,696,842**	365,151

Approved by the Board of Directors on 16 December 2019 and signed on its behalf by:

Hector ESPITALIER-NOËL
CHAIRMAN

Stéphane POUPINEL DE VALENCÉ
MANAGING DIRECTOR

The notes on pages 44 to 78 form an integral part of these financial statements. Auditor's report on pages 32 to 37.

THE GROUP

	Note	Stated Capital Rs.'000	(Revenue Deficit) Retained Earnings Rs.'000	Foreign Exchange Difference Reserves Rs.'000	Total Equity Rs.'000
As at 23 February 2018		-	-	-	-
Issue of share	31	1	-	-	1
Loss for the period - restated		-	(1,244)	-	(1,244)
Other comprehensive income for the period - restated		-	-	-	-
Total comprehensive income for the period - restated		-	(1,244)	-	(1,244)
As at 30 September 2018 - restated		1	(1,244)	-	(1,243)
As at 1 October 2018 - restated		1	(1,244)	-	(1,243)
Issue of shares	31	3,594,999	-	-	3,594,999
Profit for the year		-	102,176	-	102,176
Other comprehensive income for the year		-	-	(878)	(878)
Total comprehensive income for the year		-	102,176	(878)	101,298
As at 30 September 2019		**3,595,000**	**100,932**	**(878)**	**3,695,054**

THE COMPANY

	Note	Stated Capital Rs.'000	Revenue Deficit Rs.'000	Total Equity Rs.'000
As at 23 February 2018		-	-	-
Issue of share	31	1	-	1
Loss for the period		-	(1,244)	(1,244)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	(1,244)	(1,244)
As at 30 September 2018		**1**	**(1,244)**	**(1,243)**
As at 1 October 2018		1	(1,244)	(1,243)
Issue of shares	31	3,594,999	-	3,594,999
Loss for the year		-	(25,271)	(25,271)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(25,271)	(25,271)
As at 30 September 2019		**3,595,000**	**(26,515)**	**3,568,485**

The notes on pages 44 to 78 form an integral part of these financial statements. Auditor's report on pages 32 to 37.

	Notes	THE GROUP Year ended 30 September 2019 Rs.'000	THE GROUP Period from 23 February 2018 to 30 September 2018 Rs.'000 Restated	THE COMPANY Year ended 30 September 2019 Rs.'000	THE COMPANY Period from 23 February 2018 to 30 September 2018 Rs.'000
Operating activities					
Profit/ (loss) before tax		**102,176**	(1,244)	**(25,271)**	(1,244)
Adjustments to reconcile profit/(loss) before tax to net cash flows					
Non-cash:					
Gain on bargain purchase	21	**(127,530)**	-	**-**	-
Interest expense		**7,351**	-	**7,351**	-
Working capital adjustments:					
Increase in inventories		**(800,000)**	-	**(800,000)**	-
Increase in trade receivables		**(1,939)**	-	**(1,939)**	-
Increase in trade and other payables		**19,728**	1,244	**19,645**	1,244
Net cash flows used in operating activities		**(800,214)**	-	**(800,214)**	-
Cash flows from investing activity					
Acquisition of subsidiary net of cash acquired	21	**31,640**	-	**-**	-
Net cash flows generated from investing activity		**31,640**	-	**-**	-
Cash flows from financing activities					
Proceeds from borrowings		**899,100**	-	**899,100**	-
Interest paid		**(5)**	-	**(5)**	-
Net cash flows generated from financing activities		**899,095**	-	**899,095**	-
Net increase in cash and cash equivalents		**130,521**	-	**98,881**	-
Cash and cash equivalents at beginning of year/period,		**-**	-	**-**	-
Cash and cash equivalents at 30 September	30	**130,521**	-	**98,881**	-

The notes on pages 44 to 78 form an integral part of these financial statements. Auditor's report on pages 32 to 37.

1. CORPORATE INFORMATION

The financial statements of Semaris Ltd (the 'Company') and consolidated with its subsidiaries (the 'Group') for the year ended 30 September 2019 were authorised for issue in accordance with a resolution of the Directors on 16 December 2019. The Company was incorporated in Mauritius on 23 February 2018 as a private company limited by shares and has since been converted into a public company limited by shares on 17 June 2019. The Company will concentrate on the development of the non-hotel real estate assets formerly owned by NMH (the 'Semaris Assets'), with the principal objective of unlocking value from the Semaris Assets located in Seychelles, Morocco and Mauritius. The listing of Semaris Ltd has been approved on 15 August 2019 by the Stock Exchange of Mauritius and was subsequently listed on the Development & Enterprise Market "DEM" as from 16 September 2019. Its registered office is situated at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius.

The Company has opted to take advantage of the exemption of IFRS 10 and for the year ended 30 September 2018, the Company did not prepare consolidated financial statements as described in Note 38.

By way of written resolution dated 2 August 2019, 548,981,130 new ordinary shares were issued to the shareholders of New Mauritius Hotels Limited (NMH) following a reduction in the stated capital of NMH and the carving out of Semaris Ltd from NMH's financial statements.
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 development of property for sale.

2. GROUP INFORMATION

Information on subsidiaries:

Name of Corporation	Main Business Activity	Country of Incorporation	Effective % Holding 2019
Les Salines PDS Limited	Property development	Mauritius	100%
Les Salines IHS Limited	Property development	Mauritius	100%
Kingfisher 3 Limited	Investment	Mauritius	100%
Praslin Resort Limited	Property	Seychelles	99%
Beachcomber 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 are stated at fair value and relevant financial assets and financial liabilities are stated at their fair value or amortised cost as disclosed in the accounting policies hereafter. The consolidated financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

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 comprehensive income which represent twelve months' operation for the year ended 30 September 2019 are not comparable with the eight months' operation to 30 September 2018.

The Group obtained control over the subsidiaries acquired as at 27 September 2019. Hence, the results of the subsidiaries are not accounted for in the statements of profit or loss for the year but in the statements of financial position as at 30 September 2019.

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. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

Transactions and balances

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

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

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 date of the transactions. 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 one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Company's/Group's accounting policy for each category is as follows:

(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 provision for impairment.

4. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial assets (cont'd)

(i) Amortised cost (cont'd)

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement 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 provision.

For impairment provisions for receivables from related parties and loans to related parties, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

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 renegotiations 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, long-term loan receivables, other receivables and cash and cash equivalents in the statements of financial position.

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

(ii) Fair value through other comprehensive income

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

(iii) 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.

4. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial assets (cont'd)

(iii) Derecognition of financial assets (cont'd)

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 one of two categories, depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

(i) Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see "Financial assets" for in-the-money derivatives). They are carried in the statements of financial position at fair value with changes in fair value recognised in the statements of profit or loss. The Group does not hold or issue derivative instruments for speculative purposes nor for hedging purposes and does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

(ii) Other financial liabilities

Other financial liabilities 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 statement of financial position. For the purposes 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, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

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 the 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; and
- 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;

4. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Current versus non-current classification (cont'd)

A liability is current when: (cont'd)

- 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, 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.

Environment fees

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

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

4. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group 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.

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 are tested for impairment annually as at 30 September 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

(i) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

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

All revenue generated from the sale of goods and sale of services defined above are 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 terms of their contract, 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 customers, 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.

Determining the 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.

4. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Revenue recognition (cont'd)

(ii) 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. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS EFFECTIVE IN THE REPORTING PERIOD

The following Standards, Amendments to published Standards and Interpretations are effective in the reporting period and are not expected to have any impact on the Group's financial statements except for IFRS 9 - Financial instruments and IFRS 15 - Revenue from Contracts with Customers.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial instruments from 1 October 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. IFRS 9 requires the Group to record an allowance for ECLs for all its financial assets not held at fair value through profit or loss together with loans and finance lease commitment. The Group has elected to apply IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of the initial application of the standard. The new accounting policies are set out in note 4(b).

IFRS 15 - Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The new accounting policies are set out in 4(h). In accordance with the transition provisions in IFRS 15, the Group has not restated comparatives for the 2018 financial year.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Group's financial statements.

Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts (Amendments to IFRS 4). The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The amendment has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2014–2016 Cycle:

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant;

- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Group's financial statements;

- IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Group's financial statements; and

- Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Group's financial statements.

6. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE IN THE REPORTING PERIOD

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2019 or later periods, but which the Group has not early adopted.

At the reporting 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 16 Leases;
- IFRS 17 Insurance contracts;
- IFRIC 23 Uncertainty over Income Tax Treatments;
- prepayment features with negative compensation (amendments to IFRS 9);
- long- term interests in associates and joint ventures (amendments to IAS 28);
- annual improvements to IFRSs 2015–2017 Cycle;
- plan amendment, curtailment or settlement (amendments to IAS 19);
- definition of a business (amendments to IFRS 3);
- definition of material (amendments to IAS 1 and IAS 8);
- interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7).

IFRS 16 - Leases will replace the existing lease standards, IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

IFRS 16 is effective for accounting periods beginning on or after 1 January 2019 and will be adopted by the Group on 1 October 2019. The Group will apply the standard to its leases, modified retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application, 1 October 2019. Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 October 2019. The right-of-use asset and lease liabilities are initally measured at the present value of the future lease payments. In accordance with the standard, the Group will elect not to apply the requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract is or contains a lease at the date of initial application.

The Group will recognise with effect from 1 October 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to:
(a) amortisation charge for the right-to-use asset, and
(b) interest accrued on lease liability.

The Group is currently evaluating the impact of IFRS 16 on its financial statements.

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.

7. BASIS OF CONSOLIDATION AND FINANCIAL INFORMATION ON MATERIAL PARTLY-OWNED SUBSIDIARIES

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2019.
Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

• power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
• exposure, or rights, to variable returns from its involvement with the investee; and
• the ability to use its power over the investee to affect its returns.

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

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

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

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

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

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

As at year end, the Group did not have any material partly-owned subsidiary.

8. BUSINESS COMBINATIONS AND GOODWILL

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.

8. BUSINESS COMBINATIONS AND GOODWILL (CONT'D)

If the business combination is achieved in stages, the previously held equity interest is remeasured to fair value as its acquisition date and any resulting gain or loss is recognised in profit or loss.
Any contingent consideration to be transferred by the acquirer will be recognised at fair value on acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IFRS 9 either in profit or loss or as change to other comprehensive income.
If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal liabilities comprise bank loans, overdrafts, finance leases, trade and other payables and contract liabilities. 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 below.

(i) Credit risk

The Group's credit risk arises mainly from cash and cash equivalents, financial assets at fair value through 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 of cash and cash equivalents and financial assets at amortised, 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		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Cash and cash equivalents	**131,542**	-	**99,902**	-
Trade receivables	**7,650**	-	**-**	-
Contract assets	**3,493**	-	**-**	-
Financial assets at amortised cost	**419,496**	-	**-**	-
	562,181	-	**99,902**	-

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Market risk

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

The sensitivity analysis in the following sections relates to the position as at 30 September 2019 and 2018. 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. Since the business combination was effected on 27 September 2019, the foreign currency risk assessment as at year end is immaterial.

The following table demonstrates the sensitivity to a reasonable possible change in Moroccan dirham exchange rates, with all other variables held constant, of the Group's profit 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):

		THE GROUP	THE COMPANY
	Increase in Rates	Effect on Profit/ (Loss) before Tax	Effect on Profit/ (Loss) before Tax
2019	%	Rs.'000	Rs.'000
Moroccan dirhams	5%	1,365	-

2018 - Nil

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

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	
	2019	2018	2019	2018	2019	2018	2019	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Restated		Restated				
Mauritian rupees	100,896	-	2,168,028	-	101,841	-	2,127,336	366,394
Moroccan dirhams	881,108	-	853,802	-	-	-	-	-
	982,004	-	3,021,830	-	101,841	-	2,127,336	366,394

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Restated		
Net exposure, excluding Mauritian rupees	27,306	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's 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.

The Group's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group has no significant interest-bearing assets.

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 changes in interest rates taken are: 1%

		THE GROUP	THE COMPANY
	Increase in Rates	Effect on Profit/ (Loss) before Tax	Effect on Profit/ (Loss) before Tax
	%	Rs.'000	Rs.'000
Interest-bearing loans and borrowings in Mauritian rupees	1%	20,981	20,981
Interest-bearing loans and borrowings in Moroccan dirhams	1%	784	-

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

(c) 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 finance leases.

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
2019						
Trade and other payables	-	307,689	-	-	-	307,689
Borrowings	-	20,422	128,471	2,489,956	58,257	2,697,106
Contract liabilities	-	366,173	-	-	-	366,173
	-	694,284	128,471	2,489,956	58,257	3,370,968
2018						
Trade and other payables	-	1,243	-	-	-	1,243
	-	1,243	-	-	-	1,243

* Borrowings include future interest costs.

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

THE COMPANY	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2019						
Trade and other payables	**-**	**24,445**	**-**	**-**	**-**	**24,445**
Borrowings*	**-**	**20,422**	**83,192**	**2,342,926**	**58,257**	**2,504,797**
	-	**44,867**	**83,192**	**2,342,926**	**58,257**	**2,529,242**
2018						
Trade and other payables	-	366,394	-	-	-	366,394
	-	366,394	-	-	-	366,394

* Borrowings include future interest costs.

10. CAPITAL MANAGEMENT

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The actual gearing is higher as 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, less cash and cash equivalents. Total capital is based on equity attributable to equity holders of the parent as shown in the statements of financial position. The gearing ratios at 30 September 2019 and 2018 are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Interest bearing loans and borrowings	**2,697,106**	-	**2,504,797**	-
Less interests costs included above	**(480,400)**	-	**(400,884)**	-
Less cash in hand and at bank	**(131,542)**	-	**(99,902)**	-
Net Debt	**2,085,164**	-	**2,004,011**	-
Equity attributable to equity holders of the parent	**3,695,054**	(1,243)	**3,568,485**	(1,243)
Gearing ratio (Net debt/equity)	**56%**	-	**56%**	-

11. DISTRIBUTIONS

Accounting Policy

Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised by the Board. As at 30 September 2019, no dividend had been declared.

12. 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. Since the business combination took place on 27 September 2019, no segmental performance analysis has therefore been disclosed and effective date is 30 September 2019.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group'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 accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Functional currency

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

(ii) Going concern

The Board of Directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future.

At 30 September 2019, the Group and the Company had net current assets of Rs 3,757m and Rs 2,076m (2018: net current liabilities of Rs 1,243 and Rs 366,394) respectively. Similarly, the net cash position of the Group and the Company as at 30 September 2019 were Rs 131m m and Rs 99m respectively (2018: Nil)

The Directors believe that there is no going concern issue at Group and Company level as at year end.

The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the 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.

12. SEGMENTAL REPORTING (CONT'D)

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimates and assumptions (cont'd)

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.

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.

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

13. IMPAIRMENT LOSSES

No impairment loss has been assessed this year following the impairment testing. The main significant assumptions which have been taken into account are:

(a) Domaine Palm Marrakech S.A.

Phase 1 of the project consists of 97 fully sold villas, out of which 7 villas remain to be delivered in 2020. Phase 1b consists of 18 plots and 38 villas which are currently being developed, out of which 2 have been sold but not yet delivered. Phase 2 consists of a land bank of 43 hectares which will be available for development as from financial year 2024.

The project cash flows for the remaining Phase 1 villas and Phases 1b & 2 have been taken into account for the NRV testing of the carrying value of inventories at year-end. The selling prices and margins for Phases 1b & 2 villas were based on management estimates and were expected to be higher than Phase 1.

The carrying amount of investment in Domaine Palm Marrakech S.A. amounted to Rs 2.9bn as at September 2019 and was covered by the combined fair values of the golf course, country club, office buildings, investment properties and other assets at book value.

(b) Praslin Resort Limited

The project consists of the development of 40 villas and the construction of a hotel of 112 rooms on a leasehold land of 64 hectares.

The carrying value of he invesment of Kingfisher 3 Limited amounted to Rs 675m which included the fair value of the leasehold land held in the underlying investee Company, Praslin Resort Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

14. EVENTS AFTER THE REPORTING DATE

Accounting Policy

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

Events which occurred after the reporting date and which require disclosure in the financial statements for the year ended 30 September 2019 are as follows:

On 5 November 2019, the Ministry of Environment granted the EIA Certificate for the Property Development Scheme (PDS) project at Les Salines, Black River. The project comprises the contruction of 220 luxury villas and an 18-hole golf course for a project cost of approximately Rs 15bn.

15. RELATED PARTY TRANSACTIONS AND DISCLOSURES

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

The following transactions have been entered into with related parties:

(i) Long term loan payable to related party included under borrowings	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Entities under common control:				
New Mauritius Hotels Limited	**1,203,901**	-	**1,203,901**	-

(ii) Compensation of key management personnel	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Short term employee benefits and termination settlements	**515**	-	**-**	-
Post-employment benefits	**68**	-	**-**	-
	583	-	**-**	-

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

16. STAFF COSTS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Directors' remuneration	**110**	-	**110**	-

17. OTHER EXPENSES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Management fees	**10,003**	1,244	**10,003**	1,244
Administrative expenses	**7,886**	-	**7,803**	-
Licences, patents, insurance and taxes	**4**	-	**4**	-
	17,893	1,244	**17,810**	1,244

18. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Interest costs on:		Restated		
Bank overdrafts	**5**	-	**5**	-
Bank and other loans repayable by instalments	**7,346**	-	**7,346**	-
	7,351	-	**7,351**	-

19. 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 and associated companies where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred 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; and
- in respect of deductible temporary differences associated with investments in subsidiary companies and associated 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.

19. INCOME TAX (CONT'D)

Accounting Policy (cont'd)

Deferred income tax (cont'd)

Deferred income tax assets and liabilities are measured at the tax rates (2018: 17%) 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 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.

Corporate Social Responsibility

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

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

Interest and penalties

Management considers that penalties and interest have the characteristics of tax since they are paid to the tax authorities, are not tax deductible expenses and should therefore form part of tax expense.

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 expenses already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties 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.

	THE GROUP		THE COMPANY	
Current income tax	**2019**	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
The major components of income tax expense for the year and period ended 30 September 2019 and 2018 are:				
Statements of profit or loss:				
Income tax charge on the adjusted profit for the year and period at 15% (2018: 15%)	**-**	-	**-**	-
Corporate Social Responsibility (CSR)	**-**	-	**-**	-
Income tax (expense)/credit	**-**	-	**-**	-

19. INCOME TAX (CONT'D)

Significant accounting judgements and estimates (cont'd)

Taxes (cont'd)

(a) A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian tax rate for the year and period ended 30 September 2019 and 2018 as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Profit/(loss) before tax	**102,176**	(1,244)	**(25,271)**	(1,244)
Tax calculated at a tax rate of 15% (2018: 15%)	**15,326**	(187)	**(3,791)**	(187)
Deferred tax asset not recognised	**3,804**	187	**3,791**	187
Income not subject to tax	**(19,130)**	-	**-**	-
Tax expense	**-**	-	**-**	-

20. EARNINGS PER SHARE

Accounting Policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. 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:

	Notes	**2019**	2018
		Rs.'000	Rs.'000
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings		**102,176**	(1,244)
Number of ordinary shares for basic EPS	31	**548,982,130**	1,000
Basic earnings/(loss) per share (Rs.)		**0.19**	(1,244)

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS

21. BUSINESS COMBINATIONS

Acquisition of subsidiaries

(i) During the year, the Group acquired 100% shares in Domaine Palm Marrakech S.A. and Kingfisher 3 Limited for a consideration of Rs 2.9bn and Rs 675m respectively.

The following table summarises the purchase consideration and the fair value of the identifiable amounts of the assets acquired and liabilities assumed at acquisition date:

	THE GROUP
	2019
	Rs.'000
Consideration:	
Purchase consideration in kind	**3,595,000**
Less net assets acquired	**(3,156,000)**
	439,000

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

21. BUSINESS COMBINATIONS (CONT'D)

	THE GROUP
	2019
	Rs.'000
Net effect of business combination:	
Gain on bargain purchase on acquisition of investment in Domaine Palm Marrakech S.A.	**(127,530)**
Leasehold right on acquisition of investment in Kingfisher 3 Limited:	
- upfront payment of sublease	**437,555**
- land under villas	**128,975**
	439,000

Recognised amounts of identifiable assets acquired and liabilities assumed

	THE GROUP
	2019
	Rs.'000
Property and equipment	**141,036**
Leasehold rights	**9,393**
Investment property	**1,542,464**
Intangible assets	**908**
Inventories	**1,440,528**
Trade receivables	**7,650**
Prepayments	**31,802**
Contract assets	**3,493**
Financial assets at amortised cost	**419,421**
Other assets	**387,102**
Cash in hand and at bank	**31,640**
Long term loans	**(54,763)**
Finance Lease	**(1,703)**
Short term loans	**(21,971)**
Short term leasing finance	**(607)**
Trade payables	**(208,324)**
Other payables	**(73,612)**
Contract liabilities	**(366,173)**
Current tax libiltities	**(132,284)**
Fair value of net assets acquired	**3,156,000**

	THE GROUP
	2019
	Rs.'000
Net cash outflow on acquisition of subsidiary	
Consideration paid in cash	-
Less: Cash in hand and at bank acquired	**(31,640)**
	(31,640)

(ii) Consideration price of acquisition of subsidiaries is based on Independent Financial Advisor (IFA) report issued on 10 July 2019. Domaine Palm Marrakech S.A. has been fair valued by KPMG Advisory Services Mauritius using a combination of fair value of properties, discounted cash flows and assets at book value.

(iii) The fair value of Kingfisher 3 Limited has been determined by Mr Noor Dilmohamed, BSc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer on the basis of open market value and has been reflected for business combination purposes.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
22. 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 subsequently are 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.

Property and equipment have been brought into the Group at the acquisition price. The valuation of Domaine Palm Marrakech S.A. and Kingfisher 3 Ltd is based on the IFA report to ensure that the values of assets and liabilities are properly reflected upon business combination.

An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on the straight-line basis over the useful life as follows:

Office buildings	50 years
Equipment	Between 6 to 15 years
Furniture, fittings, office equipment and electrical appliances	Between 3 to 10 years
Computers and electronic equipment	Between 3 to 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 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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
22. PROPERTY AND EQUIPMENT (CONT'D)

Significant accounting judgements and estimates

Carrying value of freehold land, buildings and investment property

Property and equipment have been brought into the Group at fair value using discounted cash flows and assets at book value based on the IFA report.

The carrying amount of property and equipment is disclosed below:

THE GROUP	Freehold Land Rs.'000	Buildings Rs.'000	Other Fixed Assets Rs.'000	Motor Vehicles Rs.'000	Work in Progress Rs.'000	Total Rs.'000
Cost and valuation						
At 1 October 2018	-	-	-	-	-	-
Acquired through business combination	10,120	37,581	45,904	37,014	83,586	214,205
At 30 September 2019	**10,120**	**37,581**	**45,904**	**37,014**	**83,586**	**214,205**
Depreciation						
At 1 October 2018	-	-	-	-	-	-
Acquired through business combination	-	8,819	34,215	30,135	-	73,169
At 30 September 2019	**-**	**8,819**	**34,215**	**30,135**	**-**	**73,169**
Net book value						
As at 30 september 2019	**10,120**	**28,762**	**11,689**	**6,879**	**83,586**	**141,036**

(a) Fair value of freehold land and buildings

The Group measures freehold land and hotel buildings at revalued amounts with changes in fair value being recognised in equity. The Group engaged an independent valuation specialist to determine fair value based on prevailing market data. Further details in respect of the freehold land and buildings and investment property are included in note 23.

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, plant 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 and assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

Other items of property and equipment are depreciated using the norms applicable in the industry. The carrying amount of property and equipment is disclosed below.

The Group and the Company have a policy of revaluing their freehold land and buildings every three years. For the purpose of the business combination, freehold land and buildings held by the Group have been fair valued by Mr Noor Dilmohamed, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer and KPMG Mauritius based on a series of valuation techniques such as open market value and discounted cash flow analysis (DCF). The valuation considerations takes into account the location of the site and the specific characteristics attached thereto.

The Group has assessed that the highest and best use of its properties does not differ from their current use.

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

22. PROPERTY AND EQUIPMENT

(b) Assets under finance leases

	THE GROUP	
	2019	2018
	Rs.'000	Rs.'000
The carrying amount of property, plant and equipment		Restated
held under finance leases was: *Motor vehicles*		
Cost	**23,638**	-
Accumulated depreciation	**(18,738)**	-
Net book values	**4,900**	-

23. INVESTMENT PROPERTY

Accounting Policy

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment property are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair value 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 owner-occupied property becomes an investment property, the Group shall account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

	THE GROUP
	2019
	Rs.'000
Acquired through business combination	**1,542,464**

Investment property is stated at fair value, based on valuations performed by the Independent Financial Advisors, KPMG Mauritius. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property. Fair values of the properties was determined by using open market value. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. The investment property has been classified as level 2 as it is based on sales comparison approach.

The Group has assessed that the highest and best use of its properties do not differ from their current use.

	THE GROUP
Significant unobservable valuation input	**2019**
	Rs.'000
Price per square metre	**5,593**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

24. INTANGIBLE ASSETS

Accounting Policy

Goodwill

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When a subsidiary is disposed of, the difference between the disposal proceeds and the share of net assets disposed of, as adjusted for translation differences and net amount of goodwill is recognised in profit or loss.

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

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life 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 the statement of profit or loss when the asset is derecognised.

Leasehold rights

Expenditure incurred to acquire leasehold rights is capitalised and amortised on a straight-line basis over the period of the respective lease.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
24. INTANGIBLE ASSETS (CONT'D)
Accounting Policy (cont'd)

Leasehold rights (cont'd)

	THE GROUP		
	Leasehold Rights	Computer Software	Total
	Rs.'000	Rs.'000	Rs.'000
Cost			
At 1 October 2018	-	-	-
Acquired through business combination	447,078	2,269	449,347
At 30 September 2019	**447,078**	**2,269**	**449,347**
Amortisation			
At 1 October 2018	-	-	-
Acquired through business combination	130	1,361	1,491
At 30 September 2019	**130**	**1,361**	**1,491**
Net book values			
As at **30 September 2019**	**446,948**	**908**	**447,856**

(a) Leasehold rights

The leasehold rights comprise the cost of leases acquired for Praslin Resort Limited in Seychelles. They also consist of leasehold right recognised at Group level through investment made by Semaris Ltd in Kingfisher 3 Limited for its underlying assets in Praslin Resort Limited. The value of investment comprises of the leasehold land held by Praslin Resort Limited. The leasehold rights are amortised over 49 years which represents the lease period.

25. INVESTMENT IN SUBSIDIARIES
Accounting Policy

Subsidiaries are those entities controlled by the Company. Control is achieved when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Financial statements of the Company

Investment in subsidiaries are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to the statement of profit or loss.

	THE COMPANY	
	2019	2018
Cost (Unquoted)	**Rs.'000**	Rs.'000
At 1 October	**365,151**	-
Additions during the year (note (i))	**3,595,000**	365,151
Disposal (note(ii))	**(365,150)**	-
As at 30 September	**3,595,001**	365,151

(i) Additions during the year relate to the acquisition of Domaine Palm Marrakech S.A. for Rs 2.9bn and Kingfisher 3 Limited for Rs 675m.

(ii) During the year, the Company disposed of its investment held Les Salines Development Ltd to New Mauritius Hotels Limited for a consideration of Rs 365m.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
26. 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 valued at cost which comprises 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, is held as inventory and is measured at the lower of cost and net realisable value.
- The leasehold right acquired on the parcel of land for construction of villas have been allocated to inventory. Upon disposal of villas, the leasehold rights will be released to the profit of 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		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Stock of land for sale (cost) (note (a))	**3,453,685**	-	**2,000,000**	-
Leasehold rights acquired	**149,840**	-	**-**	-
	3,603,525	-	**2,000,000**	-
(a) Stock of land for sale is made up of:				
Land for sale at Les Salines, Mauritius (cost)	**2,000,000**	-	**2,000,000**	-
Land for development of Integrated Hotel Scheme ("IHS") at Les Salines	**34,023**	-	**-**	-
Villas under construction in Marrakech, Morocco (cost)	**1,419,662**	-	**-**	-
	3,453,685	-	**2,000,000**	-

(b) Inventories have been transferred at fair value following business combination based on valuation performed by the IFA.

(c) Inventories are included in assets given as collateral for bank borrowings.

27. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Trade receivables	**7,650**	-	**-**	-

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

(i) Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The trade receivables of the Group have been acquired at fair value and it is expected that the full contractual amounts can be collected. No impairment loss was identified for the year ended 30 September 2019.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
28. FINANCIAL ASSETS AT AMORTISED COST

(a)

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
Current	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Other receivables (note b)	**419,496**	-	**-**	-
Financial assets at amortised cost	**419,496**	-	**-**	-

(b) Other receivables

This relates to amounts receivable from Beachcomber Hotel Marrakech S.A. for use of country club, golf and other services provided by Domaine Palm Marrakech S.A.. The amount is repayable on demand. The fair value of the receivables amount has been acquired following business combination.

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
MUR	**76**	-	**-**	-
MAD	**419,420**	-	**-**	-
	419,496	-	**-**	-

29. OTHER ASSETS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
VAT receivable	**389,040**	-	**1,939**	-
Prepayments	**31,803**	-	**-**	-
	420,843	-	**1,939**	-

30. 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 statement of cash flows, cash and cash equivalents consist of cash in hand and at bank and net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortised cost.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
30. CASH AND CASH EQUIVALENTS (CONT'D)

For the purposes of the statements of cash flows, the cash and cash equivalents comprise the following:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Cash in hand and at banks	**131,542**	-	**99,902**	-
Bank overdrafts (note 33)	**(1,021)**	-	**(1,021)**	-
	130,521	-	**98,881**	-

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash is Rs 131m for the Group and Rs 99m for the Company (2018: Nil).

At 30 September 2019, the Group and Company did not have any undrawn loan facilities.

At 30 September 2019, undrawn overdraft facilities amounted to Rs 99m for both Group and Company.

Non-cash transactions

During the year, the Company acquired shares in Kingfisher 3 Limited and Domaine Palm Marrakech S.A. for a non-cash consideration of Rs 675m and Rs 2.9bn respectively.

Reconciliation of liabilities arising from financing activities :

(i) THE GROUP

			Non-cash changes			
	2018	**Cash flows**	**Acquisition of inventories**	**Acquired through business combination**	**Amortisation cost**	**2019**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Borrowings	-	**899,100**	**1,233,750**	**79,044**	**3,791**	**2,215,685**

2018 - Nil

(II) THE COMPANY

			Non-cash changes			
	2018	**Cash flows**	**Acquisition of inventories**	**Acquired through business combination**	**Amortisation cost**	**2019**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Borrowings	-	**899,100**	**1,200,000**	**-**	**3,791**	**2,102,891**

2018 - Nil

31. STATED CAPITAL

	Issued number of shares		Issued and fully paid	
	2019	2018	**2019**	2018
			Rs.'000	Rs.'000
As at 1 October,	**1,000**	-	**1**	-
Issue of shares	**548,981,130**	1,000	**3,594,999**	1
As at 30 September	**548,982,130**	1,000	**3,595,000**	1

By way of written resolution, dated 2 August 2019, 548,981,130 new ordinary shares were issued to the shareholders of New Mauritius Hotels Limited (NMH) following a reduction in the stated capital of NMH and the carving out of Semaris Ltd from NMH's financial statements.

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

32. OTHER COMPONENTS OF EQUITY

Nature and purpose of reserves

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Foreign exchange difference reserve	**(878)**	-	**-**	-
Total other components of equity	**(878)**	-	**-**	-

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

33. BORROWINGS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Current portion				
Bank overdrafts (note (a)/note 30)	**1,021**	-	**1,021**	-
Bank loans (note (b))	**21,970**	-	**-**	-
Obligations under finance leases (note (c))	**607**	-	**-**	-
	23,598	-	**1,021**	-
Non-current portion				
Bank loans (note (b))	**953,753**	-	**898,990**	-
Long term debt	**1,237,651**	-	**1,203,901**	-
	2,191,404	-	**2,102,891**	-
Obligations under finance leases (note (c))	**1,703**	-	**-**	-
	2,193,107	-	**2,102,891**	-
Total borrowings	**2,216,705**	-	**2,103,912**	-

(a) Bank overdrafts

The bank overdrafts are secured by floating charges on the assets of the individual companies of the Group. The rates of interest vary between 5.00% and 9.50% per annum.

(b) Bank loan and loan from related party

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Bank loan and loan from related party can be analysed as follows:				
Current				
- Within one year	**21,970**	-	**-**	-
Non-current				
After one year and before two years	**43,941**	-	**-**	-
- After two years and before five years	**1,343,562**	-	**1,298,990**	-
- After five years	**803,901**	-	**803,901**	-
	2,191,404	-	**2,102,891**	-
	2,213,374	-	**2,102,891**	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

33. BORROWINGS (CONT'D)

(b) Bank loans and loan from related party (cont'd)

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

	Effective interest rate %	Maturity	THE GROUP 2019 Rs.'000	THE GROUP 2018 Rs.'000
Denominated in:				Restated
MUR	4.75%-5%	2021-2029	**2,136,640**	-
MAD	6%-7%	2017-2023	**76,734**	-
			2,213,374	-

	Effective interest rate %	Maturity	THE COMPANY 2019 Rs.'000	THE COMPANY 2018 Rs.'000
Denominated in:				
MUR	4.75%-5%	2021-2029	**2,102,891**	-

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

The loan from related company amounting to Rs 1.2bn is unsecured and subordinated to the bank loans. It is repayable on the 10th anniversary of the loan agreement as from 30 August 2019.

(c) Obligations under finance leases

Accounting Policy

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even of that right is not explicitly specified in the arrangement.

Group as a lessee

Finance leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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

	THE GROUP	
	2019	2018
Minimum lease payments:	**Rs.'000**	Rs.'000
		Restated
- Within one year	**731**	-
- After one year and before two years	**731**	-
- After two years and before five years	**1,320**	-
	2,782	-
Less: Future finance charges on obligations under finance leases	**(472)**	-
Present value of obligations under finance leases	**2,310**	-
Present value analysed as follows:		
Current		
Within one year	**607**	-
Non-current		
After one year and before two years	**607**	-
After two years and before five years	**1,096**	-
	1,703	-
	2,310	-

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

34. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Trade payables	**222,360**	1,243	**12,727**	1,243
Other payables	**85,329**	-	**11,718**	365,151
	307,689	1,243	**24,445**	366,394

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

35. CONTRACT ASSETS AND LIABILITIES

	THE GROUP	
	Contract assets	**Contract liablities**
	Rs.'000	**Rs.'000**
At 1 October 2018 - restated	-	-
Acquired through business combination	3,493	366,173
At 30 September 2019	**3,493**	**366,173**

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
35. CONTRACT ASSETS AND LIABILITIES (CONT'D)

Contract assets relate to amount billed to customers as deposit for villas for which payments have not yet been received.

Contract liabilities relate to deposit received from customers for villas where performance obligations have not yet been met.

The amount of revenue, that will be recognised in future periods on these contracts when those remaining performance obliations will be satisfied, is expected to be in period ending 30 June 2020.

36. 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.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 the management when the situation dictates it, taking into consideration the relevant factors.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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.

Management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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 on 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 are 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 September 2019, the Group held the following financial instruments carried at fair value in the statements of financial position.

Assets/(liabilities) measured at fair value

	THE GROUP			
	2019	**Level 1**	**Level 2**	**Level 3**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Other financial instruments at fair value through profit or loss:				
Borrowings	**(2,216,705)**	**-**	**(2,216,705)**	**-**

	THE COMPANY			
	2019	**Level 1**	**Level 2**	**Level 3**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Other financial instruments at fair value through profit or loss:				
Borrowings	**(2,103,912)**	**-**	**(2,103,912)**	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)
36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

Fair values of the Group's interest-bearing loans and borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowings rate as at the end of the reporting date.

For valuation techniques regarding property classified under ''Property and equipment'' and ''Investment property'', refer to notes 22 and 23 respectively.

37. COMMITMENTS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
(a) Capital commitments	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
		Restated		
Les Salines PDS Limited (i)	**14,615,000**	-	**-**	-
Les Salines IHS Limited (ii)	**517,200**	474,500	**-**	
Villa project (Morocco) (iii)	**1,845,000**	-	**-**	-
Praslin Resort Limited (Seychelles) (iv)	**1,436,000**	-	**-**	-
	18,413,200	474,500	**-**	-

(i) Les Salines project will consist of the development of 220 villas under the PDS scheme on land bank of 73 hectares accompanied with the construction of a clubhouse and an 18-hole golf course. The project is expected to start during the financial year 2021.

(ii) The development of an Invest Hotel Scheme ("IHS") will be done under Les Salines IHS Limited on a land bank of approximately 1 hectare which will be within the premises of a 4-star hotel where 56 units will be constructed and sold under the scheme.

(iii) The amount of Rs 1.8bn represents the estimated cost of Phases 1b and 2 of the property development in Marrakech. Phase 1b will consist of developing and selling of 18 plots of land and 35 premium villas.

(iv) 64 hectares of land have been acquired by Praslin Resort Limited for the development of 40 villas. In addition and in line with the villa policy, Semaris is in discussion with potential partners to construct a 60-key, 5-star hotel, which it will then sell to a hospitality vehicle.

(b) Operating lease commitments

Accounting Policy

Operating lease

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group has various land leases on which hotel buildings are constructed. Future minimum rentals payable under operating leases as at 30 September are as follows:

	THE GROUP	
	2019	2018
	Rs.'000	Rs.'000
		Restated
Within one year	**3,650**	-
After one year but not more than five years	**14,600**	-
More than five years	**91,250**	-
	109,500	-

38. CHANGE IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's financial statements.

Impact on the financial statements

IFRS 9 and IFRS 15 were adopted without restating comparative information. The reclassification and the adjustments arising from the new accounting policies are not reflected in the comparative figures for the year ended 30 September 2018.

There has been no impact of IFRS 15 and IFRS 9 on the Group accounts as at 30 September 2019 since business combination occurred on 27 September 2019.

Consolidated financial statements

As at 30 September 2018, the financial statements contained information about Semaris Ltd as an individual company and did not contain consolidated financial information as the parent of a group. The Company had taken advantage of the exemption under IFRS 10 - Consolidated Financial Statements, from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its holding company, New Mauritius Hotels Limited that comply with IFRS.

As at 30 September 2019, the financial statements represent both financial statements of the Company and consolidated financial statements of the Group. All notes to the Group's financial statements were restated accordingly.

SEMARIS

Property Development