SEMARIS
Property Development

Annual Report 2023

SEMARIS LTD

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The Annual Report is published in its entirety on the Company's website:
www.semaris.mu

Dear Shareholder,

We are pleased to share with you the main highlights of the Semaris Group's results for the year ended 30 June 2023. In its fourth year of operation, the Group maintained momentum by securing its first reservations for serviced plots and villas at Harmonie Golf & Beach Estate, operating under the Property Development Scheme (PDS) at Les Salines Black River in Mauritius. Simultaneously, the Group generated substantial cash for the second consecutive year from its operations in Morocco.

Financial results

The financial performance of the Group was predominantly impacted by a drop in revenue and an increase in both finance cost and marketing expenses.

At income statement level, the Group generated revenue of Rs 265m from operations in Morocco. The income was derived from the sale of the remaining serviced plots in the "Atlas" zone and project management fees billed to plot owners who chose to entrust the construction of their villa to the Group. The increase in operating expenses was mainly linked to marketing costs associated with the Harmonie Golf & Beach Estate project. The rise in finance costs is attributed to a higher interest rate whereas there was an exceptional gain on the remeasurement of borrowing accounted for in the previous year.

Bottomline, the Group declared a loss of Rs 118m for the year ended 30 June 2023, slightly lower than budgeted.

At operational cash flow level, the Group's operations in Morocco generated over Rs 430m in net cash during the financial year ended 30 June 2023. The holding company also benefited from cash inflows from its subsidiary in Morocco, which will help finance the Group's operations in Mauritius and Seychelles.

Getting ready to start construction at Harmonie Golf & Beach Estate

Harmonie Golf & Beach Estate is steadily approaching its presale threshold. However, the AML/CFT compliance procedure is taking longer than anticipated, causing delays in firming up reservations.

The project team is finalising the relevant documents with the goal of launching the tender exercise by the end of the calendar year 2023. The infrastructure Building and Land Use Permit application is ready for submission simultaneously with the GFA (*Garantie Financière d'Achèvement)* application. The Group aims to commence construction work during the last quarter of the financial year 2024.

Site clearing has recently started at the Harmonie golf course. This will be a driving factor for continuous sales of the Harmonie Golf Villas. The golf course will be financed by New Mauritius Hotels Ltd partly through the sale of a limited number of memberships.

Another good year at DPM

The Group's subsidiary in Morocco, Domaine Palm Marrakech S.A. (DPM) has generated about 900 new leads and secured 17 new sales worth approximately Rs 1.3bn, to be recognised in the coming years.

Infrastructure work for the entire Phase 1, comprising the "Atlas", "Oliveraie" and "Ocre" zones has been completed, allowing for villa deliveries in the next financial years. Pressure on construction costs of villas sold before the COVID-19 pandemic were mitigated by adjusted sales prices and value engineering.

In line with the *"Convention Cadre"* signed with the Moroccan Government in 2006, the Group is actively working on the final design of Phase 2, which will include a 9-hole golf course, several large plots of land similar to the "Atlas" properties, VEFA villas, riads and a hotel component. A formal application to the Moroccan authorities is expected during FY 23/24.

Praslin project on the horizon

While awaiting the EIA permit for the Praslin project, the Group's main focus remains finding a strategic financial partner to develop the site.

Outlook

Following the strong marketing efforts for the Harmonie project in Mauritius during FY 22/23, management is expecting significant conversion of reservations into sales deeds in FY 23/24.
In Marrakech, the Group is targeting the delivery of a substantial number of villas, leading to important revenue recognition in FY 23/24. However, due to the recent earthquake in regions near Marrakech, management expects a temporary downturn in the attractiveness of the development. Consequently, the Group remains cautious on near-term future performance. The Board wishes to reassure shareholders that all team members in Morocco are safe. While further inspections are underway, damage to the Group's properties and construction sites appear to be minimal. While launching the Harmonie development has been the priority in recent years due to higher cash requirements, the Seychelles venture will mobilise more resources in FY 23/24. Nonetheless, the Board remains confident in our abilities to deliver on these projects.

We take this opportunity to thank our fellow Board members for their support, as well as the management team in Mauritius and Morocco for their commitment and hard work during the year.

Sidharth **SHARMA**
Chairman

Laurent **PIAT**
Chief Executive Officer

GLOSSARY OF TERMS

AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
Ar	Arpent
ARMC	Audit and Risk Management Committee
bn	Billion
Board	The Board of Directors of Semaris
DEM	Development and Enterprise Market of the Stock Exchange of Mauritius
DPM	Domaine Palm Marrakech S.A., a subsidiary company of Semaris
DR	Discount Rate
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
FIU	Financial Intelligence Unit as defined under Section 10 of the FIAMLA
FIAMLA	Financial Intelligence and Anti-Money Laundering Act
GDPR	General Data Protection Regulation
IAS	International Accounting Standards
IHS	Invest Hotel Scheme
k	Thousand
LSPL	Les Salines PDS Ltd, a subsidiary company of Semaris
m	Million
m²	Square metre
MAD	Moroccan dirham
ML	Money laundering
MUR/Rs	Mauritian rupee
NRV	Net Realisable Value
NMH	New Mauritius Hotels Limited, a public company incorporated in Mauritius, bearing business registration number C06001439 and listed on the Official Market of the SEM
PAT	Profit after Tax
PDS	Property Development Scheme
PDS Company	A Company incorporated under the Companies Act 2001: (a) holding a registration certificate and whose PDS project has been approved by the Board; and (b) includes a company holding a PDS Certificate
PIE	Public Interest Entity
SBM	SBM Bank (Mauritius) Ltd
SDP	Solde de Prix
SEM	Stock Exchange of Mauritius Ltd
Semaris	Semaris Ltd, a public limited company incorporated in Mauritius bearing business registration number C18153946 and listed on the DEM, also referred as "The Company"
Semaris Group/ The Group	Semaris Ltd and its subsidiaries
TGR	Terminal Growth Rate
VEFA	Vente en l'État Futur d'Achèvement
WACC	Weighted Average Cost of Capital

RISK MANAGEMENT REPORT

OUR RISK MANAGEMENT APPROACH

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

OUR INTEGRATED RISK MANAGEMENT PROCESSES

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

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

The Internal Audit function is responsible for the support, enhancement and monitoring of the effectiveness of this system and focuses on culture, process, control, monitoring and reporting.

Risk in Culture

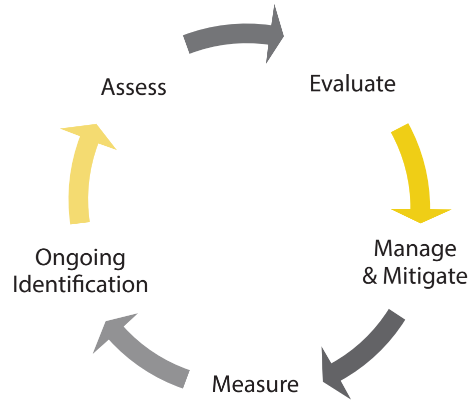
- Our tone, attitudes, ethical values, and policies
- Our governance and committee structures

Risk in Process and Control Management

- Three lines of defence
- Strategic risk planning

Risk Monitoring and Reporting

- Risk and performance monitoring
- Principal risk reporting



Operational and compliance risks are identified, analysed and managed through regular meetings with functional specialists. Probability of occurrence and potential impacts are assessed and the mitigation measures in place are reviewed for adequacy. We are constantly on the lookout for emerging risks and business processes are also regularly analysed and consolidated following recommendations made by internal and external auditors or other specialised service providers.

Financial and strategic risks are predominantly identified, analysed and managed by the Group's executives during the annual budgeting process and short- to medium-term strategic planning. Risks identified are assessed for both likelihood of occurrence and potential financial impact.

While the inherent risks attached to property developments are common across all projects of the Group, their likelihood of occurrence and potential financial impacts vary from one project to another. This is particularly true given the geographical diversity and the different completion stages of these projects. In order to have a more effective risk management framework, Semaris has opted for maintaining distinct Risk Registers for each project. These registers are reviewed annually to ensure that they remain up-to-date and reflect any changes in the ratings of existing risks.

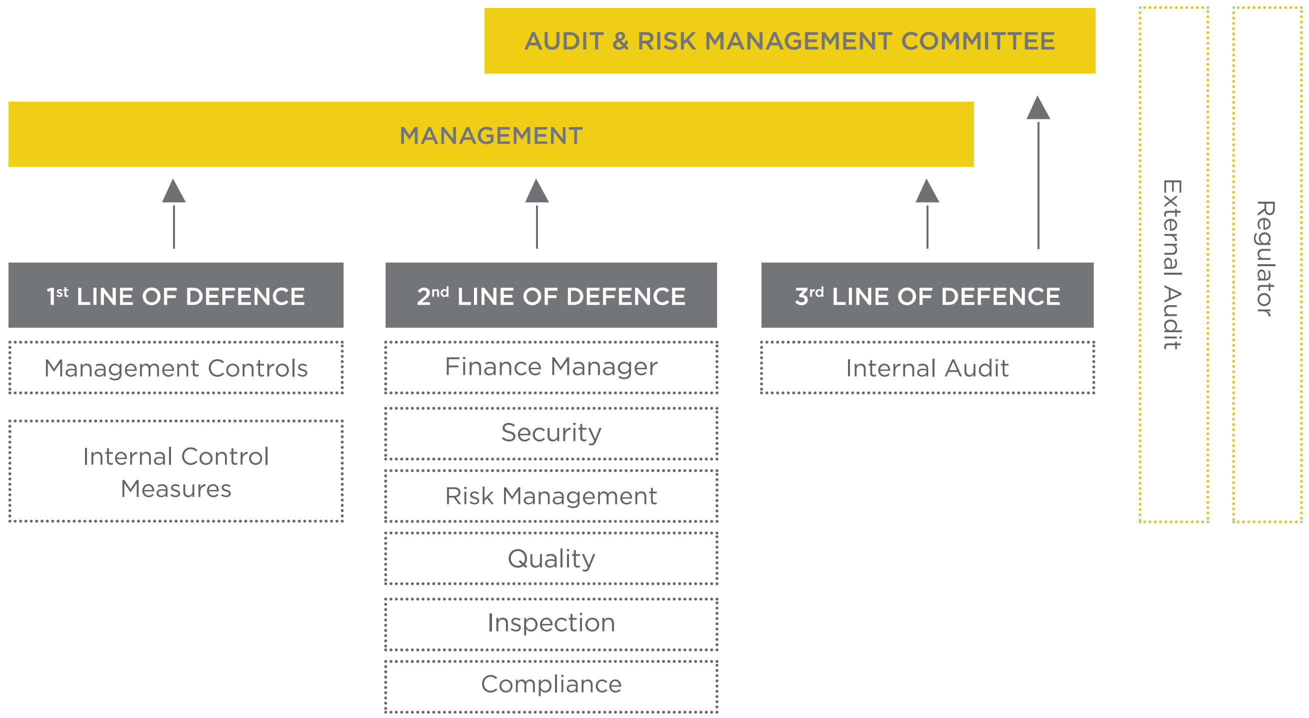
Our Lines of Defence

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

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

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

3. The third line of defence (functions that provide independent assurance) – This is provided by internal audit. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure their effective operation and advise how they could be improved. Tasked by, and reporting to the ARMC, it provides an evaluation, through a risk-based approach, of the effectiveness of governance, risk management and internal controls to the Board and senior management. The activities of internal audit are designed in accordance with International Standards on Auditing. The audit scope attempts to cover the significant risk areas, as captured in the Risk Registers.



Risks are identified, assessed, mitigated and monitored by functional specialists and periodically reviewed by internal and external auditors as deemed necessary. Realising that our staff are an important part of our lines of defence, Semaris has adopted a cross-functional approach to managing risks. This has had the effect of promoting better risk understanding and further strengthening our lines of defence. However, we realise that embedding risk management 'in everything we do' is a long-term process which requires constant monitoring and fine-tuning.

Supporting our three lines of defence model in managing risks, is our 'Code of Ethics', which includes a section on 'Whistle-blowing'. At Semaris, we believe that our employees should be able to raise any matter of concern in all confidence. During the year, there were no issues raised through our 'Whistle-blowing' system.

Holistic Approach to Risk Management

Effective risk management is key to achieving Semaris' strategic and operational objectives. Semaris carries out risk assessments with a view to identifying, prioritising and taking informed decisions on risk mitigation measures. Risks are first assessed from an inherent perspective. Internal controls and other mitigating measures are then identified and flexed in, resulting in a residual risk assessment.

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

OUR RISK MITIGATION APPROACH

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

- Preventable risks
- Strategy risks
- External risks

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

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

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

Our Top Inherent Risks

The Semaris Group, through the activities of its subsidiaries, is faced with inherent risks that could materially affect revenue and operating profit. The table on the following page lists the main inherent risks for both DPM and LSPL.

RISK MANAGEMENT REPORT

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

The Heat Map shows:

(i) the consolidated inherent risks, and

(ii) the consolidated residual risks after having factored in the risk mitigating measures adopted for each of the 14 inherent risks identified by the Group.

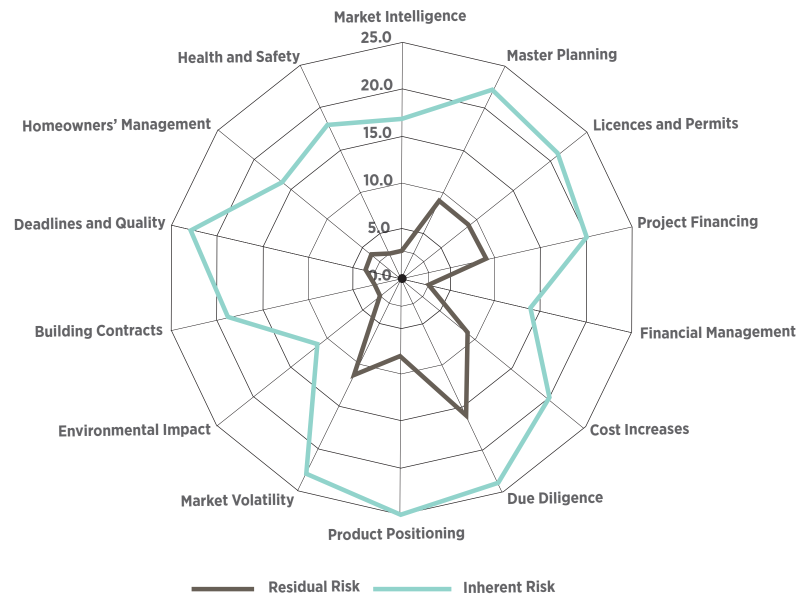
RISK HEAT MAP

RISK MANAGEMENT REPORT

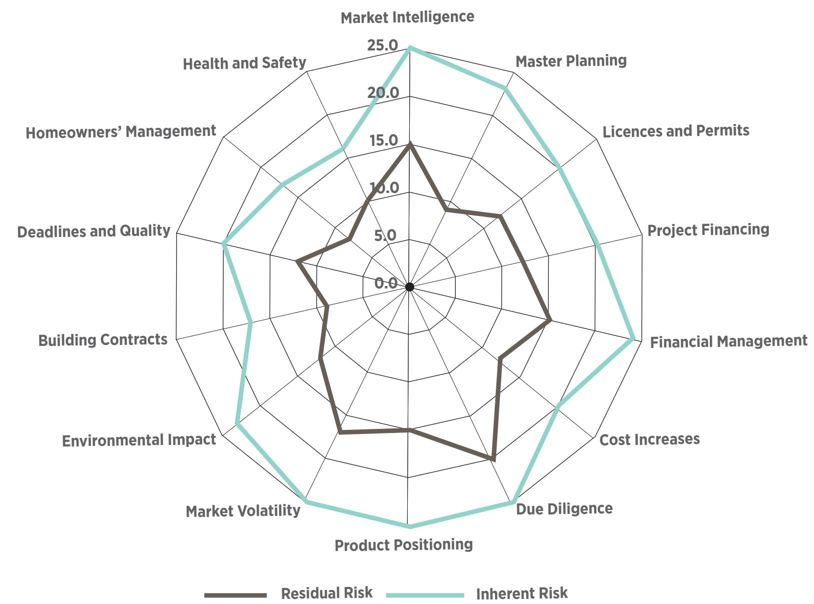
Risk Score Radar - By Projects

The Risk Score Radar is a visual representation of the inherent risk ratings of the 14 main risk areas that populate our Risk Registers and their residual risk ratings. Each risk has been assessed based on its likelihood of occurrence (scale 1-5) and potential financial impact (scale 1-5). The Risk Score is a product of the likelihood of occurrence and potential financial impact, where a score of 25 represents the maximum possible risk score. While the inherent risks are the same for both DPM and LSPL, their likelihood of occurrence and potential financial impact differ, and thus, each project's risk score is mapped and managed separately.

Risk Score Radar - DPM



Risk Score Radar - LSPL

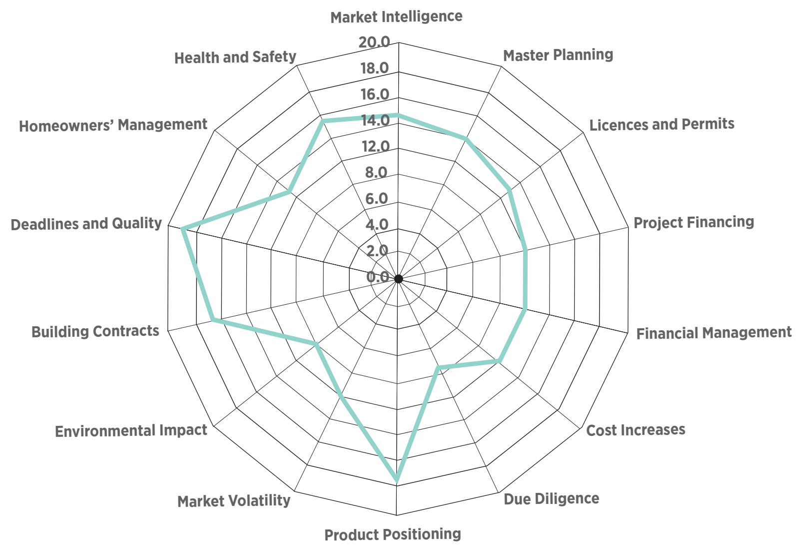


RISK MANAGEMENT REPORT

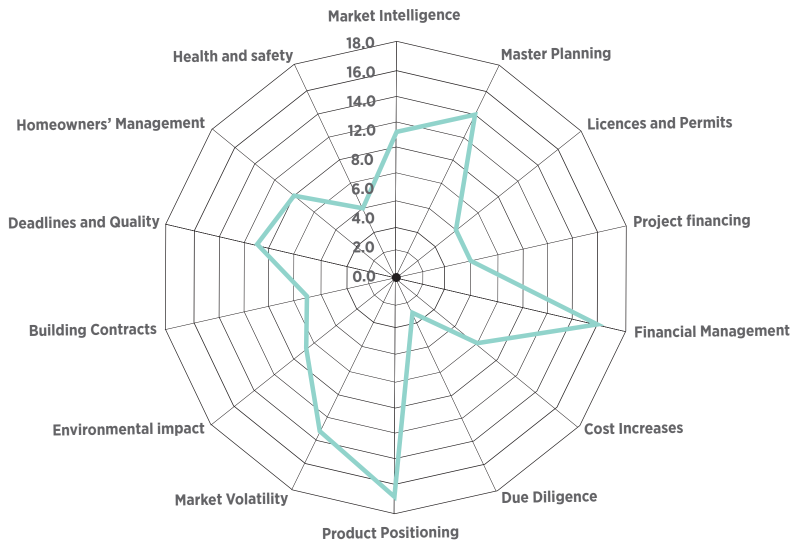
Controllability Score Radar - By Projects

The Controllability Score Radar depicts the controllability score for each of the top 14 risks that could affect the Group. The controllability score is the difference between the inherent risk score and residual risk score, where a higher controllability score would indicate a heightened importance of the mitigating measures in place. Focus is thus placed on ensuring that those mitigating measures are well in place and functioning properly. The controllability scores for DPM and LSPL are mapped separately.

Controllability Score Radar - DPM



Controllability Score Radar - LSPL



Project in Praslin – Seychelles

The search for a strategic partner to invest in the earmarked property development in Praslin is still ongoing. The major risk faced by the Group in relation to this project remains that of not being able to start the development within the timeframe set by the Seychelles authorities. The Group is currently negotiating with the Seychelles authorities to extend the 'project development timeframe', that was initially set.

AML/CFT

Semaris has successfully embedded a strong culture of AML/CFT throughout the organisation. With the classification of the real estate sector in Mauritius as being medium-high in terms of risk of ML, our risk management framework is meticulously designed to ensure full compliance with the provisions of the AML/CFT Laws of Mauritius as mandated by the FIU.

• What have we done?

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

• What next?

The following training modules have been designed by the Risk & Compliance Department:

1. An introduction to AML/CFT
2. Customer Due Diligence and its importance
3. Understanding the Risk of Politically Exposed Persons
4. Suspicious Transaction Reporting
5. Our Onboarding Processes

Among these, three modules have already been delivered to our employees and relevant stakeholders.
Moreover, an independent compliance audit was scheduled in September 2023 to ensure our processes remain aligned with the evolving regulatory landscape and industry best practices. This meticulous validation approach underscores our unwavering commitment to upholding the highest standards of AML/CFT compliance within Semaris.

Data Protection

Semaris is fully committed to ensuring compliance with the Data Protection Laws of Mauritius and the GDPR. To assess adherence to GDPR requirements and domestic laws:

What have we done?

In line with our steadfast commitment to data protection, we have taken significant measures to enhance the security of client and employee data:

• Appointment of Data Protection Officer and Registration as Controller

We have appointed a dedicated Data Protection Officer and achieved registration as a Controller with the Data Protection Office. These actions underline our dedication to safeguarding data privacy. Moreover, we have extended this commitment by ensuring that Semaris and its 4 subsidiaries are duly registered with the Data Protection Office of Mauritius, reflecting our comprehensive approach to data security.

• Comprehensive Privacy Measures

Our commitment to data privacy is evident through the adoption of a comprehensive Privacy Policy, complementing our existing Data Protection Policy Manual. This layered approach reinforces our dedication to maintaining the utmost privacy standards.

• Thorough Internal Audits

The thorough internal assessment validates our ongoing efforts to uphold data protection protocols. These collective endeavours reflect our pledge to fortify data protection practices, ensuring the highest level of security for our clients and employees.

What next?
In continuation of our comprehensive compliance strategy, we have planned an additional independent gap audit analysis for November 2023. This analysis is designed to identify areas with potential for improvement. This proactive approach serves as a testament to our commitment to safeguarding the security and privacy of client and employee data.

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

Risk Factors
We rely heavily on increasing connectivity and data management processes to conduct our business, including for back-office processes and email communications as well as to ensure client satisfaction. The main ICT risks and their mitigating measures are highlighted below:

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

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

AUDIT AND RISK COMMITTEE
For internal control, internal audit and risk management issues, please refer to page 30 and 31 (Governance – Board Committees).

RISK MANAGEMENT REPORT

PROGRESS AND ACHIEVEMENTS

Internal Audit
Internal audit forms Semaris' third line of defence. It is an independent function with a direct reporting line to the Chairperson of the ARMC on audit matters and to top management for day-to-day administrative matters. The internal audit function has a defined mandate through the Internal Audit Charter that establishes its purpose, authority, and responsibility.

Morocco Operations
The internal audit function of Domaine Palm Marrakech, our operation in Morocco, has been contracted out with the appointment of Grant Thornton ("GT") as Internal Auditor in December 2020, following a tender exercise and consultation with the ARMC. GT forms part of the leading advisory consultant in Morocco and members of teams servicing Domaine Palm Marrakech are seasoned accounting and business advisory professionals.

Since their appointment, GT have undertaken risk identification and risk assessment exercises and a 3-year audit plan has been presented to and approved by the ARMC. Internal audit reports and recommendations of GT were tabled and discussed at ARMC meetings during the year. Gaps in internal audit planning were identified and duly explained, with the 'gaps' rescheduled and included in the updated audit planning.

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

The internal audit function is adequately resourced and maintains a consistently high level of professionalism and quality based on international standards, appropriate knowledge, skills and experience. Members of this team are university graduates who hold recognised international qualifications in their respective fields. The qualifications of the key member of the Internal Audit team is disclosed on the website of NMH Ltd.

During the year, focus has been laid on emerging and high-risk areas and reporting has been made to the Committee on a quarterly basis. High-risk issues together with internal audit recommendations have been tabled during ARMC meetings and comments from management and implementation plans have been discussed. Proper follow-ups are made on all outstanding issues. The progress into the audit plan is analysed and gaps, if any, are duly explained.

The Internal Audit Department is in the process of automating its 'technology' in audit and risk management. Going digital, coupled with a touch of automation of our time-intensive and repetitive processes, should help the department spend less time on process administration and more time effecting changes.

The Internal Audit team executes its duties freely and objectively and usually meets with the Chairman of the Audit and Risk Management Committee, at least once a year, without the presence of management. During the year, there were no limitations or restrictions to the internal audit's scope of work and access to information.

External Auditor
BDO was appointed as external auditor of the Group in 2019, following a tender exercise. During the year, the ARMC assessed the independence and effectiveness of the external auditor before making a recommendation to the Board for their retention.

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

DIRECTORS' PROFILES

Sidharth SHARMA

Chairperson, Independent Non-Executive Director (Born in 1974)
Appointed in: December 2019
Qualifications: Doctorate and master's degree in Telecommunication from the University of Bristol and bachelor's degree in Electrical Engineering from the University of Cape Town
Professional Journey – Group Chief Executive Officer of RHT Holding Ltd and its subsidiaries. The Group is active in the mobility and investment sectors • Chartered Engineer registered with the UK Engineering Council and a Fellow of the Mauritius Institute of Directors • Council member of the National Committee on Road Safety. Advocate for a greener public transportation system with a keen interest in electric vehicles • Published several technical papers in industry journals on dynamic cellular network planning and wireless technologies • Worked for British Telecoms Plc before joining Island Communications Ltd, a portfolio company of RHT Ventures as Managing Director • Past Chairperson of the Audit and Risk Management Committee of Semaris Ltd • Past Board member of the Mauritius Institute of Directors, Courts Mammouth, Globefin Management Services Ltd and 4Sight Holdings Ltd

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

Monisha BHEENICK-KALACHAND

Independent Non-Executive Director (Born in 1976)
Appointed in: November 2022
Qualifications: Master of Science in Accounting & Finance, London School of Economics and Bachelor of Science in Business Management & Finance, King's College London. Securities and Financial Derivatives Representative (Securities Financial Authority, UK)
Committee: Chairperson of the Audit and Risk Management Committee
Professional Journey – Started her banking & finance career at ABN AMRO Rothschild Bank, London as an equity trader on the Pan-European desk and a business analyst on the MNC desk • Joined HSBC Corporate & Investment Banking in Mauritius in 2000 as Portfolio/Relationship Manager for the MNCs, larger conglomerates and parastatal bodies • Recruited by Groupe Caisse d'Epargne in 2004 as Head of Corporate Banking to devise & implement the strategy for the launch of the Corporate Banking Department of Banque des Mascareignes • Joined Standard Bank Mauritius Ltd in 2009 as Business Development Manager for the MNCs and large African groups operating within the overall Standard Bank Group. Conducted several road shows across South Africa together with other professionals from the Mauritian Global Business industry to promote the attractiveness of the jurisdiction for hosting tax-efficient financing structures

Skills & Experience – Strong experience in corporate & investment banking, financial analysis & risk management across a wide spectrum of business activities • Leadership & team management skills

Karine Marie CURÉ

Executive Director (Born in 1978)
Appointed in: July 2023
Qualifications: Master of Science in Marketing (MSc Hons University of Paris – Dauphine, France), Postgraduate Diploma in Marketing and Communication (ISG Paris, France), Senior Executive Programme (INSEAD): Transition to General Management and Strategy Execution for Business Leaders
Professional Journey – Started career in the field of advertising and communication in Paris • Since returning to Mauritius, worked in the tourism, leisure, and hotels sectors as well as in the Corporate Marketing & Communication sphere • She was a former Chief Marketing & Communication Executive of Rogers & Co. Ltd • Joined NMH Group in February 2019 to lead the Brand & Communication stratifies, CSR and Corporate Affairs • Karine is also the chairperson of Fondation Espoir Développement Ltée

Skills & Experience – Extensive experience and proven track record in strategic brand building, marketing and corporate affairs o In-depth leadership skills with demonstrated success in leading teams • Strong community-based relations with a focus on driving meaningful and impactful change • Promotes and cultivates a collaborative environment where individuals experience encouragement and recognition

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

Gilbert ESPITALIER-NOËL

Non-Executive Director (Born in 1964)
Appointed in: February 2018 – *up for re-election at the next Shareholders' Meeting*
Qualifications: Master of Business Administration from INSEAD. BSc University of Cape Town, BSc (Hons) Louisiana State University
Professional Journey – CEO of ENL Limited and of ENL Group • CEO until June 2023 and Chairman as from 5 July 2023 of New Mauritius Hotels Limited • Past CEO of ENL Property Limited • Past Operations Director of Eclosia Group • Past President of the Mauritius Chamber of Commerce and Industry, the Mauritius Chamber of Agriculture, the Joint Economic Council and the Mauritius Sugar Producers Association; past Vice-President of the Mauritius Export Association

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

Laurent PIAT

Executive Director (Born in 1978)
Appointed in: November 2022
Qualifications: Global Executive MBA from IESE Business School completed in 2021 and a Master from Sup de Co Montpellier completed in 2002
Professional Journey – Worked as Project Manager for Groupe Union from 2002 to 2007 • Joined New Mauritius Hotels Limited as Project Coordinator in September 2007 • Appointed as Directeur Général Délégué of Beachcomber Hotels S.A. in Morocco in 2010 and as Directeur Général of Domaine Palm Marrakech S.A. in 2011

Skills & Experience – Enjoys and nourishes effective teamwork in which people feel supported and appreciated • Naturally explorative and generates bold ideas to secure competitive advantage • Embraces all challenges no matter how complex and brings excellent business acumen and analytical capacity to ensure optimal solutions are defined and investment made is safeguarded and levered for full advantage and return • Managed and promoted a large-scale integrated mixed used-development in Marrakech comprising a 5* Luxury Hotel (Fairmont Royal Palm Marrakech), a championship golf course and about 150 luxury villas. The position involved taking over the responsibilities of 2 subsidiaries in Morocco as General Manager, assuming leadership for a team of 30 people, resourcing and managing local and international consultants, driving multiple negotiation rounds with the authorities, securing financing and animating a real estate's sales team and network

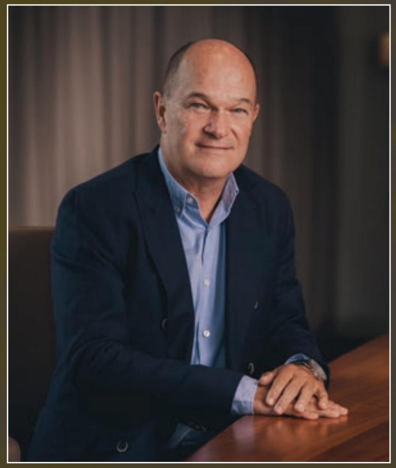
Stéphane POUPINEL de VALENCÉ

Non-Executive Director (Born in 1978)
Appointed in: September 2018 – *up for re-election at the next Shareholders' Meeting*
Qualifications: MBA (Paris Dauphine-Sorbonne), Postgraduate Diploma in Business Management (Curtin University), B.Com Management and Marketing (Curtin University), Professional Development Programme (Cornell University), Senior Executive Programme (London Business School), International Project Management (INSEAD)
Professional Journey – CEO of New Mauritius Hotels Limited since July 2023 • Former Managing Director of Semaris Ltd and Chief Officer – Real Estate & Construction of NMH • Past Managing Director of Medine Property, the property arm of Medine Ltd • Commenced his career at Panagora Marketing Co. Ltd, part of the Eclosia Group, in sales and marketing

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

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

DIRECTORS' PROFILES



Thierry REY

Non-Executive Director (Born in 1962)
Appointed in: November 2022
Qualifications: Diploma in Land Surveying
Professional Journey – Joined ENL in 1999 to create Espral, the ENL Group's very first instrument for land management and development • Developed the master plan for Bel Ombre and the Moka area in early 2000, as well as an array of other property developments within ENL land and other landowners • Upon creation of ENL Property, he took on new responsibilities as Business Development Director and has been pushing, among others, for ENL's entry in the green electricity sector

Skills & Experience – Extensive experience in the real estate sector encompassing property sales, marketing and property value assessments • Proficient negotiation skills

Paul TSANG MIN CHING

Non-Executive Director (Born in 1963)
Appointed in: November 2022
Committee: Member of the Audit and Risk Management Committee
Professional Journey – Started his career at De Chazal du Mée in 1985 and was responsible for the audit of several large corporates in Mauritius • Joined ENL as project accountant in December 1994 to oversee the financial aspects of projects • Appointed as Group Financial Accountant in 2002 and subsequently as Group Head of Finance

Skills & Experience – Extensive experience in strategic planning, preparation of consolidated financial statements, feasibility studies and structured debt financing

Youk Siane (Patrick) YIP WANG WING

Independent Non-Executive Director (Born in 1958)
Appointed in: July 2023
Committee: Member of the Audit and Risk Management Committee
Qualifications: DEA in 'Politique et Analyse Economique', Maîtrise ès Sciences Economiques and in Econométrie (University of Dijon, France)
Professional Journey – Joined the Ministry of Economic Planning and Development as Economist in 1985; moved subsequently to the Ministry of Finance • Appointed Director of Fiscal Policies in 2001. Led reforms of the taxation system, including customs tariff phase-down, VAT introduction, income taxation overhaul and creation of the Mauritius Revenue Authority • As head of the Budget Strategy and Management Directorate, spearheaded the shift to Programme-Based Budgeting within a Medium-Term Macro-fiscal Framework • Assumed responsibilities of Deputy Financial Secretary for 7 years • Sat on the Board of Directors of several State-owned bodies and companies including the Stock Exchange Commission, the Mauritius Revenue Authority, SIC and SICOM, and was also chairperson of the Statistics Board • Now retired from the Civil Service

Skills & Experience – Strategic foresight, planning skills and discerning thinking • Structured analytical approach to issues • Solid understanding of issues related to national development, macroeconomic stability, National Budget and fiscal sustainability • Extensive experience of public sector structures, rules and mechanisms

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

Hector ESPITALIER-NOËL

Chairman, Non-Executive Director (Born in 1958)
Appointed in: September 2018
Resigned on: 10 November 2022
Qualifications: Member of the Institute of Chartered Accountants in England and Wales
Professional Journey – CEO of ENL Limited and of ENL Group until 30 June 2023 • Worked for Coopers and Lybrand in London • Worked for De Chazal du Mée in Mauritius • Past Chairman of the Boards of Rogers and Company Limited, New Mauritius Hotels Limited and Semaris Ltd • Past Chairman of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association, and the Mauritius Sugar Syndicate

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

Jean-Pierre MONTOCCHIO

Non-Executive Director (Born in 1963)
Appointed in: September 2018
Resigned on: 10 November 2022
Qualifications: Notary
Professional Journey – Appointed Notary Public in Mauritius in 1990 • Contributed to the workings of the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee

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

Pauline SEEYAVE

Executive Director (Born in 1974)
Appointed in: February 2018
Resigned on: 10 November 2022
Qualifications: Master of Arts, St Catharine's College, University of Cambridge and Associate of the Institute of Chartered Accountants in England and Wales
Committee: Member of the Audit and Risk Management Committee
Professional Journey – Group Chief Financial Officer of New Mauritius Hotels Limited since 2016 • Over 20 years of working experience in finance-related fields • Occupied senior executive roles in banking, including finance, risk management, credit, project finance and corporate banking • Managed a portfolio of clients across various sectors in Audit and Business Assurance in the UK • Current Non-Executive Director of Innodis Ltd • Past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Méditerranée Albion Resorts Ltd

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

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

Kevin TEEROOVENGADUM

Independent Non-Executive Director (Born in 1974)
Appointed in: June 2019
Resigned on: 30 June 2023
Qualifications: MSc in Finance and Master of Business Administration from the University of Leicester, UK, BSc in Economics
Professional Journey – Worked for KPMG, Deloitte, Ernst & Young in corporate finance and strategic consultancy before moving in 2002 to Loita Capital Partners Group based in South Africa • In 2007, joined Actis, the leading Emerging Market Private Equity Firm, as a Director on their Africa real estate team • Was the co-founder and CEO in 2013 of AttAfrica, which became the premier investor in shopping malls in Africa • Frequent writer and speaker at conferences globally • Currently serves on numerous Boards and advises a number of companies in Mauritius and Africa, leveraging his over 20 years of experience in the financial services and real estate/hospitality sector • Currently co-founder of PropTech Africa

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

Jean-Noël Wong
WAN KHIN

Executive Director (Born in 1978)
Appointed in: July 2021
Resigned on: 31 May 2023
Qualifications: Fellow member of the Association of Chartered Certified Accountants
Professional Journey – Spent the first 12 years of his career with BDO and EY, working on assignments in Mauritius, Madagascar and various countries on the African continent • Joined ENL in 2010 to lead the financial and corporate reporting function of the Agri Cluster and assisted in business development initiatives • Subsequently joined New Mauritius Hotels Limited in 2016 and was posted in Marrakech to restructure the Moroccan entities and manage the finance, administration, legal and IT departments until 2020 • Head of Project Finance, mainly on property and related operations within New Mauritius Hotels Limited and Semaris Ltd until 31 May 2023

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

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

CORPORATE GOVERNANCE
REPORT

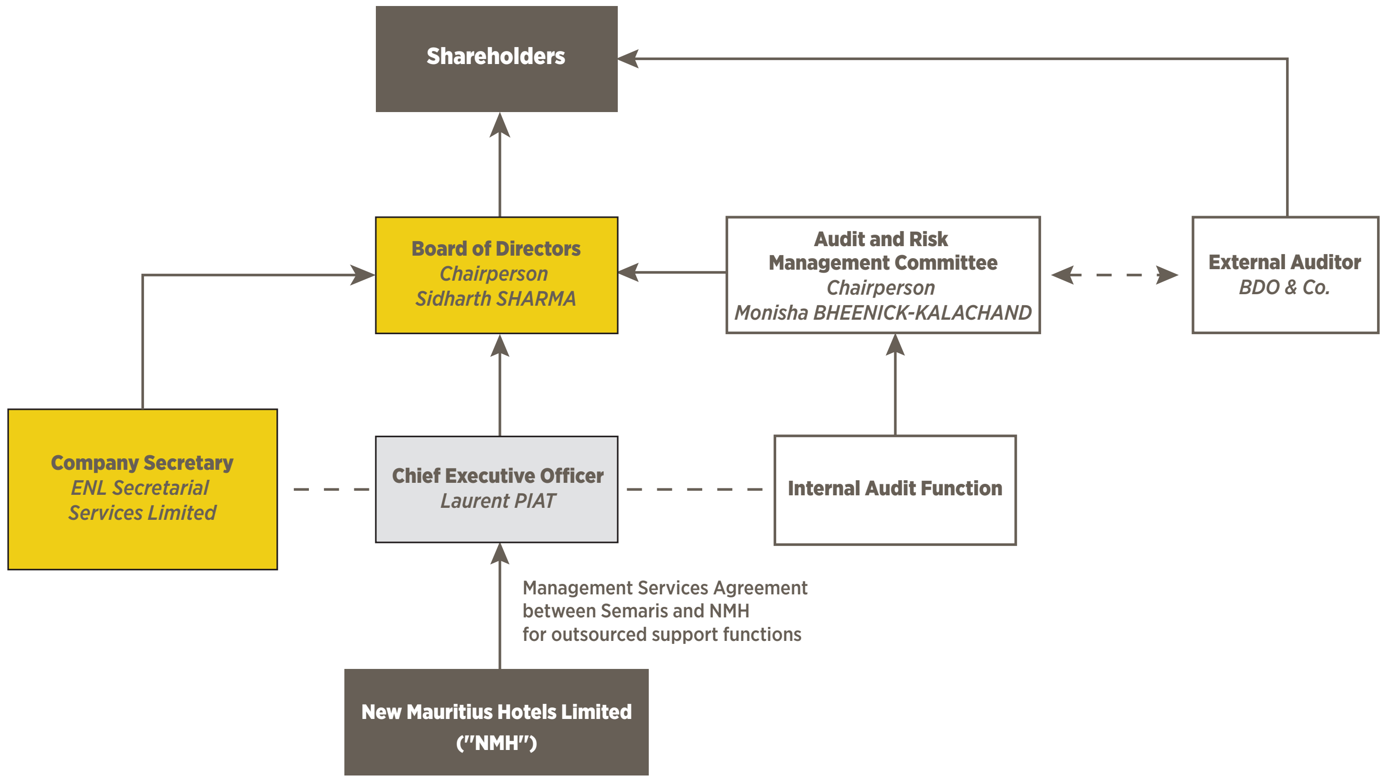
Semaris Ltd ("Semaris" or "the Company") is a public interest entity ("PIE") under the provisions of the Mauritian Financial Reporting Act 2004. The Company's Corporate Governance Report sets out its commitment to transparency, good corporate governance and the continuous effort to enhance shareholder value. Throughout the report, we have set out how we have applied the principles and complied with the relevant provisions of the National Code of Corporate Governance (2016) for Mauritius (the "Code").

Semaris was listed on the DEM of the SEM in September 2019.

1. GOVERNANCE STRUCTURE

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

- adopted a Board Charter which sets out the objectives, roles and responsibilities, as well as composition of the Board of Directors;
- identified its key Senior Governance positions and the position statements are detailed in Semaris' Board Charter;
- adopted a Code of Ethics; and
- approved an Organisational and Governance Structure as at 1 July 2023 (as illustrated hereunder):



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

2. THE BOARD

2.1. Board Composition

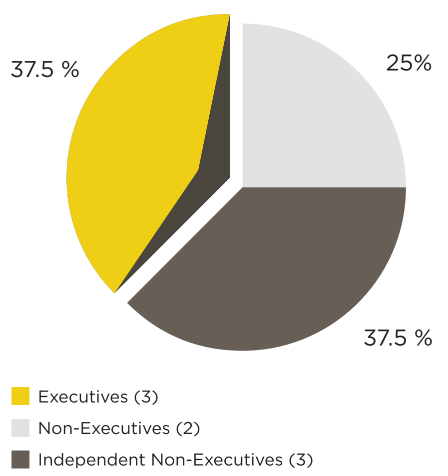
• The following Directors resigned during the year under review:
- Hector ESPITALIER-NOËL (NED)
- Jean-Pierre MONTOCCHIO (NED)
- Pauline SEEYAVE (ED)
- Kevin TEEROOVENGADUM (INED)
- Jean-Noël Wong WAN KHIN (ED)

• As at 30 June 2023, the Board composition was as follows:

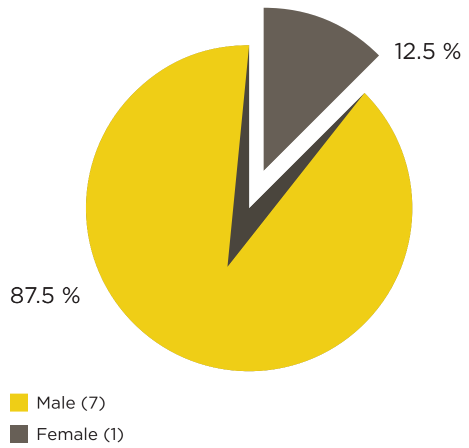
Directors	Gender	Category
Sidharth SHARMA*	M	INED, Chairperson
Monisha BHEENICK-KALACHAND **	F	INED
Gilbert ESPITALIER-NOËL	M	ED
Laurent PIAT**	M	ED
Stéphane POUPINEL DE VALENCÉ	M	ED
Thierry REY**	M	NED
Paul TSANG MIN CHING**	M	NED

** Following the resignation of Mr Hector Espitalier-Noël, Dr Sidharth Sharma was appointed as Chairperson on 12 December 2022, in line with the terms and conditions of appointment for Non-Executive Directors.*
***Appointed as Directors on 11 November 2022*

Board Composition



Gender



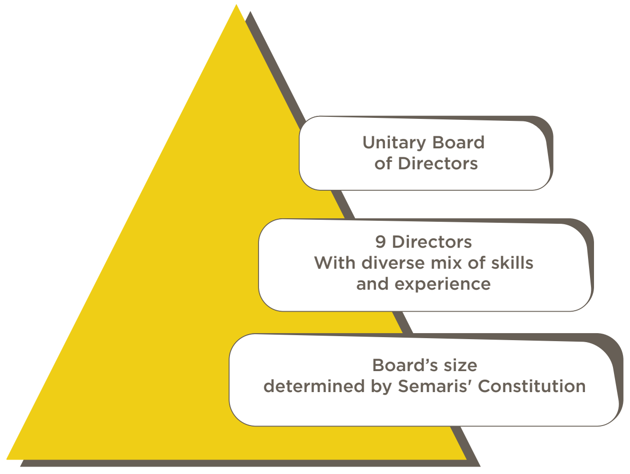
• The Company had at least two independent directors at all times during the financial year ended 30 June 2023.

• Effective 1 July 2023, the Board composition is as follows:

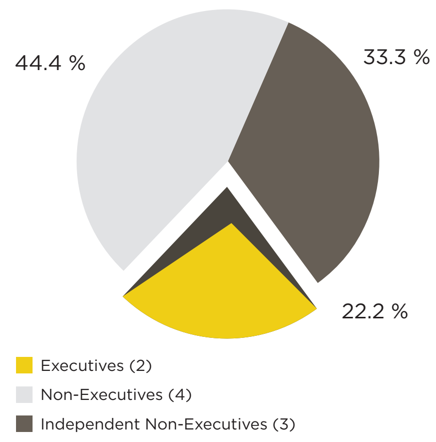
Directors	Gender	Category
Sidharth SHARMA	M	INED, Chairperson
Monisha BHEENICK-KALACHAND	F	INED
Karine CURÉ*	F	ED
Gilbert ESPITALIER-NOËL	M	NED
Laurent PIAT	M	ED
Stéphane POUPINEL DE VALENCÉ	M	NED
Thierry REY	M	NED
Paul TSANG MIN CHING	M	NED
Youk Siane YIP WANG WING*	M	INED

** Appointed as Director on 1 July 2023*

ED – Executive Director *NED – Non-Executive Director* *INED – Independent Non-Executive Director*

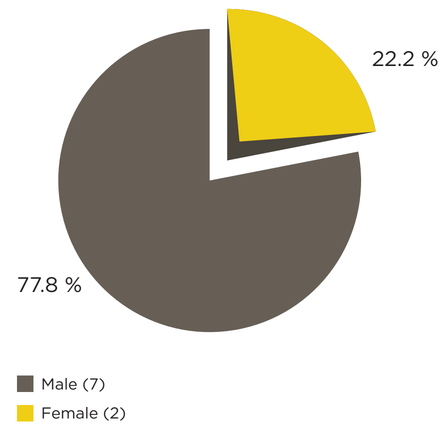


Board Composition



• All Directors of Semaris ordinarily reside in Mauritius.
• Semaris' Constitution is available for consultation on the Company's website: www.semaris.mu
• The names and profiles of the Directors of Semaris are disclosed on pages 20 to 25 of the Annual Report.

Gender



2.2 Focus areas of the Board FY 22/23

During the financial year, the Board met seven times.

Financials:

approved the audited financial statements/Annual Report for the year ended 30 June 2022;
approved the unaudited quarterly consolidated results of the Group for publication purposes; and
approved the budget for financial year ending 30 June 2024.

Strategy & Finance:

reviewed the performance of the Group against business plans as reported by the Managing Director;
reviewed the strategy of the Semaris Group;
approved audit fees of BDO & Co. for financial year ended 30 June 2023; and
approved banking facilities, opening of bank accounts and change in authorised bank signatories.

Governance, Compliance and Risk:

approved the appointment of the following new Directors:
- effective 10 November 2022:
  - Mrs Monisha Bheenick-Kalachand
  - Mr Laurent Piat
  - Mr Paul Tsang Min Ching,
  - Mr Thierry Rey
- effective 1 July 2023:
  - Mrs Karine Curé
  - Mr Youk Siane Yip Wang Wing

approved the appointment of Dr Sidharth Sharma as the new Chairperson of the Board;
approved the new composition of the ARMC and appointment of Mrs Monisha Bheenick-Kalachand as the new Chairperson of the ARMC;
approved the appointment of Mr Laurent Piat as CEO of Semaris effective 1 July 2023;
prepared and convened the Annual Meeting of shareholders;
recommended to the shareholders the appointment of BDO & Co. as auditors of the Company for the year ended 30 June 2023;
approved various off-market transfers;
considered the findings of the Board Evaluation Report 2022;
approved the revised Charter of the ARMC and the Board Charter;
reviewed and approved the organisational structure effective 1 July 2023;
approved the amendments made to the Data Protection Policy Manual and Privacy Policy; and
approved a Data Protection Policy Manual and Privacy Policy for Semaris and its subsidiaries.

Standing Agenda Items:

received reports on follow-up matters from previous minutes;
received disclosures of interests from Directors as and when applicable;
received reports and recommendations of the Audit and Risk Management Committee; and
received reports from the Managing Director.

2.3 Audit and Risk Management Committee

The Board has delegated some of its powers and responsibilities to the ARMC.
The Chairperson of the ARMC regularly reports the proceedings of the Committee to the Board. The Board of Directors has access to all Committee meetings and records.
The ARMC has its own Charter which sets out, inter alia, membership requirements, meeting proceedings, roles and responsibilities.
The Charter of the ARMC is reviewed annually by the Committee and any proposed amendments are recommended to the Board for approval. The Charter is available for consultation on the website of Semaris: www.semaris.mu

CORPORATE GOVERNANCE REPORT

- During the financial year, the Chairperson of the ARMC extended Committee meeting invitations on an ad hoc basis to the Chief Executive Officer, key executives, internal auditors and external auditors. Outside of formal meetings, the Committee Chairperson maintains a dialogue with key individuals involved in the Company's governance, namely the Chairman of the Board, the Managing Director and the external audit lead partner.
- Composition of the ARMC:
  - During the year under review, there were modifications made to the composition of the ARMC and the following Directors are no longer part of the committee:
  - Pauline SEEYAVE
  - Sidharth SHARMA
  - Kevin TEEROOVENGADUM
  - As at 30 June 2023, the ARMC members were as follows:

ARMC Members	Category
Monisha BHEENICK-KALACHAND	Independent Non-Executive Director, Chairperson
Kevin TEEROOVENGADUM	Independent Non-Executive Director
Paul TSANG MIN CHING	Non-Executive Director

  - Effective 1 July 2023, the composition of the ARMC is as follows:

ARMC Members	Category
Monisha BHEENICK-KALACHAND	Independent Non-Executive Director, Chairperson
Paul TSANG MIN CHING	Non-Executive Director
Youk Siane YIP WANG WING	Independent Non-Executive Director

Focus areas of the ARMC during FY 22/23

During the financial year under review, the ARMC met four times.

Financial Statements & Reporting Responsibilities:

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

Internal & External Audit Matters:

- recommended the appointment of BDO & Co. as auditors and audit fee proposal for the year ended 30 June 2023;
- reviewed and approved the internal audit plan for LSPL and DPM for the year ended 30 June 2023; and
- reviewed reports issued by the internal audit functions of LSPL and DPM.

Internal Controls & Risk Management:

- reviewed the risk management framework of Semaris.

Governance & Compliance:

- reviewed and amended the ARMC Charter; and
- received the compliance report on AML-CFT and Data Protection for LSPL and DPM.

2.4. Directors' Appointment Procedures

2.4.1. Appointment and Re-election

- The Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. The Director so appointed by the Board will hold office only until the following Annual Meeting and will then be eligible for reappointment.

- In accordance with the Company's Constitution, at each Annual Meeting of the Company, one-third of the Independent and Non-Executive Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office and shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- The re-election of Messrs Gilbert Espitalier-Noël and Stéphane Poupinel de Valencé as Directors of the Company in accordance with Section 25.9.3 of the Company's Constitution will be proposed for approval at a meeting of shareholders of Semaris.
- The Board confirms that following a performance evaluation, Messrs Gilbert Espitalier-Noël and Stéphane Poupinel de Valencé continue to be performing and remain committed to their role as Directors of the Company.

2.4.2. Board Induction

2.4.3. Professional Development and Training

- Directors are encouraged to keep themselves abreast of changes and trends in the Company's businesses, environment and markets.
- The Board regularly assesses the development needs of its Directors and of the Board as a whole.
- It facilitates attendance at appropriate training programmes so that Directors can continuously update their skills and knowledge.
- During the year under review, Directors attended training sessions on Anti-Money Laundering/Combating Financing of Terrorism.

2.4.4. Succession Planning

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

2.5. Directors' Duties, Remuneration and Performance

2.5.1. Directors' Interests, Dealings in Securities and Related Party Transactions

- The Board adheres to the rules for DEM companies issued by the SEM and the Mauritian Companies Act 2001 in respect of share dealings.
- The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect of the above rules.
- Semaris' Board Charter also contains policies on Conflicts of Interest and Related Party Transactions.
- Directors who are interested in a transaction or proposed transaction with the Company disclose their interests to the Board and cause same to be entered in the Interests Register.
- As a measure of good practice, the disclosure of any conflict of interest is a standard item on the Board's agenda such that at the beginning of each meeting, the Chairman invites the Directors to declare their interests or changes in their interests, if any.
- The Company Secretary keeps the Interests Register and ensures that the latter is updated regularly. The register is available for consultation by shareholders upon written request to the Company Secretary.
- All new Directors are required to notify in writing to the Company Secretary their direct and indirect interests in Semaris.

- As at 30 June 2023, the Directors' interests in Semaris' shares were as follows:

	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
Monisha BHEENICK-KALACHAND[1]	-	-	-	-
Gilbert ESPITALIER-NOËL	131,675	0.024	8,890,639	1.619
Hector ESPITALIER-NOËL[2]	57,007	0.010	15,625,529	2.846
Jean-Pierre MONTOCCHIO[2]	151,012	0.028	560,145	0.102
Laurent PIAT[1]	11,050	0.002	-	-
Stéphane POUPINEL DE VALENCÉ	60,000	0.011	-	-
Thierry REY[1]	9,768	0.002	-	-
Pauline SEEYAVE[2]	3,314	0.001	-	-
Sidharth SHARMA	-	-	-	-
Kevin TEEROOVENGADUM[3]	-	-	-	-
Paul TSANG MIN CHING[1]	331,044	0.060	-	-
Jean-Noël Wong WAN KHIN[4]	25,000	0.005	-	-

[1] *Appointed as Director on 11 November 2022*
[2] *Resigned as Director on 11 November 2022*
[3] *Resigned as Director on 30 June 2023*
[4] *Resigned as Director on 31 May 2023*

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

	No. of Shares Disposed
Thierry REY	17,734

- Note 15 to the financial statements for the year ended 30 June 2023, set out on pages 75 to 77 of the Annual Report 2023, details all the related party transactions between the Company or any of its subsidiaries or associates and a Director, Chief Executive, controlling shareholder or companies owned or controlled by a Director, Chief Executive or controlling shareholder.
- Shareholders are apprised of related party transactions through the issue of circulars and press releases by the Company in compliance with the DEM Rules of the SEM.

2.5.2. Information, Information Technology and Information Security Governance

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

2.5.3. Legal Duties and Access to Information

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

2.5.4. Remuneration Policy

- The underlying philosophy is to set remuneration at an appropriate level to attract, retain and motivate high-calibre personnel and reward in alignment with their individual as well as joint contribution towards the achievement of the Group's objective and performance, while taking into account the current market conditions and the Group's financial position. The Directors are remunerated for their knowledge, experience and insight given to the Board and Committees.

- The Chairperson of the Board is paid a special level of fees appropriate to his office. Particulars of Directors' remuneration are entered into the Interests Register of the Company.
- None of the Non-Executive Directors is entitled to remuneration in the form of share options or bonuses associated with the Company's performance.
- The table hereunder lays out the current monthly fee structure of the Company:

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

2.5.5. Attendance and Remuneration/Benefits Paid

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

		Board	ARMC	Remuneration and Benefits Received (Rs)	
Number of Meetings held		7	4		
Category	Directors	Attendance		Company	Subsidiary Companies
Executive	Gilbert ESPITALIER-NOËL[1]	7/7	N/A	240,000	N/A
	Stéphane POUPINEL DE VALENCÉ[1]	7/7	N/A	240,000	N/A
	Pauline SEEYAVE[2]	3/7	2/4	125,000	N/A
	Jean-Noël Wong WAN KHIN[3]	6/7	N/A	220,000	N/A
	Laurent PIAT[4]	4/7	N/A	1,678,000	8,477,683
Non-Executive	Hector ESPITALIER-NOËL[2]	3/7⦿	N/A	150,000	N/A
	Jean-Pierre MONTOCCHIO[2]	2/7	N/A	100,000	N/A
	Paul TSANG MIN CHING[4]	4/7	2/4	175,000	N/A
	Thierry REY[4]	4/7	N/A	140,000	N/A
Independent	Sidharth SHARMA	7/7⦿	2/4	360,000	N/A
	Kevin TEEROOVENGADUM[5]	6/7	4/4	420,000	N/A
	Monisha BHEENICK-KALACHAND[4]	4/7	2/4⦿	210,000	N/A

⦿ *Chairperson*

1 *Non-Executive Director as from 1 July 2023*

2 *Resigned as Director on 10 November 2022*

3 *Resigned as Director on 31 May 2023*

4 *Appointed as Director on 10 November 2022*

5 *Resigned as Director on 30 June 2023*

2.5.6. Board Evaluation

- Every year, the Board carries out a critical evaluation of its performance and that of the Committee, as well as their respective processes and procedures, to ensure that they are designed to assist the Board in effectively fulfilling its role.
- During the year under review, an internal evaluation of the Board, its ARMC, and its Directors was undertaken. Directors were issued with a questionnaire, designed by the Company Secretary to elicit their views and opinions. The evaluation was focused on specific areas of improvement, namely digitalisation, risk and self-evaluation.
- The reviews concluded that the Board and its Committee are operating effectively and that Directors continue to fulfil their roles as required. The remarks and recommendations received are shared with the Board to enable the Directors to take appropriate steps where necessary and possible.

3. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

For internal control, internal audit and risk management, please refer to pages 9 to 19.

4. SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

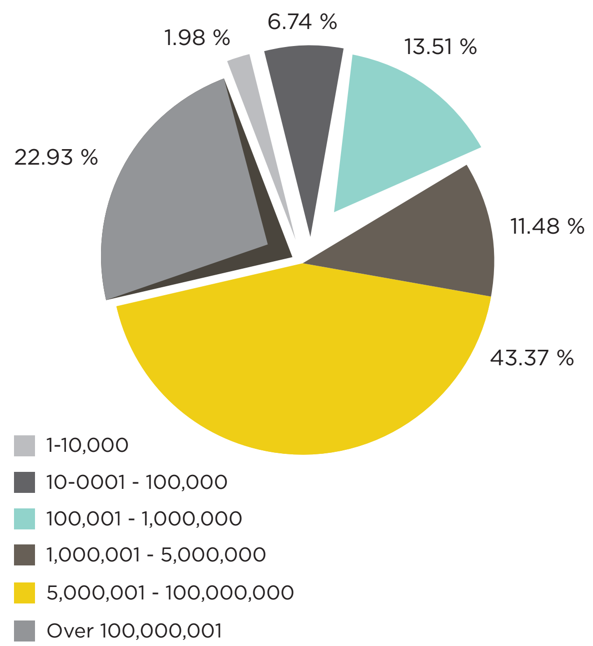
4.1. Shareholding Profile

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

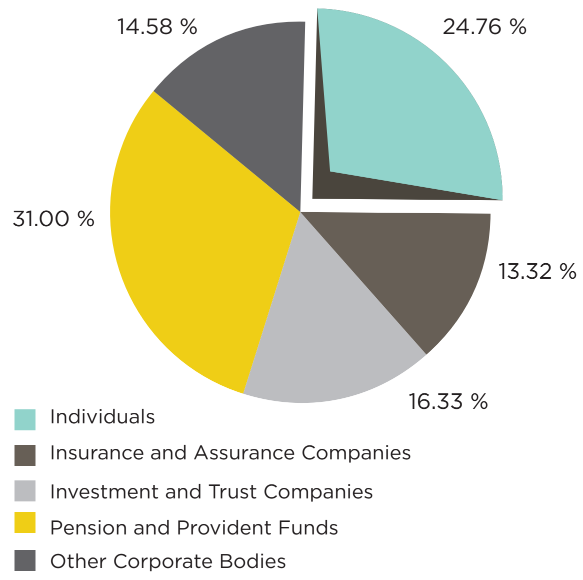
	Ordinary (%)
Rogers and Company Limited	22.93
ENL Limited	15.24
Swan Life Ltd	10.42
Joseph René Herbert Maingard Couacaud	6.35

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

Distribution of Shareholders



Spread of Shareholders



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

4.4.2 Shareholders' Calendar

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

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

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

4.4.4. Dividend

The Company has no formal dividend policy in place. The Board aims to distribute regular and stable dividends, subject to the financial performance and cash flow availability of the Company.

CORPORATE GOVERNANCE REPORT

5. COMPANY SECRETARY

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

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

25 September 2023

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Mauritian Companies Act 2001)

Activities

The activities of the Semaris Group are disclosed in Note 2 to the financial statements included in the Annual Report 2023.

Directors

A list of the Directors of the Company and its subsidiaries for the period 1 July 2022 to 30 June 2023 is set out below:

List of Directors of the Company and its Subsidiaries	BHEENICK-KALACHAND Monisha	ESPITALIER-NOËL Gilbert	ESPITALIER-NOËL Hector	MONTOCCHIO Jean-Pierre	PIAT Laurent	PISMONT Jean-Louis	POUPINEL DE VALENCÉ Stéphane	REY Thierry	SEEYAVE Pauline	SHARMA Sidharth	TEEROOVENGADUM Kevindra	TSANG MIN CHING Paul	WAN KHIN Jean- Noël Wong
Domaine Palm Marrakech S.A.		✓			✓		✓		✓				R
Gold Coast Resort Limited		✓(1)				✓	✓		✓				
Kingfisher 3 Limited		✓(1)					✓		✓				
Les Salines PDS Ltd		✓					✓		✓				R
Les Salines IHS Limited		✓(1)				✓	✓		✓				
Praslin Resort Limited		✓(1)				✓	✓		✓				
Semaris Ltd	A	✓	R	R	A		✓	A	R	✓	R	A	R

✓: In office A: Appointed R: Resigned

(1) Resigned as Director effective 1 July 2023

Directors' Service Contracts

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

Directors' Remuneration and Benefits

The total remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries were as follows:

	From the Company		From the Subsidiaries	
	2023	2022	**2023**	2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Executive Directors				
- Full-time	**2,503**	935	**-**	-
- Part-time	**-**	-	**7,880**	-
Non-Executive Directors	**1,555**	1,248	**-**	-
Post-employment benefits – Executive Directors	**-**	-	**598**	-
	4,058	2,183	**8,478**	-

Directors' Interests in the Equity of Semaris

(i) The interests of the Directors in the shares of Semaris as at 30 June 2023 are available on pages 32 and 33 of the Annual Report 2023.

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

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

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

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

	Ordinary Shares			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Patrice LEGRIS	40,100	0.007	-	-

Contracts of Significance

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

Shareholders

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

Name of Shareholder	Interest (%)
Rogers & Company Limited	22.93
ENL Limited	15.24
Swan Life Ltd	10.42
Joseph René Herbert Maingard Couacaud	6.35

Donations

No donation was made by the Company and its subsidiaries during the financial year under review (2022: Nil).

External Auditors' Remuneration

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	Rs	Rs	**Rs**	Rs
Audit fees paid to:				
BDO & Co.	**1,188,000**	990,000	**976,000**	865,000
Other firms	**2,505,048**	1,588,900	**-**	-
Fees paid for the other services provided by:				
BDO & Co	**-**	-	**-**	-
Other firms	**3,381,013**	1,644,800	**31,800**	185,000

In Respect of Financial Statements

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

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

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

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

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

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

The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgements and estimates that fairly present the state of affairs of the Group and Company.

STATEMENT OF COMPLIANCE TO THE CODE

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

Name of Public Interest Entity (PIE): Semaris Ltd
Reporting Period: 1 July 2022 to 30 June 2023

We, the Directors of Semaris Ltd, confirm to the best of our knowledge that the PIE has fully complied with the principles of the Code of Corporate Governance.

Sidharth SHARMA
Chairman

Laurent PIAT
Chief Executive Officer

25 September 2023

COMPANY SECRETARY'S CERTIFICATE

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

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritian Companies Act 2001.

Preety GOPAUL, ACG
For ENL Secretarial Services Limited
Company Secretary

25 September 2023

INDEPENDENT AUDITOR'S

REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE 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 54 to 104 which comprise the consolidated and separate statements of financial position as at June 30, 2023, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements on pages 54 to 104 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code").* We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Valuation of Investment Property

Key Audit Matter

As at June 30, 2023, the Group had land and buildings classified as Investment property amounting to Rs 870m (2022: Rs. 838m). Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is carried at fair value as determined annually by a valuation carried out by external valuers which is based on the discounted cash flow model, with the corresponding changes in fair values being recognised in the consolidated statement of profit or loss. No fair value gain/(loss) has been recognised on the investment property for the year ended 30 June 2023 (2022: Rs 2.9m).

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

Related Disclosures

Refer to Notes 27 and 40 to the accompanying financial statements.

Audit Response

- We have assessed the design and implementation of the relevant controls relating to the risks over the valuation of the investment property.

Our procedures in relation to the valuation of investment property are described below:

- Assessing and discussing management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers.
- Obtaining the external valuation reports and discussed with the external valuers about their results.

Key Audit Matters (Cont'd)

1. Valuation of Investment Property (cont'd)

Audit Response (cont'd)

- With the support of our Corporate Finance Team, we challenged the appropriateness of the valuation method and assumptions used such as discount rates and growth rates, in deriving the discounted cash flow by comparing these assumptions to our internally derived expectations based on historical performance of the businesses as well as industry benchmark.
- We verified the completeness, adequacy and relevance of the information presented to us.
- We performed a sensitivity analysis on the main assumptions used to ensure the valuation arrived at is fair and reasonable.
- We checked the mathematical accuracy of the valuation.
- We also reviewed and assessed the completeness of the disclosure in the financial statements for compliance with International Financial Reporting Standards including disclosure on significant inputs and sensitivity analysis.

2. Valuation of Inventory at Group Level

Key Audit Matter

In the consolidated financial statements, the carrying value of inventory as at 30 June 2023 amounted to Rs 3.8bn (2022: Rs 3.5bn) representing land earmarked for development in Seychelles, Morocco and Mauritius. Inventory is carried at lower of cost and net realisable value ("NRV").

In line with IAS 2 *Inventories*, management has carried out the NRV testing based on valuation performed by external valuation experts.

NRV testing involves significant estimates and judgements as used in the valuation model concerning cost to completion and expected timing for future sale.

We have identified the NRV testing of the inventory as a key audit matter due to the significance of the inventory on the consolidated statement of financial position and also the significant estimates and judgements involved in arriving at the carrying values.

Related Disclosures

Refer to Note 30 to the accompanying financial statements.

Audit Response

Our audit procedures to assess the carrying values 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 respective assets with the expected selling prices obtained from management. We have ensured that the estimated cost to sell is properly calculated and deducted from the proceeds to arrive at the respective NRV and appropriate discounting has been applied.
- We have critically assessed the assumptions used in the NRV testing and the benchmark relied by management to ensure they are reasonable and appropriate.
- We ensured that the list of inventory obtained from management is consistent with the project.
- We have assessed the appropriateness and reasonability of the basis of account used in the NRV testing.
- We have reviewed the respective agreement and corresponding report available to ensure they are fairly reflected in the NRV testing.
- We also reviewed and assessed the completeness of the disclosure in the financial statements for compliance with International Financial Reporting Standards including disclosure on significant inputs.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's and Chief Executive Officer's Report, Risk Management Report, Secretary's Certificate and Other Statutory Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit, we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the Annual Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the public interest entity has, pursuant to Section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SEMARIS LTD

Other Matter

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

BDO & Co

BDO & Co
Chartered Accountants
Port Louis
Mauritius

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

25 September 2022

AUDITED FINANCIAL STATEMENTS

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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

		THE GROUP		THE COMPANY	
	Notes	**Year ended 30 June 2023 Rs '000**	Year ended 30 June 2022 Rs '000	**Year ended 30 June 2023 Rs '000**	Year ended 30 June 2022 Rs '000
Revenue from contract with customers	16	**265,490**	466,465	**-**	-
Other revenue	13	**-**	-	**-**	2,235,507
Direct costs	18	**(120,914)**	(271,435)	**-**	-
Staff costs	17	**(71,269)**	(68,448)	**(4,472)**	(2,183)
Other expenses	19	**(91,505)**	(104,111)	**(19,275)**	(2,016,007)
(Loss)/Earnings before interest, tax, depreciation, amortisation, other income and fair value		**(18,198)**	22,471	**(23,747)**	217,317
Other income	20	**38,780**	53,201	**-**	26,174
Fair value movement on investment property	27	**-**	2,884	**-**	-
Earnings/(Loss) before interest, tax, depreciation and amortisation		**20,582**	78,556	**(23,747)**	243,491
Finance revenue	21	**36,806**	48,741	**49,750**	38,515
Net finance costs	22	**(146,710)**	(60,697)	**(2,800)**	(97,118)
Depreciation of property and equipment	25	**(14,665)**	(14,122)	**(4)**	-
Depreciation of right-of-use assets	26(a)	**(13,076)**	(12,651)	**-**	-
Amortisation of intangible assets	28	**(469)**	(556)	**(9)**	(2)
(Loss)/Profit before tax		**(117,532)**	39,271	**23,190**	184,886
Income tax charge	23(a)	**(463)**	(2,872)	**-**	-
(Loss)/Profit for the year		**(117,995)**	36,399	**23,190**	184,886
Other comprehensive income:					
Items that may be reclassified to profit or loss in subsequent years:					
Exchange differences on translation of foreign operations		**70,941**	(264,858)	**-**	-
Items that will not be reclassified to profit or loss in subsequent years:					
Gain on revaluation of land and building	36(b)	**-**	37,130	**-**	-
Other comprehensive income/(loss) for the year		**70,941**	(227,728)	**-**	-
Total comprehensive (loss)/income for the year		**(47,054)**	(191,329)	**23,190**	184,886
(Loss)/Earnings per share					
Basic (loss)/earnings per share (Rs)	24	**(0.21)**	0.07		

The Notes on pages 58 to 104 form an integral part of these financial statements.
Independent Auditor's report on pages 45 to 49.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

		THE GROUP		THE COMPANY	
	Notes	**30 June 2023 Rs '000**	30 June 2022 Rs '000	**30 June 2023 Rs '000**	30 June 2022 Rs '000
ASSETS					
Non-current assets					
Property and equipment	25	**550,610**	521,415	**42**	-
Right-of-use assets	26(a)	**544,677**	550,086	**3,452**	-
Investment property	27	**869,945**	837,983	**-**	-
Intangible assets	28	**1,295**	1,443	**80**	28
Investments in subsidiaries	29	**-**	-	**2,768,527**	2,909,971
Financial assets at amortised cost	32(a)	**266,114**	314,720	**-**	-
Deferred tax asset	23(c)	**24,615**	23,538	**-**	-
Total non-current assets		**2,257,256**	2,249,185	**2,772,101**	2,909,999
Current assets					
Inventories	30	**3,805,035**	3,497,106	**-**	-
Contract assets	16(a)	**13,656**	15,927	**-**	-
Trade receivables	31	**15,734**	29,564	**-**	-
Financial assets at amortised cost	32(a)	**122,041**	65,193	**133,280**	1,040,448
Other assets	33	**605,049**	502,179	**10,919**	8,239
Cash in hand and at bank	34	**672,656**	359,751	**151,565**	94,082
Total current assets		**5,234,171**	4,469,720	**295,764**	1,142,769
Total assets		**7,491,427**	6,718,905	**3,067,865**	4,052,768
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	35	**3,595,000**	3,595,000	**3,595,000**	3,595,000
Revenue deficit		**(611,859)**	(493,864)	**(561,896)**	(585,086)
Other reserves	36	**555,177**	484,236	**-**	-
Total equity		**3,538,318**	3,585,372	**3,033,104**	3,009,914
Non-current liabilities					
Borrowings	37	**2,308,399**	1,373,011	**-**	-
Lease liabilities	26(b)	**131,206**	120,646	**2,851**	-
Employee benefit liabilities	38	**161**	-	**161**	-
Deferred tax liability	23(c)	**20,347**	20,163	**-**	-
Total non-current liabilities		**2,460,113**	1,513,820	**3,012**	-
Current liabilities					
Trade and other payables	39	**390,932**	384,024	**31,148**	57,833
Contract liabilities	16(a)	**832,263**	205,723	**-**	-
Bank overdrafts	34	**148,527**	69,894	**-**	69,894
Borrowings	37	**101,452**	938,964	**-**	915,127
Lease liabilities	26(b)	**4,270**	4,014	**601**	-
Current tax liabilities	23(a)	**15,552**	17,094	**-**	-
Total current liabilities		**1,492,996**	1,619,713	**31,749**	1,042,854
Total liabilities		**3,953,109**	3,133,533	**34,761**	1,042,854
Total equity and liabilities		**7,491,427**	6,718,905	**3,067,865**	4,052,768

Approved by the Board of Directors on 25 September 2023 and signed on its behalf by:

SIDHARTH SHARMA
CHAIRMAN

LAURENT PIAT
CHIEF EXECUTIVE OFFICER

The Notes on pages 58 to 104 form an integral part of these financial statements.
Independent Auditor's report on pages 45 to 49.

THE GROUP

	Stated Capital	Revenue Deficit	Other reserves: Revaluation Reserve	Other reserves: Foreign Exchange Difference Reserve	Total Equity
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
As at 1 July 2022	**3,595,000**	**(493,864)**	**37,130**	**447,106**	**3,585,372**
Loss for the year	**-**	**(117,995)**	**-**	**-**	**(117,995)**
Other comprehensive income for the year	**-**	**-**	**-**	**70,941**	**70,941**
Total comprehensive (loss)/income for the year	**-**	**(117,995)**	**-**	**70,941**	**(47,054)**
As at 30 June 2023	**3,595,000**	**(611,859)**	**37,130**	**518,047**	**3,538,318**
As at 1 July 2021	3,595,000	(530,263)	-	711,964	3,776,701
Profit for the year	-	36,399	-	-	36,399
Other comprehensive income/(loss) for the year	-	-	37,130	(264,858)	(227,728)
Total comprehensive income/(loss) for the year	-	36,399	37,130	(264,858)	(191,329)
As at 30 June 2022	3,595,000	(493,864)	37,130	447,106	3,585,372

THE COMPANY

	Stated Capital	Revenue Deficit	Total Equity
	Rs '000	**Rs '000**	**Rs '000**
As at 1 July 2022	**3,595,000**	**(585,086)**	**3,009,914**
Profit for the year	**-**	**23,190**	**23,190**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**23,190**	**23,190**
As at 30 June 2023	**3,595,000**	**(561,896)**	**3,033,104**
As at 1 July 2021	3,595,000	(769,972)	2,825,028
Profit for the year	-	184,886	184,886
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	184,886	184,886
As at 30 June 2022	3,595,000	(585,086)	3,009,914

The Notes on pages 58 to 104 form an integral part of these financial statements.
Independent Auditor's report on pages 45 to 49.

	Notes	THE GROUP Year ended 30 June 2023	THE GROUP Year ended 30 June 2022	THE COMPANY Year ended 30 June 2023	THE COMPANY Year ended 30 June 2022
		Rs '000	Rs '000	**Rs '000**	Rs '000
Operating activities					
(Loss)/Profit before tax		**(117,532)**	39,271	**23,190**	184,886
Adjustments to reconcile (loss)/profit before tax:					
Amortisation of intangible assets	28	**469**	556	**9**	2
Depreciation of right-of-use assets	26(a)	**13,076**	12,651	**-**	-
Depreciation of property and equipment	25	**14,665**	14,122	**4**	-
Finance revenue	21	**(36,806)**	(48,741)	**(49,750)**	(38,515)
Interest expense on lease liabilities	22/26(b)	**11,297**	10,490	**-**	-
Interest expense	22	**135,413**	50,207	**2,800**	97,118
Other income		**-**	-	**-**	(261,681)
Profit on disposal of property and equipment		**(343)**	-	**-**	-
Fair value movement on investment property	27	**-**	(2,884)	**-**	-
Foreign exchange differences		**13,848**	(6,042)	**-**	-
Working capital adjustments:					
(Increase)/Decrease in inventories		**(252,415)**	12,661	**-**	-
Decrease in trade receivables		**13,961**	38,082	**-**	-
Decrease/(Increase) in financial assets at amortised cost		**40,829**	8,058	**985,261**	(47,606)
Increase in other assets		**(82,175)**	(112,128)	**(2,680)**	(1,941)
Decrease in contract assets		**2,622**	-	**-**	-
(Decrease)/Increase in trade and other payables		**(10,026)**	55,282	**(48,238)**	16,584
Increase in contract liabilities		**584,243**	141,105	**-**	-
Cash generated from/(used in) operations		**331,126**	212,690	**910,596**	(51,153)
Interest received on financial assets at amortised cost		**9,429**	14,692	**-**	-
Income tax paid	23(a)	**-**	(2,267)	-	-
Net cash generated from/(used in) operating activities		**340,555**	225,115	**910,596**	(51,153)
Cash flows from investing activities					
Acquisition of property and equipment	25	**(27,202)**	(7,368)	**(46)**	-
Acquisition of intangible assets		**(321)**	(30)	**(61)**	(30)
Proceeds from capital reduction in subsidiary		**-**	-	**195,098**	88,847
Loan to related party		**(38,736)**	-	**(38,736)**	-
Acquisition of investment property	27	**(4,795)**	(1,061)	**-**	-
Proceeds from sale of property and equipment		**343**	-	**-**	-
Net cash flows (used in)/generated from investing activities		**(70,711)**	(8,459)	**156,255**	88,817
Cash flows from financing activities					
Proceeds from borrowings	34(b)	**930,900**	10,665	**-**	-
Repayment of borrowings	34(b)	**(922,563)**	(24,123)	**(900,000)**	-
Interest paid on lease liabilities	22/26(b)	**(176)**	(1,108)	**-**	-
Principal paid on lease liabilities	22/26(b)	**(4,115)**	(3,627)	**-**	-
Interest paid	22	**(49,700)**	(45,034)	**(41,124)**	(41,400)
Net cash flows used in financing activities		**(45,654)**	(63,227)	**(941,124)**	(41,400)
Net increase/(decrease) in cash and cash equivalents		**224,190**	153,429	**125,727**	(3,736)
Cash and cash equivalents at 1 July		**289,857**	148,789	**24,188**	27,924
Net foreign exchange differences		**10,082**	(12,361)	**1,650**	-
Cash and cash equivalents at year end	34(a)	**524,129**	289,857	**151,565**	24,188

The Notes on pages 58 to 104 form an integral part of these financial statements.
Independent Auditor's report on pages 45 to 49.

CORPORATE AND GROUP INFORMATION

1. Corporate information

The financial statements of Semaris Ltd (the "Company") and the consolidated financial statements with its subsidiaries (the "Group") for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 25 September 2023. Semaris Ltd is a public limited company incorporated in Mauritius and is listed on the Development and Enterprise Market ("DEM"). Its registered office is situated at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius.

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

The principal activities of the Group consist mainly of the development of property for sale across different countries.

2. Group information

Information on subsidiaries:

Name of Corporation	Main Business Activity	Country of Incorporation	Effective % Holding June 2023 & 2022
Les Salines PDS Ltd	Property development	Mauritius	100%
Les Salines IHS Limited	Property development	Mauritius	100%
Kingfisher 3 Limited	Investment	Mauritius	100%
Praslin Resort Limited	Property	Seychelles	99%
Gold Coast Resort Limited	Property	Seychelles	100%
Domaine Palm Marrakech S.A.	Property development	Morocco	100%

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

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

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

3. Basis of preparation and statement of compliance

The financial statements have been prepared on a historical cost basis except for Investment Property, which is stated at fair value, certain specific classes of Property and Equipment, namely land and buildings which are measured at revalued amounts as disclosed in the accounting policies hereafter. The consolidated financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs '000), except when otherwise indicated. Where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

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

4. Summary of other significant accounting policies

(a) Foreign currency translation

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

On 1 July 2021, Praslin Resort Limited changed its functional and presentation currency from SCR to USD as Directors are of the opinion that USD best reflects the current and prospective economic substance of the underlying transactions and circumstances of the Company. Major changes in underlying transactions and circumstances are:
(i) Lease with the Government of Seychelles (GOS) amounting to USD 2m and payments of USD 125k per annum.
(ii) Future revenue which will exclusively be generated from property development will be in USD with minor expenditure expected in other currencies.

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

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

(a) Foreign currency translation (cont'd)

The effect of the change in functional and presentation currency was applied prospectively in the financial statements for the year ended 30 June 2022. The Company translated all items into the new functional currency using the rate of USD 1:SCR 16.346 as at 1 July 2021 except for right of use, which was stated using historic USD values.

An amount of Rs 10.7m was accounted as finance revenue representing the effect of change in functional currency of Praslin Resort Limited (Note 21).

Transactions and balances
Transactions in foreign currencies are initially recorded in 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 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 transaction dates. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(b) Financial assets

The Group classifies its financial assets into the category discussed below, depending on the business model test and contractual cash flows of the asset:

(i) Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less loss allowance for impairment.

Expected credit loss allowance for trade receivables is recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such loss allowances are recorded in a separate loss allowance account with the loss being recognised in the statements of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated loss allowance.

Expected credit loss allowance for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the loss allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve months' expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised. For those that are determined to be credit-impaired, lifetime expected credit losses along with interest income on net basis are recognised.

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

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

(b) Financial assets (cont'd)

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

The Company determines that a financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due the agreed credit term; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group considers a financial asset to be in default when:
- the debtor is unlikely to pay credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Write-off
The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group's financial assets measured at amortised cost comprise trade receivables, contract assets, financial assets at amortised cost and cash and cash equivalents in the statements of financial position.

Cash and cash equivalents include cash in hand and for the purpose of the statements of cash flows, bank overdrafts. Bank overdrafts are shown as a separate line item in current liabilities in the statements of financial position.

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

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

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

(c) Financial liabilities

The Group classifies its financial liabilities into the following category:

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

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

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

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

(c) Financial liabilities (cont'd)

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

(d) Current versus non-current classification

The Group presents assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:
- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.

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

(e) Provisions

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

(f) Other taxes

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

(g) Impairment of non-financial assets

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

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

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

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

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

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

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

(h) Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition
Revenue from customers includes sales of goods 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 defined above is recognised at a point in time when the control of the goods rendered is actually transferred to the customer. This is generally when the goods 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 contract terms, customers can cancel the contract anytime by paying applicable penalties. Also the ownership of villas being constructed is transferred to customers on completion. On cancellation of contract by the customer, the Group has the option to sell the villas to other customers. Therefore, revenue is recognised at a point in time when the legal title has been passed to the customer or upon signing the Mise en Jouissance Anticipée ("MJA"), whichever is earlier.

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

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

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

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

(a) Other income earned by the Group is recognised on the following bases:
- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance)
- Management income
- Other operating income

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

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

(h) Revenue recognition (cont'd)

(b) Other revenue
Other revenue in the Company's financial statement relates to revenue from the disposal of land to Les Salines PDS Ltd. Since it is not the core business of the entity, the transaction has been recorded as other revenue.

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

IFRS 1 *First-Time Adoption of International Financial Reporting Standards*
Annual Improvements to IFRS Standards 2018-2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Group's financial statements.

IFRS 3 Business Combinations
Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Group's financial statements.

IFRS 9 Financial Instruments
Annual Improvements to IFRS Standards 2018-2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Group's financial statements.

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

IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*
Onerous Contracts-Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Group's financial statements.

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

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2023 or later periods, but which the Company has not early adopted.

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

Effective date 1 January 2023

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

IAS 1 *Presentation of Financial Statements*
Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

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

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

Effective date 1 January 2023 (cont'd)

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 *Income Taxes*
Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

Effective date 1 January 2024

IAS 1 *Presentation of Financial Statements*
Classification of Liabilities as Current or Non-Current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-Current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 *Leases*
Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 *Statement of Cash Flows* & IFRS 7 *Financial Instruments: Disclosures*
Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 *Consolidated Financial Statements*:
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow-scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 *Investments in Associates and Joint Ventures*:
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow-scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT

6. Basis of consolidation

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

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

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

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

7. Business combinations

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

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

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

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

The acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:
(a) the aggregate of:
(i) the consideration transferred measured in accordance with this IFRS, which generally requires acquisition date fair value (see paragraph 37);
(ii) the amount of any non-controlling interest in the acquiree measured in accordance with this IFRS; and
(iii) in a business combination achieved in stages (see paragraphs 41 and 42), the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

7. Business combinations (cont'd)

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

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

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

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

8. Financial risk management objectives and policies

The Group's principal liabilities comprise bank loans, overdrafts, leases liabilities and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets, such as trade receivables, financial assets at 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 on policies for managing each of these risks which are summarised as follows:

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

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted.

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

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(i) Credit risk (cont'd)
The following table shows the maximum exposure to credit risk for the components of the statements of financial position.

THE GROUP	**Neither past due nor impaired**	**Past due but not impaired**			**Carrying amount at year end**
		Less than 3 months	**3 to 12 months**	**> 1 year**	
2023	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Trade receivables	**15,734**	**-**	**-**	**-**	**15,734**
Financial assets at amortised cost	**388,155**	**-**	**-**	**-**	**388,155**
Cash in hand and at bank	**672,656**	**-**	**-**	**-**	**672,656**
	1,076,545	**-**	**-**	**-**	**1,076,545**

	Neither past due nor impaired	Past due but not impaired			Carrying amount at year end
		Less than 3 months	3 to 12 months	> 1 year	
2022	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Trade receivables	29,564	-	-	-	29,564
Financial assets at amortised cost	379,913	-	-	-	379,913
Cash in hand and at bank	359,751	-	-	-	359,751
	769,228	-	-	-	769,228

THE COMPANY	**Neither past due nor impaired**	**Past due but not impaired**			**Carrying amount at year end**
		Less than 3 months	**3 to 12 months**	**> 1 year**	
2023	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Financial assets at amortised cost	**133,280**	**-**	**-**	**-**	**133,280**
Cash in hand and at bank	**151,565**	**-**	**-**	**-**	**151,565**
	284,845	**-**	**-**	**-**	**284,845**

	Neither past due nor impaired	Past due but not impaired			Carrying amount at year end
		Less than 3 months	3 to 12 months	> 1 year	
2022	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Financial assets at amortised cost	1,040,448	-	-	-	1,040,448
Cash in hand and at bank	94,082	-	-	-	94,082
	1,134,530	-	-	-	1,134,530

(ii) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include bank accounts, trade receivables, trade and other payables and loans and borrowings.

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(ii) Market risk (cont'd)

(a) Foreign currency risk (cont'd)
The following table demonstrates the sensitivity to a reasonable possible change in Moroccan dirham and Seychelles rupee exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of net investment in foreign operations). Sensitivity rates are derived from historical observations for the past three years as at 30 June 2022 and 2023.

	THE GROUP		THE COMPANY	
	Increase in rates	Effect on (loss)/ profit before tax	Increase in rates	Effect on (loss)/ profit before tax
		Rs '000		Rs '000
2023				
Moroccan dirhams	**4%**	**17,366**	**-**	**-**
United States dollars	**4%**	**(4,809)**	**-**	**-**
Euros	**4%**	**1,474**	**4%**	**1,474**
2022				
Moroccan dirhams	6%	17,169	-	-
United States dollars	7%	(6,797)	-	-

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	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022	**30 June 2023**	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000	**Rs '000**	Rs '000
Mauritian rupees	**151,565**	94,117	**2,517,458**	2,404,495	**245,269**	1,134,530	**31,148**	1,042,854
Moroccan dirhams	**885,396**	674,786	**459,941**	388,630	**-**	-	**-**	-
United States dollars	**8**	325	**107,387**	97,428	**-**	-	**-**	-
Euros	**39,576**	-	**-**	-	**39,576**	-	**-**	-
	1,076,545	769,228	**3,084,786**	2,890,553	**284,845**	1,134,530	**31,148**	1,042,854

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Net exposure, excluding Mauritian rupees	**318,076**	189,053	**39,576**	-

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

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

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

The sensitivity of the profit before tax to a reasonably possible change in interest rate of ±100 basis points (2022: ± 100 basis points), with all other variables held constant is shown below. The sensitivity has been based on the net exposure of financial assets and liabilities at the reporting date. These changes are considered to be reasonably possible based on observations of current market conditions.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(ii) Market risk (cont'd)
(b) Interest rate risk (cont'd)

		THE GROUP	THE COMPANY
	Increase in rates	Effect on profit/loss before tax	Effect on profit/loss before tax
	%	Rs '000	Rs '000
2023			
Interest-bearing loans and borrowings in Mauritian rupees	1%	**(6,750)**	**-**
Interest-bearing loans and borrowings in Moroccan dirhams	1%	**(365)**	**-**
Interest-bearing lease liabilities in United States dollars	1%	**(836)**	**-**
Interest-bearing lease liabilities in Moroccan dirhams	1%	**(160)**	**-**
2022			
Interest-bearing loans and borrowings in Mauritian rupees	1%	(7,274)	(7,274)
Interest-bearing loans and borrowings in Moroccan dirhams	1%	(262)	-
Interest-bearing lease liabilities in United States dollars	1%	(749)	-
Interest-bearing lease liabilities in Moroccan dirhams	1%	(173)	-

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

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

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

THE GROUP	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
2023						
Trade and other payables	**-**	**390,932**	**-**	**-**	**-**	**390,932**
Bank overdraft	**148,527**	**-**	**-**	**-**	**-**	**148,527**
Borrowings*	**-**	**43,693**	**204,976**	**1,918,914**	**885,605**	**3,053,188**
Lease liabilities*	**-**	**204**	**12,033**	**33,259**	**614,519**	**660,015**
	148,527	**434,829**	**217,009**	**1,952,173**	**1,500,124**	**4,252,662**
2022						
Trade and other payables	-	384,024	-	-	-	384,024
Bank overdraft	69,894	-	-	-	-	69,894
Borrowings*	-	949,239	72,875	658,487	1,133,708	2,814,309
Lease liabilities*	-	-	17,459	44,812	583,515	645,786
	69,894	1,333,263	90,334	703,299	1,717,223	3,914,013

* Borrowings and lease liabilities include future interest costs.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

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

(iii) Liquidity risk (cont'd)

THE COMPANY	On demand Rs '000	Less than 3 months Rs '000	3 to 12 months Rs '000	1 to 5 years Rs '000	> 5 years Rs '000	Total Rs '000
2023						
Trade and other payables	-	**31,148**	-	-	-	**31,148**
Lease liabilities*	-	**204**	**611**	**3,261**	-	**4,076**
	-	**31,352**	**611**	**3,261**	-	**35,224**
2022						
Trade and other payables	-	57,833	-	-	-	57,833
Bank overdraft	69,894	-	-	-	-	69,894
Borrowings*	-	919,351	-	-	-	919,351
	69,894	977,184	-	-	-	1,047,078

* Borrowings and lease liabilities include future interest costs.

(iv) Financial instruments by category

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
	Amortised cost		Amortised cost	
Financial assets				
Trade receivables	**15,734**	29,564	**-**	-
Financial assets at amortised cost	**388,155**	379,913	**133,280**	1,040,448
Cash in hand and at bank	**672,656**	359,751	**151,565**	94,082
	1,076,545	769,228	**284,845**	1,134,530
Financial liabilities				
Trade and other payables	**390,932**	384,024	**31,148**	57,833
Borrowings	**2,409,851**	2,311,975	**-**	915,127
Bank overdraft	**148,527**	69,894	**-**	69,894
Lease liabilities	**135,476**	124,660	**-**	-
	3,084,786	2,890,553	**31,148**	1,042,854

The fair value of long-term assets and borrowings is disclosed as follows:

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000
Level 3	Fair value	
Financial assets		
Financial assets at amortised cost	**338,471**	318,034
Financial liabilities		
Borrowings	**2,334,299**	1,411,556

The fair value of financial assets at amortised cost and borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

9. Capital management

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

The Group manages and makes adjustments to its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares.

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

9. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus debt. The actual gearing is higher than anticipated by management and is principally due to the financing of projects as part of the Group's strategy. The gearing ratio will improve once cash is generated from the projects. The Group includes, within net debt, interest-bearing loans and borrowings adjusted for interest accrued but not yet paid, less cash and cash equivalents. The target gearing of the Group is dependent on the country of operation and project. As such, Domaine Palm Marrakech S.A. and Praslin Resort Limited have a target gearing of 80:20 and 50:50 respectively. Total equity is attributable to equity holders of the parent as shown in the statement of financial position. The gearing ratios at 30 June 2023 and 2022 were as follows:

	THE GROUP 2023 Rs '000	THE GROUP 2022 Rs '000	THE COMPANY 2023 Rs '000	THE COMPANY 2022 Rs '000
Interest-bearing loans and borrowings	**3,053,188**	2,814,309	**-**	919,351
Bank overdraft	**148,527**	69,894	**-**	69,894
Lease liabilities	**660,015**	645,786	**4,077**	-
Less interest costs included above	**(1,161,461)**	(1,023,460)	**(625)**	(4,224)
Less cash in hand and at bank	**(672,656)**	(359,751)	**(151,565)**	(94,082)
Net debt	**2,027,613**	2,146,778	**(148,113)**	890,939
Total equity	**3,538,318**	3,585,372	**3,033,104**	3,009,914
Equity attributable to equity holders of the parent	**3,538,318**	3,585,372	**3,033,104**	3,009,914
Gearing ratio (net debt/total equity plus debt)	**36%**	37%	**N/A**	23%
Gearing ratio (net debt excluding IFRS 16 Leases/total equity plus debt)	**35%**	30%	**N/A**	23%

For the financial year ended 30 June 2023, the Company is fully funded by equity.

10. Distributions

Cash dividend to equity holders

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

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

As at 30 June 2023, no dividend has been declared (2022: Nil).

11. Segmental reporting

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

GROUP BUSINESS, OPERATIONS AND MANAGEMENT (CONT'D)

11. Segmental reporting (cont'd)

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

2023	**Mauritius**	**Morocco**	**Seychelles**	**Consolidation adjustment**	**Total**
	Rs '000	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Revenue from contract with customers*	**-**	**265,490**	**-**	**-**	**265,490**
Direct costs	**-**	**(120,914)**	**-**	**-**	**(120,914)**
Other expenses	**(37,230)**	**(53,538)**	**(737)**	**-**	**(91,505)**
Other income	**-**	**38,780**	**-**	**-**	**38,780**
Finance revenue	**27,245**	**9,561**	**-**	**-**	**36,806**
Finance costs	**(127,253)**	**(7,355)**	**(7,534)**	**(4,568)**	**(146,710)**
Depreciation and amortisation	**(969)**	**(15,959)**	**(2,240)**	**(9,042)**	**(28,210)**
(Loss)/Profit after tax	**(131,425)**	**48,099**	**(10,485)**	**(24,184)**	**(117,995)**
Segment assets:					
- Non-current assets	**2,774,832**	**1,609,162**	**213,533**	**(2,340,271)**	**2,257,256**
- Other assets	**12,095**	**592,954**	**-**	**-**	**605,049**
Segment liabilities	**2,573,595**	**1,379,336**	**252,702**	**(252,524)**	**3,953,109**
Other segment information:					
Capital expenditure	**347**	**9,401**	**17,454**	**-**	**27,202**
Depreciation of property and equipment	**(278)**	**(14,387)**	**-**	**-**	**(14,665)**
Depreciation of right-of-use assets	**(497)**	**(1,298)**	**(2,239)**	**(9,042)**	**(13,076)**
Amortisation of intangible assets	**(195)**	**(274)**	**-**	**-**	**(469)**

2022	Mauritius	Morocco	Seychelles	Consolidation adjustment	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Revenue from contract with customers*	-	466,465	-	-	466,465
Other revenue	2,235,507	-	-	(2,235,507)	-
Direct costs	-	(271,435)	-	-	(271,435)
Other expenses	(2,020,410)	(83,362)	(339)	2,000,000	(104,111)
Other income	26,174	53,201	-	(26,174)	53,201
Fair value movement of investment property	-	2,884	-	-	2,884
Finance revenue	38,515	10,689	10,680	(11,143)	48,741
Finance costs	(247,444)	(6,750)	(7,074)	200,571	(60,697)
Depreciation and amortisation	(132)	(15,999)	(2,156)	(9,042)	(27,329)
Profit after tax	30,035	86,860	799	(81,295)	36,399
Segment assets:					
- Non-current assets	2,913,126	1,628,085	205,313	(2,497,339)	2,249,185
- Other assets	11,789	490,390	-	-	502,179
Segment liabilities	3,390,877	710,054	230,314	(1,197,712)	3,133,533
Other segment information:					
Capital expenditure	(1,196)	(7,368)	(3,925)	-	(12,489)
Depreciation of property and equipment	(62)	(14,060)	-	-	(14,122)
Depreciation of right-of-use assets	(41)	(1,412)	(2,156)	(9,042)	(12,651)
Amortisation of intangible assets	(28)	(528)	-	-	(556)

* No intersegment revenue was derived during the year. Revenue from contract with customers relates to the sale of villas and plots of land in Morocco.

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

12. Significant accounting judgements and estimates

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

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

Going concern
The Group generated a net cash inflow from operating activities of Rs 340m (2022: Rs 225m) during the year as a result of the good performance in Morocco. On the other side, the fall in net assets of the Group amounting Rs 47m is due to losses incurred during the year following an increase in interest rate and higher marketing costs.

(i) Mauritius
Semaris Ltd received Rs 195m during the year from its subsidiary DPM which will help finance its operating expenses and serve as an investment in LSPL. As at year end, LSPL obtained a revised offer letter on the rescheduling of capital repayment on the bank loan to be aligned with the Company's business model. The bank overdraft has also been enhanced to Rs 250m, which will help cover preliminary expenses up to the construction phase. As at 30 June 2023, 75% of the presale amount was achieved and the sales team is busy converting those firm confirmations into reservation contracts. These initiatives will help both Semaris and LSPL continue as a going concern.

(ii) Morocco
Important cash flows have been generated by DPM which are sufficient to cover the expenses of the Company for the next 12 months.

Following the earthquake on 8 September 2023 in Morocco, the management of DPM has appointed a structural engineer to conduct an inspection of its assets and construction site. Further to the preliminary assessment, no major damage has been noted. The Company has adequate insurance cover for the existing infrastructure and villas under construction. As of date, management is not aware of any cancellation of reservation contracts by customers and will continue to monitor the situation closely.

(iii) Seychelles
An EIA has been submitted to the authority and management has started working on the preliminary phase of the project. The holding company, Semaris Ltd, has confirmed its intention to support the financial obligation of Praslin Resort Limited for the next 12 months.

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

Recognition of revenue
The Group recognises revenue at a point in time when the legal title has been passed to the customer or upon the signing of the Mise en Jouissance Anticipée ("MJA"), whichever is earlier. Although the customer would not have the title deed, it obtains control of the villa at MJA stage because it can prevent others from directing the use of, and obtaining benefits from, the villa. Therefore, the Group recognises revenue relating to the sale of villas at MJA stage.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

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

Estimates and assumptions (cont'd)

Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as expected future cash inflows and the growth rate used for extrapolation purposes.

The Group's assessment of impairment of non-financial assets is disclosed under Notes 25 and 27 respectively.

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Provisions for possible tax consequences are based on estimates (Note 23).

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

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

Estimations of the useful lives and residual value of the assets
The depreciation charge calculation requires an estimation of the economic useful life of the Property and equipment of the Group analysed by component as well as their residual values (Note 25).

Fair value measurements
When the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to those models are derived from observable market data where possible, but where observable market data is not available, a degree of judgement is required to establish fair values. The significant methods and assumptions used by valuers in estimating the fair value are set out in Notes 25 and 27 respectively.

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

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

SIGNIFICANT TRANSACTIONS AND EVENTS

13. Other revenue

	THE COMPANY	
	Year ended 30 June 2023	Year ended 30 June 2022
	Rs '000	Rs '000
Other revenue (Note 15(ii))	**-**	2,235,507

In April 2022, the land held by Semaris Ltd was disposed of to LSPL for the PDS development. Other revenue relates to disposal proceeds. Cost of land disposed amounting to Rs 2bn has been accounted in other expenses (Note 19).

14. Events after the reporting date

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

(i) An offer letter has been obtained from SBM (Mauritius) Ltd on the enhancement of the bank overdraft to Rs 250m in LSPL. Capital repayment on the bank loan has also been rescheduled in line with the business plan.

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

14. Events after the reporting date (cont'd)

(ii) Morroco faced a severe earthquake on 8 September 2023. The management of DPM was quick to take action and appointed a structural engineer to conduct an inspection of its assets and construction site where following preliminary assessment, no major impact has been noted. The subsidiary also has insurance coverage for infrastructure and villas under construction that accounts for all risks including natural catastrophes which it might use in case of damages/claims. The subsidiary has made a claim notification on 12 September 2023 in line with the insurance policy. A stress test on the cash flow forecast of the Company was also performed in light of an eventual fall in the sale of villas. As of the Board date, management is not aware of any termination of reservation contracts by customers and is still monitoring and assessing potential impact.

15. Related party transactions and disclosures

The following transactions have been entered into with related parties:

(i) Included in other income are:			THE GROUP		THE COMPANY	
	Note	**Nature of goods and services**	**Year ended 30 June 2023**	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
			Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary						
Les Salines PDS Ltd	20	Gain on disposal of land	**-**	-	**-**	26,174
Subsidiary of fellow associate:						
Beachcomber Hotel S.A.		Management fees	**36,905**	31,784	**-**	-

(ii) Included in other revenue is:			THE GROUP		THE COMPANY	
	Note	**Nature of goods and services**	**Year ended 30 June 2023**	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
			Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary						
Les Salines PDS Ltd	13	Disposal of land	**-**	-	**-**	2,235,507

(iii) Included in finance revenue is:			THE GROUP		THE COMPANY	
		Nature of goods and services	**Year ended 30 June 2023**	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
			Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary of fellow associate:						
Beachcomber Hotel S.A.	21	Interest on receivables	**9,561**	10,593	**-**	-

(iv) Included in other expenses are:			THE GROUP		THE COMPANY	
	Note	**Nature of goods and services**	**Year ended 30 June 2023**	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
			Rs '000	Rs '000	**Rs '000**	Rs '000
Subsidiary						
Les Salines PDS Ltd	19	Disposal of land	**-**	-	**-**	2,000,000
Fellow associate:						
New Mauritius Hotels Limited	19	Management fees	**10,000**	10,000	**10,000**	10,000
Entity under common shareholders:						
ENL Secretarial Services Ltd		Secretarial fees	**2,442**	720	**2,442**	720

(v) Included in finance cost is:		THE GROUP		THE COMPANY	
	Nature of goods and services	**Year ended 30 June 2023**	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
Fellow associate:		**Rs '000**	Rs '000	**Rs '000**	Rs '000
New Mauritius Hotels Limited	Net interest on borrowings	**71,330**	(3,359)	**-**	46,890

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

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

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

	Note	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000	THE COMPANY 30 June 2023 Rs '000	THE COMPANY 30 June 2022 Rs '000
Subsidiaries:					
Domaine Palm Marrakech S.A.	32	**-**	-	**71,580**	89,180
Les Salines IHS Limited	32	**-**	-	**33**	-
Les Salines PDS Ltd	32	**-**	-	**-**	947,492
Kingfisher 3 Ltd	32	**-**	-	**31**	13
Golf Coast Resort Limited	32	**-**	-	**321**	-
Praslin Resort Limited	32	**-**	-	**21,739**	3,763
Fellow associate:					
New Mauritius Hotels Limited	32	**39,576**	-	**39,576**	-
Subsidiaries of fellow associate:					
Ste Anne Resort Limited	32	**-**	118	**-**	-
Beachcomber Hotel S.A.	32	**348,579**	379,795	**-**	-

(vii) Long-term loans payable to related party included under borrowings are:

	Note	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000	THE COMPANY 30 June 2023 Rs '000	THE COMPANY 30 June 2022 Rs '000
Fellow associate:					
New Mauritius Hotels Limited	37	**1,383,242**	1,311,431	**-**	-
Subsidiary of fellow associate:					
Les Salines Golf & Resort Limited	37	**33,750**	33,750	**-**	-

(viii) Included under trade and other payables are:

	Note	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000	THE COMPANY 30 June 2023 Rs '000	THE COMPANY 30 June 2022 Rs '000
Subsidiary:					
Les Salines PDS Ltd	39	**-**	-	**21,714**	-
Fellow associate:					
New Mauritius Hotels Limited	39	**4,319**	49,455	**4,319**	49,005
Subsidiaries of fellow associate:					
Ste Anne Resort Limited	39	**6,277**	6,393	**-**	-
Kingfisher Ltd	39	**-**	26	**-**	-
Entity under common shareholders:					
ENL Secretarial Services Ltd	39	**1,600**	1,980	**1,600**	1,980

Terms and conditions of transactions with related parties
Outstanding balances at year end, excluding loans from related parties, as shown below, are unsecured, interest-free and settlement occurs in cash. During the financial year, the Group and Company assessed recoverability of amounts owed by related parties and no impairment loss was recorded (2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The balances are payable on demand, except for the following:

Loans from related parties
Loan payable to New Mauritius Hotels Limited is secured and bears interest rate of 5% per annum (2022: 5%) over a period of 10 years.

Loans to related parties
Loan payable by Beachcomber Hotel S.A. bears interest rate of 2.5% per annum (2022: 2.5%) over a period of 7 years.

All sales and purchases within the Group are made at commercial rates.

SIGNIFICANT TRANSACTIONS AND EVENTS (CONT'D)

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

(ix) Compensation of key management personnel

	THE GROUP Year ended 30 June 2023 Rs '000	THE GROUP Year ended 30 June 2022 Rs '000	THE COMPANY Year ended 30 June 2023 Rs '000	THE COMPANY Year ended 30 June 2022 Rs '000
Salaries	**14,264**	12,851	**4,058**	2,183
Post-employment benefits	**707**	30	**161**	-
	14,971	12,881	**4,219**	2,183

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

16. Revenue from contract with customers

	THE GROUP Year ended 30 June 2023 Rs '000	THE GROUP Year ended 30 June 2022 Rs '000
Revenue from contract with customers (Note 11)	**265,490**	466,465
Timing of revenue recognition		
At a point in time	**265,490**	466,465

(a) Assets and liabilities related to contract with customers

	THE GROUP Contract assets 30 June 2023 Rs '000	THE GROUP Contract assets 30 June 2022 Rs '000	THE GROUP Contract liabilities 30 June 2023 Rs '000	THE GROUP Contract liabilities 30 June 2022 Rs '000
At 1 July	**15,927**	17,128	**205,723**	75,313
Revenue recognised during the year on contract assets	**5,031**	-	**-**	-
Amount transferred from contract liabilities during the year	**37,977**	132,077	**(37,977)**	(132,077)
Amount transferred to trade receivable during the year	**(45,630)**	(132,077)	**-**	-
Cash received from deposit billed	**-**	-	**622,220**	273,182
Exchange differences	**351**	(1,201)	**42,297**	(10,695)
At 30 June	**13,656**	15,927	**832,263**	205,723

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

To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics, which is the same basis used for its trade receivables. During the year, no provision for expected credit losses has been recognised (2022: Nil).

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

The terms of payments relating to the remaining amount to be received do not include any variable component and are not yet due as at 30 June 2023.

17. Staff costs

	THE GROUP Year ended 30 June 2023 Rs '000	THE GROUP Year ended 30 June 2022 Rs '000	THE COMPANY Year ended 30 June 2023 Rs '000	THE COMPANY Year ended 30 June 2022 Rs '000
Wages, salaries, fees and bonuses	**55,535**	49,934	**4,118**	2,183
Social costs	**9,330**	9,838	**65**	-
Other employee benefits and related expenses	**6,404**	8,676	**289**	-
	71,269	68,448	**4,472**	2,183

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

18. Direct costs

Included in direct costs are professional fees amounting to Rs 27m (2022: Rs 40.5m) and borrowing cost amounting to Rs 9m (2022: Rs 20.9m). The remaining amount relates to construction cost.

19. Other expenses

	THE GROUP		THE COMPANY	
	Year ended 30 June 2023	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Operating supplies	**2,806**	2,932	**-**	-
Cost of land disposed (Note 13)	**-**	-	**-**	2,000,000
Repairs and maintenance	**903**	1,427	**-**	-
Utility costs	**4,080**	5,282	**-**	-
Management fees (Note 15(iv))	**10,000**	10,000	**10,000**	10,000
Marketing expenses	**27,709**	13,261	**-**	-
Administrative expenses	**16,288**	32,560	**3,658**	2,951
Homeowners' association contribution	**5,307**	3,633	**-**	-
Professional fees	**17,045**	10,704	**4,419**	1,918
Licences and insurance	**1,726**	5,091	**1,198**	1,138
Sales commission	**5,641**	19,221	**-**	-
	91,505	104,111	**19,275**	2,016,007

20. Other income

	THE GROUP		THE COMPANY	
	Year ended 30 June 2023	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Management income	**36,905**	31,784	**-**	-
Other operating income	**1,532**	21,417	**-**	-
Gain on disposal of land (Note (i))	**-**	-	**-**	26,174
Profit on disposal of plant and equipment	**343**	-	**-**	-
	38,780	53,201	**-**	26,174

(i) In April 2022, the Company disposed of its land bank of 174 Ar and delegated the "solde de prix" of Rs 1.3bn to LSPL for development under the Property Development Scheme. This exercise resulted in a gain of Rs 26m.

21. Finance revenue

	THE GROUP		THE COMPANY	
	Year ended 30 June 2023	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest income	**9,561**	10,689	**11,207**	-
Foreign exchange gains	**27,245**	27,372	**38,543**	38,515
Exchange gain on retranslation of lease liability	**-**	10,680	**-**	-
	36,806	48,741	**49,750**	38,515

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

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

22. Net finance costs

	THE GROUP		THE COMPANY	
	Year ended 30 June 2023	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Interest costs on:				
Bank overdrafts	**7,513**	1,914	**2,800**	1,914
Bank and other loans repayable by instalments	**127,900**	112,551	**-**	95,204
Remeasurement gain on "solde de prix"	**-**	(64,258)	**-**	-
Lease liabilities (Note 26(b))	**11,297**	10,490	**-**	-
	146,710	60,697	**2,800**	97,118
Interest cost analysed as follows:				
Interest recognised in statement of cash flows	**49,876**	46,142	**41,124**	41,400
Accrued interest	**96,834**	5,728	**-**	55,718
Interest paid net off with finance revenue	**-**	-	**(38,324)**	-
Exchange differences	**-**	8,827	**-**	-

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

All other borrowing costs are recognised as an expense when incurred.

Borrowing costs capitalised are analysed as follows:

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
Interest cost on bank loans included in inventories	**329,987**	342,171
Total borrowing costs capitalised	**329,987**	342,171

23. Income tax

Accounting Policy

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

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

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

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

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

23. Income tax (cont'd)

Accounting Policy (cont'd)

Deferred income tax (cont'd)
Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

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

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

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

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

Deferred income tax assets and deferred income tax liabilities are offset, if and only if;
(a) there is a legally enforceable right to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority;
(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
(i) the same taxable entity; or
(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

Significant accounting judgements and estimates

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

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

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

23. Income tax (cont'd)

Significant accounting judgements and estimates (cont'd)

Taxes (cont'd)
The Directors have assessed the impact of IFRIC 23 - *Uncertainty over Income Tax Treatments* on the consolidated and separate financial statements and have concluded that there is no uncertain tax position.

(a) Current income tax	**THE GROUP**		**THE COMPANY**	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
The major components of income tax expense for the year ended 30 June 2023 and 30 June 2022 are:				
Statements of profit or loss:				
Income tax on the adjusted profit for the year at 15%-31%	**1,259**	2,646	-	-
Deferred tax movement (Note 23(c))	**(796)**	226	-	-
Income tax charge	**463**	2,872	-	-
Statement of financial position:				
At 1 July	**17,094**	5,467	-	-
Income tax on the adjusted profit for the year at 15% to 31%	**1,259**	2,646	-	-
Less: Payment during the year	**-**	(2,267)	-	-
Exchange difference	**(2,801)**	11,248	-	-
At 30 June	**15,552**	17,094	-	-

(b) A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian tax rate for the year ended 30 June 2023 and 30 June 2022 as follows:

	THE GROUP		**THE COMPANY**	
	Year ended 30 June 2023	Year ended 30 June 2022	**Year ended 30 June 2023**	Year ended 30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
(Loss)/Profit before tax	**(117,532)**	39,271	**23,190**	184,886
Tax calculated at a tax rate of 15%-31% (2022: 15%-31%)	**(9,737)**	20,199	**3,479**	27,733
Effect of different tax rate in foreign countries	**(7,897)**	(14,308)	**-**	-
Expenses not deductible for tax purposes	**22,590**	75,150	**375**	13,547
Income not subject to tax	**(5,806)**	(41,258)	**(5,802)**	(41,280)
Deferred tax asset not recognised	**24,598**	23,229	**1,948**	-
Utilisation of tax losses	**(23,285)**	(60,140)	**-**	-
Income tax charge	**463**	2,872	**-**	-

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

23. Income tax (cont'd)

(c) Deferred income tax

(i) Deferred income taxes are calculated on all temporary differences under the liability method at 15%-31% (2022: 15%-31%). There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
Deferred tax asset (Note (v))	**24,615**	23,538
Deferred tax liability (Note (v))	**(20,347)**	(20,163)
Net deferred income tax assets	**4,268**	3,375

(ii) No deferred tax asset on tax losses has been recognised for both the Group and Company during the year following unpredictability of future profit streams.

The tax losses not recognised as deferred tax on the Group and Company are disclosed on the next page.

(iii) Tax losses

	THE GROUP	THE COMPANY
	Rs '000	**Rs '000**
Assuming no future tax loss, the losses shall be extinguished as follows:		
30 June 2024	276	-
30 June 2025	28,802	-
30 June 2026	83,214	81,834
30 June 2027	131,348	125,375
30 June 2028	175,031	11,162
	418,671	218,371

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

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
At 1 July	**3,375**	3,539
Credited/(Charged) to profit or loss (Note (a))	**796**	(226)
Exchange gain	**97**	62
At 30 June	**4,268**	3,375

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

(Deferred tax liability)	THE GROUP
	Right-of-use assets
	Rs '000
At 1 July 2021	(18,244)
Amount recognised in profit or loss	(2,218)
Exchange losses	299
At 30 June 2022	(20,163)
Amount recognised in profit or loss	442
Exchange gain	(626)
At 30 June 2023	**(20,347)**

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

23. Income tax (cont'd)

(c) Deferred income tax (cont'd)

Deferred tax asset	THE GROUP
	Lease liabilities
	Rs '000
At 1 July 2021	21,783
Amount recognised in profit or loss	1,992
Exchange losses	(237)
At 30 June 2022	23,538
Amount recognised in profit or loss	354
Exchange gain	723
At 30 June 2023	**24,615**

24. 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:

	Note		**30 June 2023**	30 June 2022
			Rs '000	Rs '000
(Loss)/Profit attributable to ordinary equity holders of the parent for basic earnings			**(117,995)**	36,399
Number of ordinary shares for basic EPS	35		**548,982,130**	548,982,130
Basic earnings/(loss) per share		Rs.	**(0.21)**	0.07

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS

25. Property and equipment

Accounting Policy

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are initially stated at cost (except for carving out of Semaris Ltd from New Mauritius Hotels Limited in 2019 - deemed cost) and are subsequently measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Following initial recognition at cost, freehold land and buildings are revalued at least every three years by external independent valuers.

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.

A 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 upon disposal. 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.

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

25. Property and equipment (cont'd)

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

Buildings	50 years
Property and 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

Freehold land is not depreciated.

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

The residual values and useful lives of property and equipment are reviewed at each financial year end and adjusted prospectively if appropriate.

Work-in-progress relates to preliminary work undertaken for the development in Praslin Resort Limited and costs associated with the golf course in Domaine Palm Marrakech S.A. Work-in-progress will be subject to depreciation when the construction work is completed and available for use.

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.

Significant accounting judgements and estimates
Revaluation of freehold land and buildings
The Group measures freehold land and buildings at revalued amounts with changes in fair value being recognised in statements of other comprehensive income and accumulated in equity. The Group engaged an independent valuation specialist in the financial year ended 30 June 2022 to determine fair value based on prevailing market data.

Property and equipment: Estimations of the useful lives and residual value of the buildings
The depreciation charge calculation requires an estimation of the economic useful life of the property and equipment of the Group analysed by component as well as their residual values. In estimating residual values, the Group has assessed the value of the buildings at today's rates assuming the buildings are in the condition in which they are expected to be at the end of their lease terms.

The Directors therefore made estimates based on best judgement to assess the useful life of the buildings at the end of each reporting year and to forecast the expected residual values of the assets at the end of their expected useful lives. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each year is recognised in profit or loss.

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

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

25. Property and equipment (cont'd)

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
COSTS OR VALUATION						
At 1 July 2021	12,883	427,507	62,875	16,506	83,586	603,357
Additions	-	-	3,503	-	8,987	12,490
Revaluation gain	7,352	-	-	-	-	7,352
Exchange differences	(1,185)	(29,957)	(4,689)	(1,157)	3,246	(33,742)
At 30 June 2022	19,050	397,550	61,689	15,349	95,819	589,457
Additions	-	4,884	4,864	-	17,454	27,202
Disposal	-	-	-	(434)	-	(434)
Transfer	-	4,734	-	-	(4,734)	-
Exchange differences	611	13,336	2,222	466	3,057	19,692
At 30 June 2023	**19,661**	**420,504**	**68,775**	**15,381**	**111,596**	**635,917**
DEPRECIATION						
At 1 July 2021	-	21,594	51,577	16,185	-	89,356
Charge for the period	-	8,895	4,916	311	-	14,122
Revaluation adjustment	-	(29,778)	-	-	-	(29,778)
Exchange differences	-	(711)	(3,800)	(1,147)	-	(5,658)
At 30 June 2022	-	-	52,693	15,349	-	68,042
Charge for the year	-	9,862	4,803	-	-	14,665
Disposal	-	-	-	(434)	-	(434)
Exchange differences	-	604	1,964	466	-	3,034
At 30 June 2023	**-**	**10,466**	**59,460**	**15,381**	**-**	**85,307**
Net book value 30 June 2023	**19,661**	**410,038**	**9,315**	**-**	**111,596**	**550,610**
Net book value 30 June 2022	19,050	397,550	8,996	-	95,819	521,415

THE COMPANY	Other Fixed Assets Rs '000
COSTS	
At 1 July 2022	-
Additions	46
At 30 June 2023	**46**
DEPRECIATION	
At 1 July 2022	-
Charge for the period	4
At 30 June 2023	**4**
Net book value 30 June 2023	**42**
Net book value 30 June 2022	-

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

25. Property and equipment (cont'd)

(a) Revaluation of freehold land and buildings

The Group has a policy of revaluing its freehold land and buildings every three years. These assets have been revalued as at 30 June 2022 by A. Lazrak Advisory, an accredited independent valuer with recognised professional qualifications and relevant experience, based on prevailing market data.

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

	Level 1	**Level 2**	**Level 3**
	Rs '000	**Rs '000**	**Rs '000**
As at 30 June 2023			
Freehold land	-	**19,661**	-
Buildings	-	**68,968**	**341,070**
Total	**-**	**88,629**	**341,070**

	Level 1	Level 2	Level 3
	Rs '000	Rs '000	Rs '000
As at 30 June 2022			
Freehold land	-	19,050	-
Buildings	-	59,815	337,735
Total	-	78,865	337,735

(b) Level 2
The following summarises the valuation technique and inputs used in the level 2 fair value measurements:

	Valuation technique and key inputs	**Significant input used**	**2023 Range**	2022 Range
Freehold land and building	Sales comparison approach	Price per square metre	**Rs 2,500 per sq/m**	Rs 2,500 per sq/m

The price per square metre represents depreciation charge on building along with a favourable exchange rate of Moroccan dirhams vis-à-vis Mauritian rupees for the year ended 30 June 2023.

(c) Level 3
The fair value measurements of the buildings using significant unobservable inputs are as follows:

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
At 1 July	**337,735**	370,995
Depreciation charge	**(7,064)**	(7,553)
Exchange differences	**10,399**	(25,707)
At 30 June	**341,070**	337,735

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

25. Property and equipment (cont'd)

(c) Level 3 (cont'd)

Significant unobservable valuation input

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

	2023 Range	2022 Range
Price per square metre:		
Buildings	**Rs 500 - Rs 600 per sq/m**	Rs 500 - Rs 600 per sq/m

2023
No revaluation exercise was done during the year. The sensitivity analysis of 2022 also applies for 2023.

2022

	Valuation technique and key inputs	Unobservable inputs	Sensitivity used	Effect on fair value 30 June 2022 Rs '000
Buildings	Discounted cash flow	Discount rate (DR) and terminal growth rate (TGR)	1% increase in DR and 0.5% increase in TGR	(6,621)
Buildings	Discounted cash flow	Discount rate (DR) and terminal growth rate (TGR)	1% decrease in DR and 0.5% decrease in TGR	7,600

Significant increases/(decreases) in unobservable inputs would result in significantly higher/(lower) fair value.

In view of the revaluation exercise as at year end, a discounted cash flow approach (as described under Note 27) has been used to determine the value of the property except for level 2 property where sales comparison has been used.

If the property and equipment were stated on the historical cost basis, the amounts would be as follows:

	Freehold Land	**Buildings**
THE GROUP	**Rs '000**	**Rs '000**
COST		
At 1 July 2021	12,883	427,507
Exchange differences	(1,185)	(29,868)
At 30 June 2022	11,698	397,639
Exchange differences	-	-
At 30 June 2023	**11,698**	**397,639**
DEPRECIATION		
At 1 July 2021	-	21,594
Charge for the year	-	8,901
Exchange differences	-	(1,877)
At 30 June 2022	-	28,618
Charge for the year	-	9,862
Exchange differences	-	604
At 30 June 2023	**-**	**39,084**
Net book value 30 June 2023	**11,698**	**358,555**
Net book value 30 June 2022	11,698	369,021

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

25. Property and equipment (cont'd)

(d) Impairment of assets
As at 30 June 2023, an impairment assessment has been done in accordance with IAS 36 and no sign of impairment was identified for the Group.

(e) Revaluation of assets
The revaluation exercise was performed on the Group's property as at 30 June 2022 and a revaluation gain of Rs 37m has been accounted in other comprehensive income arising on land for administrative building in DPM which has been revalued for the first time.

The main assumptions used in the valuation of the golf course under the discounted cash flow method are:

	2022
Discount rate	10.91%
Terminal growth rate	1.5%
Exit EBITDA multiple	10.8x
DCF period*	5-7 years

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

(f) Additions include non-cash transactions amounting to nil (2022: Rs 5.1m).

26. Right-of-use assets and lease liabilities

Accounting Policy

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets (below Rs 200k); and
- Leases with a duration of 12 months or less.

Identifying Leases
The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:
(a) there is an identified asset;
(b) the Group obtains substantially all the economic benefits from use of the asset; and
(c) the Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are predetermined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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

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

Accounting Policy (cont'd)

Identifying Leases (cont'd)
On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

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

When the Group revises its estimate of the term of any lease (for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the revised discount rate that applied on lease commencement. The carrying value of lease liabilities is revised using the same discount rate when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:
- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, the carrying amount of both the lease liability and right-of-use asset is reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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

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

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

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

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

(a) Right-of-use assets

	THE GROUP		
	Land and buildings	**Plant machinery and motor vehicles**	**Total**
	Rs '000	**Rs '000**	**Rs '000**
At 1 July 2021	540,626	5,148	545,774
Additions	3,389	1,783	5,172
Effect of change in functional currency	10,680	-	10,680
Depreciation	(11,865)	(786)	(12,651)
Exchange differences	1,467	(356)	1,111
At 30 June 2022	544,297	5,789	550,086
Additions	-	3,452	3,452
Depreciation	(11,944)	(1,132)	(13,076)
Exchange differences	4,104	111	4,215
At 30 June 2023	**536,457**	**8,220**	**544,677**

	THE COMPANY
	Motor vehicles
	Rs '000
At 1 July 2022	-
Additions	3,452
At 30 June 2023	**3,452**

(b) Lease liabilities

	THE GROUP		
	Land and buildings	**Plant machinery and motor vehicles**	**Total**
	Rs '000	**Rs '000**	**Rs '000**
At 1 July 2021	111,322	1,589	112,911
Additions	3,389	1,783	5,172
Interest expense	10,317	173	10,490
Lease payments	(3,625)	(1,110)	(4,735)
Exchange differences	921	(99)	822
At 30 June 2022	122,324	2,336	124,660
Additions	-	3,452	3,452
Interest expense	11,121	176	11,297
Lease payments	(2,740)	(1,551)	(4,291)
Exchange differences	509	(151)	358
At 30 June 2023	**131,214**	**4,262**	**135,476**

	THE COMPANY
	Motor vehicles
	Rs '000
At 1 July 2022	-
Additions	3,452
At 30 June 2023	**3,452**

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

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

(b) Lease liabilities (cont'd)

	THE GROUP		THE COMPANY	
Analysed as follows:	**30 June 2023**	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Current	**4,270**	4,014	**601**	-
Non-current	**131,206**	120,646	**2,851**	-
	135,476	124,660	**3,452**	-

	THE GROUP		THE COMPANY	
Maturity analysis of lease liabilities:	**30 June 2023**	30 June 2022	**30 June 2023**	30 June 2022
Minimum lease payments:	**Rs '000**	Rs '000	**Rs '000**	Rs '000
- Within one year	**4,802**	17,519	**815**	-
- After one year and before two years	**4,935**	11,353	**815**	-
- After two years and before five years	**12,682**	33,234	**2,447**	-
- After five years	**634,707**	580,081	**-**	-
	657,126	642,187	**4,077**	-
Less: Future finance charges on obligations	**(521,650)**	(517,527)	**(625)**	-
Present value of obligations	**135,476**	124,660	**3,452**	-
Present value analysed as follows:				
Current				
- Within one year	**4,270**	4,014	**601**	-
Non-current				
- After one year and before two years	**1,048**	614	**642**	-
- After two years and before five years	**2,311**	223	**2,209**	-
- After five years	**127,847**	119,809	**-**	-
	131,206	120,646	**2,851**	-
	135,476	124,660	**3,452**	-

(c) The leasehold rights recognised at Group level through investment made by Semaris Ltd in Kingfisher 3 Limited for its underlying assets in Praslin Resort Limited are amortised over the remaining lease term of the parcels of land, i.e. 45 years.

(d) Nature of leasing activities (in the capacity as lessee)
The Group leases land for its operating activities in the jurisdictions from which it operates. In some jurisdictions, it is customary for lease contracts to provide for payments to increase each year by inflation and/or in others to be reset periodically to market rental rates.

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

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

(f) Lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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

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

(g) Interest expense

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
Interest expense (included in finance cost) (Note 22)	**11,297**	10,490

The total cash outflow for leases in 2023 was Rs 4.2m (2022: Rs 4.7m) for the Group.

27. Investment property

Accounting Policy

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise, applying a valuation model recommended by the International Valuation Standards Committee.

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

Transfers are made to investment property only when there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is its fair value at the date of change in use. If an owner-occupied property becomes an investment property, the Group shall account for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Significant accounting judgements and estimates

Fair value of land and buildings

The Group fair values its investment properties with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist, who has recent experience in the location and category of the investment property being valued, to determine fair value based on prevailing market data.

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
At 1 July	**837,983**	897,049
Additions	**4,795**	1,060
Fair value movement (Note (b))	**-**	2,884
Exchange differences	**27,167**	(63,010)
At 30 June	**869,945**	837,983

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

27. Investment property (cont'd)

Accounting Policy (cont'd)

(a) As at 30 June 2023, a valuation process was carried out and Directors retained the carrying values of properties as fair value.

The valuations were based on market economic conditions and active market prices existing at the reporting date, adjusted for any difference in the nature, location or condition of the specific property. Cash flows of the country club have been discounted using a discount rate specific to the project to reflect the current market assessments. In addition, valuation of the investment properties was performed by the accredited independent valuers A. Lazrak Advisory using the discounted cash flow method which was supported by open market value by reference to market evidence of transaction prices for similar properties and sales comparison method. As at 30 June 2023, the fair value retained was within the range arrived by management and the independent valuer. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property.

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

	Level 1	**Level 2**	**Level 3**
As at 30 June 2023	**Rs '000**	**Rs '000**	**Rs '000**
Freehold land	**-**	**-**	**530,659**
Buildings	**-**	**-**	**339,286**
Total	**-**	**-**	**869,945**

	Level 1	Level 2	Level 3
As at 30 June 2022	Rs '000	Rs '000	Rs '000
Freehold land	-	-	507,990
Buildings	-	-	329,993
Total	-	-	837,983

(b) Level 3

Reconciliation of level 3 fair value hierarchy is as follows:

	30 June 2023	30 June 2022
	Rs '000	Rs '000
At 1 July	**837,983**	897,049
Additions	**4,795**	1,060
Fair value movement	**-**	2,884
Exchange differences	**27,167**	(63,010)
At 30 June	**869,945**	837,983

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

27. Investment property (cont'd)

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

	Valuation technique and key inputs	**Unobservable inputs**	**Sensitivity used**	**Effect on fair value 30 June 2023 Rs '000**
5-star hotel Lifestyle	Discounted cash flows	Discount rate and terminal growth rate	1% increase in discount rate and 0.5% increase in terminal growth rate	**(43,811)**
5-star hotel				**(70,462)**
Country club				**(9,290)**
5-star hotel Lifestyle	Discounted cash flows	Discount rate and terminal growth rate	1% decrease in discount rate and 0.5% decrease in terminal growth rate	**50,325**
5-star hotel				**98,217**
Country club				**40,952**

	Valuation technique and key inputs	Unobservable inputs	Sensitivity used	Effect on fair value 30 June 2022 Rs '000
5-star hotel Lifestyle	Discounted cash flows	Discount rate and terminal growth rate	1% increase in discount rate and 0.5% increase in terminal growth rate	(4,689)
5-star hotel				(10,260)
Country club				(4,335)
5-star hotel Lifestyle	Discounted cash flows	Discount rate and terminal growth rate	1% decrease in discount rate and 0.5% decrease in terminal growth rate	16,179
5-star hotel				29,573
Country club				4,870

Significant increases/(decreases) in unobservable inputs would result in significantly higher/(lower) fair value.

(b) Included in the fair value movement are the following properties:
(i) No fair value movement was recognised on land and building earmarked for 5-star hotel and 5-star lifestyle hotel in Domaine Palm Marrakech S.A. during the year. The fair value as at 30 June 2023 has been determined using a discounted cash flows (DCF) approach over a period of 13 years, using a discount rate of 13.3% to 13.5% and a terminal growth of 2%. In the previous year, a fair value increase of Rs 19m was recognised.
(ii) No fair value movement was recognised for the country club during the year while in the prior year, a fair value of loss of Rs 16m was incurred. The fair value as at 30 June was arrived based on available information and using a discount rate of 14% and terminal growth rate of 2% over a discounted cash flows (DCF) period of 11 years.

The following amounts have been recognised in profit or loss:

	THE GROUP	
	Year ended 30 June 2023 Rs '000	Year ended 30 June 2022 Rs '000
Rental income	**15,472**	13,452

No direct operating expenses (including repairs and maintenance) arising from investment property have been incurred during the year (2022: Nil).

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

28. Intangible assets

Accounting Policy

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

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

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication of impairment either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Computer software	**THE GROUP Rs '000**	**THE COMPANY Rs '000**
COSTS		
At 1 July 2021	3,776	-
Additions	932	30
Exchange differences	(265)	-
At 30 June 2022	4,443	30
Additions	321	61
Exchange differences	113	-
At 30 June 2023	**4,877**	**91**
AMORTISATION		
At 1 July 2021	2,651	-
Amortisation charge	556	2
Exchange differences	(207)	-
At 30 June 2022	3,000	2
Amortisation charge	469	9
Exchange differences	113	-
At 30 June 2023	**3,582**	**11**
Net book value 30 June 2023	**1,295**	**80**
Net book value 30 June 2022	1,443	28

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

29. Investments in subsidiaries

Accounting Policy

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

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

Details of subsidiaries are disclosed under Note 2.

	THE COMPANY	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
Cost (Unquoted)		
At 1 July	**2,909,971**	3,049,483
Capital reduction	**(87,195)**	(69,756)
Transfer to financial assets at amortised costs	**(54,249)**	(69,756)
At 30 June	**2,768,527**	2,909,971

In the prior year, DPM proceeded with a capital reduction of MAD 80m which was approved by the exchange office in Morocco. Out of MAD 80m, MAD 20m (Rs 88m) were repaid to Semaris Ltd in June 2022 and MAD 20m were transferred to financial assets at amortised cost. During the year, investment in subsidiaries was further reduced by MAD 40m, whereby MAD 25m (Rs 111m) were repaid in June 2023 and MAD 15m accounted as financial asset at amortised cost, which management foresees to obtain in November 2023.

As at 30 June 2023, an impairment assessment has been done in accordance with IAS 36 and no indicator of impairment was identified.

30. Inventories

Accounting Policy
Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:
- Stock of villas is accounted at costs which comprise cost of land, construction costs, leasehold rights and borrowing costs.
- Villas being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventory and measured at the lower of cost and net realisable value.

The leasehold right acquired on the parcel of land for construction of villas has been allocated to inventory. Upon disposal of villas, the leasehold rights will be released to the profit and loss account.

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

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net summarised value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

30. Inventories (cont'd)

Significant accounting judgements and estimates

Estimation of net realisable value for inventories

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

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

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Stock of land for sale (Note (a))	**3,676,061**	3,368,131	**-**	-
Leasehold rights acquired	**128,974**	128,975	**-**	-
	3,805,035	3,497,106	**-**	-
(a) Stock of land for sale is made up of:				
Land for sale at Les Salines, Mauritius (Note 13 & 19)	**2,000,000**	2,000,000	**-**	-
Land for development of an integrated hotel scheme ("IHS") at Les Salines	**34,023**	34,023	**-**	-
Development under LSPL	**68,379**	51,128	**-**	-
Villas under construction in Marrakech, Morocco	**1,573,659**	1,282,980	**-**	-
	3,676,061	3,368,131	**-**	-

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

(c) Interest costs capitalised in previous years in inventory amounted to Rs 330m as at 30 June 2023 (2022: Rs 342m) for the Group. The rate used to determine the amount of borrowing costs eligible for capitalisation varied between 6% - 6.75% for loans denominated in foreign currency, which was the effective rate of interest on the specific borrowings.

(d) Cost of inventories expensed amounted to Rs 118m during the year (2022: Rs 252m) for the Group.

(e) No write-down on inventory was realised during the year ended 30 June 2023 (2022: Nil).

31. Trade receivables

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
Trade receivables	**15,734**	29,564

Trade receivables are unsecured, non-interest-bearing and are generally on 30 to 90 days' term.

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Since trade receivables relate only to Domaine Palm Marrakech S.A. and the value of trade receivables is low, a specific provisioning is used to assess expected loss allowance. During the year, no provision for expected credit losses has been recognised (2022: Nil).

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

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

31. Trade receivables (cont'd)

(iii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned on the previous page.
(iv) The Group does not hold any collateral as security for trade and other receivables.
(v) The carrying amounts of trade receivables which are receivable within one year approximate their fair values.

32. Financial assets at amortised cost

(a)

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Non-current				
Financial assets at amortised cost	**266,114**	314,720	**-**	-
Current				
Financial assets at amortised cost	**122,041**	65,193	**133,280**	1,040,448
Total financial assets at amortised cost	**388,155**	379,913	**133,280**	1,040,448

In 2022, at Company level, Rs 900m related to the amount receivable from Les Salines PDS Ltd on the disposal of land and Rs 48m to preliminary project costs recharged and Rs 89m proceeds receivable relating to the buy-in of share in DPM. As at 30 June 2023, proceeds yet to be received from DPM amounted to Rs 72m.

At Group level, the receivable amount is due from Beachcomber Hotel S.A. for the use of the country club, golf and other services provided by DPM.

Terms and conditions:

- A repayment agreement has been established between Domaine Palm Marrakech S.A. and Beachcomber Hotel S.A. whereby it is agreed that the receivable amount as at 31 November 2021 will be repayable quarterly with the last repayment on 30 November 2028.
- An interest rate of 2.5% and 4% per annum will be charged on current and non-current receivables respectively.

The Group has made an impairment assessment by considering the previous repayment behaviours and assessing the future cash flow forecasts covering the contractual period of the receivable balances. The Group does not expect any default on repayment and is certain of the ability of Beachcomber Hotel S.A. to repay its debts as they fall due in the normal course of business and/or in any adverse economic and business conditions.

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

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
MUR	**-**	-	-	1,040,448
EUR	**39,576**	-	**39,576**	-
MAD	**348,579**	379,913	**93,704**	-
	388,155	379,913	**133,280**	1,040,448

(c) The ageing of financial assets at amortised cost is disclosed in Note 8(i).
(d) The Group does not hold any collateral as security for financial assets at amortised cost.

33. Other assets

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
VAT receivable	**484,067**	392,679	**10,761**	8,048
Prepayments	**30,577**	86,733	**158**	191
Other receivables	**90,405**	22,767	**-**	-
	605,049	502,179	**10,919**	8,239

(a) VAT is receivable on capital expenditure incurred by the Group.

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

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

34. Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash in hand and at bank and net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortised cost. The carrying amount approximates the fair value.

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

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Cash in hand and at bank	**672,656**	359,751	**151,565**	94,082
Bank overdrafts (Note a)	**(148,527)**	(69,894)	**-**	(69,894)
	524,129	289,857	**151,565**	24,188

(a) Bank overdrafts
The bank overdrafts are secured by fixed and floating charges on the assets of the individual companies of the Group. The interest rate on bank overdraft varies between 6.5% and 8.05%.

The fair value of cash is Rs 673m (2022: Rs 360m) for the Group and Rs 152m (2022: Rs 94m) for the Company.

At 30 June 2023, the Group and Company did not have any undrawn loan facilities. Undrawn overdraft facilities amounted to Rs 9m in 2023 (2022: Rs 30m) for both Group and Company.

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

(b) Reconciliation of liabilities arising from financing activities:

(i) **THE GROUP**

			Non-cash changes			
	2022	**Cash flows**	**Recognition of IFRS 16**	**Amortisation cost**	**Foreign exchange differences**	**2023**
2023	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**	**Rs '000**
Borrowings	**2,311,975**	**(33,850)**	**-**	**127,900**	**3,826**	**2,409,851**
Lease liabilities	**124,660**	**(4,291)**	**3,452**	**11,297**	**358**	**135,476**
	2,436,635	**(38,141)**	**3,452**	**139,197**	**4,184**	**2,545,327**

			Non-cash changes				
	2021	Cash flows	Recognition of IFRS 16	Remeasurement gain	Amortisation cost	Foreign exchange differences	2022
2022	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Borrowings	2,323,628	(56,578)	-	(64,258)	112,551	(3,368)	2,311,975
Lease liabilities	112,911	(4,735)	1,159	-	10,490	4,835	124,660
	2,436,539	(61,313)	1,159	(64,258)	123,041	1,467	2,436,635

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

34. Cash and cash equivalents (cont'd)

(ii) **THE COMPANY**

2023	2022 Rs '000	Cash flows Rs '000	Non-cash changes Amortisation cost Rs '000	2023 Rs '000
Borrowings	**915,127**	**(938,324)**	**23,197**	**-**
	915,127	**(938,324)**	**23,197**	**-**

2022	2021 Rs '000	Cash flows Rs '000	Non-cash changes Delegation of debt Rs '000	Non-cash changes Amortisation cost Rs '000	2022 Rs '000
Borrowings	2,221,089	(39,486)	(1,361,681)	95,205	915,127
	2,221,089	(39,486)	(1,361,681)	95,205	915,127

35. Stated capital

	Issued number of shares 2023	Issued number of shares 2022	Issued and fully paid 2023 Rs '000	Issued and fully paid 2022 Rs '000
As at 30 June	**548,982,130**	548,982,130	**3,595,000**	3,595,000

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

The Board may issue shares at any time and there is no limit on the number of shares to be issued with no par value.

36. Other reserves

Other reserves include the following:

(a) Foreign exchange differences reserve

Nature and purpose of reserves	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000
Foreign exchange difference	**518,047**	447,106

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

(b) Revaluation reserve

Nature and purpose of reserves	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000
Revaluation reserve	**37,130**	37,130

It arises on the revaluation exercise performed on land and buildings under Property and Equipment (Note 25).

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

37. Borrowings

	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000	THE COMPANY 30 June 2023 Rs '000	THE COMPANY 30 June 2022 Rs '000
Current portion				
Bank loans	**101,452**	938,964	-	915,127
Non-current portion				
Bank loans	**891,407**	27,830	**-**	-
Loan from related company (Note (a))	**1,416,992**	1,345,181	**-**	-
	2,308,399	1,373,011	**-**	-
Total borrowings	**2,409,851**	2,311,975	**-**	915,127

(a) Loan from related company has been disclosed under related party transactions and disclosures (Note 15(vii)).

(b) Bank loans and loan from related party

Bank loans and loan from related party can be analysed as follows:	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000	THE COMPANY 30 June 2023 Rs '000	THE COMPANY 30 June 2022 Rs '000
Current				
- Within one year	**101,452**	938,964	**-**	915,127
Non-current				
- After one year and before two years	**136,421**	27,830	**-**	-
- After two years and before five years	**1,383,233**	346,048	**-**	-
- After five years	**788,745**	999,133	**-**	-
	2,308,399	1,373,011	**-**	-
	2,409,851	2,311,975	**-**	915,127

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

	Category	Effective interest rate	Maturity	THE GROUP 30 June 2023 Rs '000	THE GROUP 30 June 2022 Rs '000
Denominated in:					
MUR	Bank loan	5%-7.05%	2027	**920,793**	915,127
MUR	Loan from related party	5%	2031	**1,416,511**	1,345,181
MAD	Bank loan	6%-7%	2024	**72,547**	51,667
				2,409,851	2,311,975

	Category	Effective interest rate	Maturity	THE COMPANY 30 June 2023 Rs '000	THE COMPANY 30 June 2022 Rs '000
Denominated in:					
MUR	Bank loan	4.65%-5%	2022	**-**	915,127

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

The loan from related company amounting to Rs 1.3bn is unsecured and subordinated to the bank loans. Following the disposal of land to Les Salines PDS Ltd, the loan from related party has been delegated to the latter with new terms of repayment agreed on 30 June 2022. Interest accrued up to 30 June 2023 shall be capitalised as new capital amount and interest repayment shall be half-yearly as from 31 December 2023. LSPL will start repayment of capital from 31 December 2025 up to 30 June 2031 as per the agreement.

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

38. Employee benefit liabilities

During the financial year, two employees were recruited by the Company, including one employee transferred from New Mauritius Hotels Limited (2022: No employee).

Since the pension plan under Semaris Ltd has not been defined yet, NMH continued the recognition of the pension liability pertaining to the transferred employee. Semaris Ltd, on the other hand, recorded only the current service costs.

The management of both Semaris and NMH is working collectively to reach an arrangement regarding the funding and transfer of the pension liability together with the administrator.

Accounting Policy
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group and Company recognise the following changes in the net defined benefit obligation under 'staff costs' in the statements of profit or loss:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

The liability relates to employees who are entitled to statutory benefits prescribed under parts VIII and IX of the Workers' Rights Act 2019. The latter provides for a lump sum on withdrawal, at retirement or death, whichever occurs earlier, based on final salary and years of service.

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Funded obligation (Note (a))	**161**	-	**161**	-

(a) Funded Obligation

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

	THE GROUP		THE COMPANY	
Defined benefit obligation	**161**	-	**161**	-
Fair value of plan assets	**-**	-	**-**	-
Employee benefit liabilities	**161**	-	**161**	-

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

	THE GROUP		THE COMPANY	
At 1 July	**-**	-	**-**	-
Amount recognised in profit or loss	**161**	-	**161**	-
At 30 June	**161**	-	**161**	-

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

	THE GROUP		THE COMPANY	
Current service cost	**161**	-	**161**	-
Net benefit expense	**161**	-	**161**	-

(b) Maturity profile of the defined benefit obligation

The weighted average duration of the liabilities as at 30 June 2023 was 15 years.

(c) Expected contribution for next year

The expected contribution for the next year will be based on the pension plan determined by the Company post-year end.

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

38. Employee benefit liabilities (cont'd)

(d) Risk associated with the plans

The Group and Company are exposed to actuarial risks such as longevity risk, interest rate risk, market (investment) risk and salary risk:

Longevity risk: The liabilities disclosed are based on the mortality table PNA00/current Swan buyout rate. The liabilities will increase if the experience of the pension plans is less favourable than the standard mortality tables; and there is an improvement in mortality and the buyout rate is reviewed.

Interest risk: If the yields on Government Bonds and Treasury Bills decrease, the liabilities would be calculated using a lower discount rate and would therefore increase.

Investment risk: The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

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

39. Trade and other payables

	THE GROUP		THE COMPANY	
	30 June 2023	30 June 2022	**30 June 2023**	30 June 2022
	Rs '000	Rs '000	**Rs '000**	Rs '000
Trade payables	**170,668**	127,857	**139**	5,468
Other payables	**208,068**	198,313	**3,376**	1,380
Amount due to subsidiaries (Note 15)	**-**	-	**21,714**	-
Amount due to related parties (Note 15)	**12,196**	57,854	**5,919**	50,985
	390,932	384,024	**31,148**	57,833

Trade payables are non-interest-bearing and are generally on 30 to 60 days' term. Other payables consist mainly of accruals.

40. 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 some items of property at fair value at each reporting date.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for the measurement of both recurring and non-recurring fair values. Financial assets that are unquoted are fair valued by management at least annually at the reporting date. The use of external valuers is decided by the management when the situation dictates it, taking into consideration the relevant factors.

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

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

External valuers are used to fair value land and buildings classified under Property and Equipment and Investment Property by applying specific valuation techniques. Involvement of external valuers for the valuation of its properties is decided upon by management after discussion with and approval of the Audit and Risk Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources, that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Significant accounting judgements and estimates

Fair value measurements of financial instruments
When the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to those models are derived from observable market data where possible, but where observable market data is not available, a degree of judgement is required to establish fair values. The judgements include consideration of inputs such as liquidity risk, credit risk and volatility risk. As at 30 June 2023 and 30 June 2022, the Group held the following financial instruments carried at fair value in the statements of financial position which have been disclosed under Notes 25 and 27 respectively.

The carrying amounts of financial assets and liabilities approximate their fair values, except where otherwise stated (Note 8(iv)).

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

41. Commitments

	THE GROUP	
	30 June 2023	30 June 2022
	Rs '000	Rs '000
Capital commitments		
Les Salines PDS Ltd (i)	**16,177,530**	16,177,530
Les Salines IHS Limited (ii)	**349,000**	349,000
Domaine Palm Marrakech S.A. (iii)	**358,496**	177,801
Praslin Resort Limited (Seychelles) (iv)	**7,230,167**	7,007,944
	24,115,193	23,712,275

(i) The project will comprise 220 units developed on a total land area of 73 hectares. The units averaging 2,100m² will be located around an 18-hole golf course.
Out of the 220 available units, 25% will be sold as serviced plots and the remaining as villas under the "VEFA" Scheme. As at 30 June 2023, 75% of the presale level had been reached.
(ii) The development of an Invest Hotel Scheme ("IHS") under Les Salines IHS Limited is currently being restructured by Semaris and NMH.
(iii) The amount of Rs 358m represents the estimated cost for Phase 1b and acquisition cost of the land under Phase 2 of the property development in Marrakech. Phase 1b includes the development and sale of 16 plots and 36 premium villas. As at 30 June 2023, only 8 units in Phase 1b remained to be sold. Management is working actively to deliver 22 units in the next financial year.
(iv) Property development under the "villa policy" will be carried out on the 64 hectares of land acquired by Praslin Resort Limited. This development will allow the sale of residential units to foreigners provided that the project has an important hospitality component. A revised business plan has been submitted to the Seychelles authorities in the month of August 2023.

SEMARIS

Property Development

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