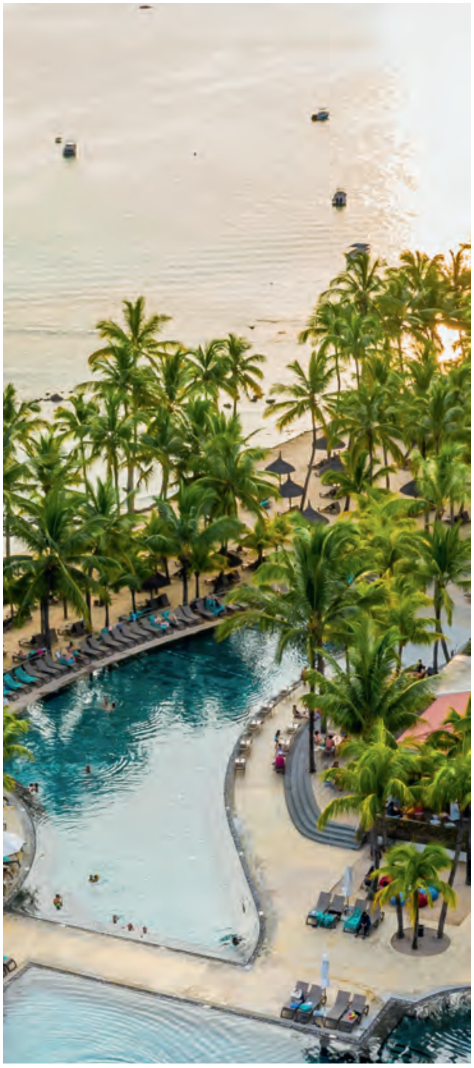

BEACHCOMBER HOSPITALITY INVESTMENTS LTD AND ITS SUBSIDIARIES

ANNUAL REPORT - YEAR ENDED

30 JUNE 2023

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Registered Office

Beachcomber House,
Botanical Garden Street,
Curepipe,
Mauritius

Secretary

ENL Secretarial Services Limited,
ENL House,
Vivea Business Park,
Moka,
Mauritius

Auditor

BDO & Co
Chartered Accountants
10, Frère Félix de Valois Street,
Port Louis,
Mauritius

Banks

The Mauritius Commercial Bank Ltd
The Mauritius Commercial Bank (Seychelles) Ltd
SBM Bank (Mauritius) Ltd

Registry

MCB Registry and Securities Ltd

Key Figures

STATEMENTS OF PROFIT OR LOSS	THE GROUP	THE COMPANY		
	Year ended 2023 Eur	**Year ended 2023 Eur**	Year ended 2022 Eur	Year ended 2021 Eur
Revenue	**15,847,070**	**14,749,336**	14,219,484	13,926,903
Earnings before interest, tax and depreciation	**20,043,845**	**19,444,951**	25,798,370	13,995,658
Profit before tax	**10,599,894**	**10,499,780**	17,521,258	5,858,640
Income tax expense	**(386,071)**	**(438,970)**	(1,285,200)	(1,116,528)
Profit for the year	**10,213,823**	**10,060,810**	16,236,058	4,742,112
STATEMENTS OF FINANCIAL POSITION	**As at 30 June 2023 Eur**	**As at 30 June 2023 Eur**	As at 30 June 2022 Eur	As at 30 June 2021 Eur
Non-current assets	**334,410,760**	**263,824,358**	214,798,805	200,912,233
Current assets	**5,997,017**	**1,785,145**	5,225,902	4,508,911
Ordinary share capital	**87,920,832**	**87,920,832**	28,138,730	28,138,730
Preference share capital	**38,949,762**	**38,949,762**	-	-
Retained earnings	**6,865,714**	**6,719,946**	41,305,502	25,069,444
Non-controlling interest	**2,724**	**-**	-	-
Non-current liabilities	**186,042,471**	**125,559,945**	94,447,559	93,123,180
Current liabilities	**20,626,274**	**6,459,018**	56,132,916	59,089,790
DISTRIBUTION TO SHAREHOLDERS	**2023**	**2023**	2022	2021
Dividends paid	**(44,646,366)**	**(44,646,366)**	-	(1,350,000)
KEY FINANCIAL RATIOS	**2023**	**2023**	2022	2021
Loan to value	**41%**	**36%**	27%	30%
Interest cover	**1.7**	**1.7**	1.6	1.8

Figures for the Company have been disclosed for the financial year ended 2022 and 2021 as the Group has no comparative figures.

Corporate Governance Report

for the year ended 30 June 2023

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

The Company was set up as a business venture between New Mauritius Hotels Limited ('NMH') and Grit Real Estate Income Group ('GRIT'), through the latter's subsidiaries (Grit Services Limited and Leisure Property Northern (Mauritius) Limited). Following a scheme of arrangement which has been sanctioned by the Bankruptcy Division of the Supreme Court of Mauritius and a Prospectus dated 29 March 2023, GRIT has exited the joint venture and Restricted-Voting Class A Preference Shares (''Class A Preference Shares'') and Restricted-Voting Class B Preference Shares (''Class B Preference Shares'') were issued and listed on the Official Market of The Stock Exchange of Mauritius Limited (''SEM'') on 12 May 2023.

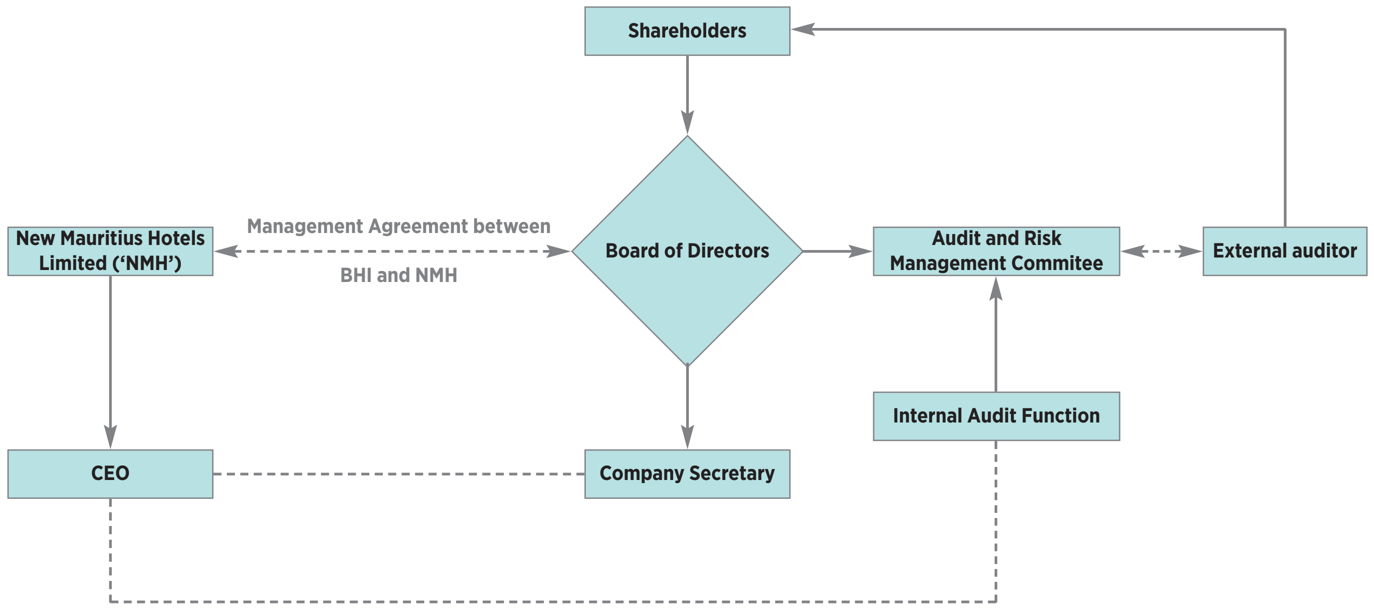
BHI now acts as a vehicle which owns an array of yielding assets in the hospitality industry on the 4-star and 5-star hotel segment both in Mauritius and Seychelles and operated by two different tenants.

This report, along with the Annual Report, is published in its entirety on the Company's website:
http://bhi-corporate.com/

1. Governance structure

The Board of BHI 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 and composition of the Board of Directors;
- identified its key Senior Governance positions and the position statements are detailed in BHI's Board Charter;
- adopted a Code of Ethics; and
- approved an Organisational and Governance Structure (*as illustrated hereunder*).



The Board Charter, Code of Ethics and Constitution are available for consultation on the Company's website:
http://bhi-corporate.com/

2. The Board

2.1 Board Profile

- The names and profiles of the Directors of BHI are set out below.
- The Company was converted into a public Company on 31 January 2023 and steps were taken for the appointment of the 2 Independent Directors on 21 February 2023 in compliance with Section 133 (1) (c) of the Mauritian Companies Act 2001.
- All the Directors of BHI holding office as at 30 June 2023 ordinarily reside in Mauritius.
- The directorship of the Directors as at 30 June 2023 is available on: http://bhi-corporate.com/

Gilbert ESPITALIER-NOËL - *up for re-election at next Shareholder's Meeting*
(Born in 1964)
Chairman, Executive Director *

- **Appointed in:** April 2016
- **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 of New Mauritius Hotels Limited until June 2023
  - Past CEO of ENL Property Limited
  - Past Operations Director of Eclosia Group
  - Former President of the Mauritius Chamber of Commerce and Industry, the Mauritius Chamber of Agriculture, the Joint Economic Council and the Mauritius Sugar Producers Association; past Vice-President of the Mauritius Export Association
- **Skills & Experience :**
  - In-depth knowledge and extensive experience of operations in ENL's key sectors of activity
  - 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

** Effective July 2023, Mr Gilbert Espitalier-Noël sits on the Board of Directors of BHI as Non-Executive Director.*

Amaury BROUSSE DE LABORDE
(Born in 1985)
Independent Non-Executive Director

- **Appointed in :** February 2023
- **Qualifications :** Diplôme Grande Ecole -Institut Supérieur de Gestion (ISG Paris) and CESB Management (CFPB et HEC Paris)
- **Committee:** Chairman of the Audit and Risk Management Committee
- **Professional Journey:**
  - Founder CEO of Philia Family Office, Mauritius
  - Worked as CEO of Necker Gestion Privee, Mauritius
  - Worked as Private Banking Manager at The Mauritius Commercial Bank Ltd, Mauritius
  - Worked as Conseiller en Gestion de Patrimoine at Banque Française Commerciale Océan Indien, Paris
- **Skills & Experience :**
  - Extensive experience in banking and wealth management
  - Strong expertise in sales & marketing, financial market, advisory and compliance

Hector ESPITALIER-NOËL
(Born in 1958)
Non-Executive Director

- **Appointed in:** April 2016
- **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 New Mauritius Hotels Limited, Semaris Ltd and Rogers and Company Limited
  - Past Chairman of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association, and the Mauritius Sugar Syndicate
- **Skills & Experience:**
  - Extensive CEO and leadership experience and skills
  - Strong financial management and strategic business planning skills
  - Significant experience in alliances, ventures, and partnerships
  - Staunch advocate for a more open 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

Stéphane POUPINEL de VALENCÉ
(Born in 1978)
Chief Executive Officer, Executive Director

- **Appointed in**: June 2023
- **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 ("NMH") 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

Pauline SEEYAVE
(Born in 1974)
Executive Director

- **Appointed in:** August 2017
- **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
  - Occupied senior executive roles in banking, including finance, risk management, credit, project finance and corporate banking
  - Managed a wide portfolio of clients and across various sectors in Audit and Business Assurance in the UK
  - Current Non-Executive Director of Innodis Ltd
  - Member of the Listing Executive Committee of the Stock Exchange of Mauritius Ltd
  - Past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Méditerranée Albion Resorts Ltd
- **Skills & Experience:**
  - Over 20 years in leadership roles
  - Extensive experience in risk management, finance and corporate governance

Sidharth SHARMA - *up for re-election at next Shareholder's Meeting*
(Born in 1974)
Independent Non-Executive Director

- **Appointed in**: February 2023
- **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
- **Committee:** Member of the Audit and Risk Management Committee
- **Professional Journey:**
  - Group Chief Executive Officer of RHT Holding Ltd and its subsidiaries. The Group is active in the mobility and investment sectors.
  - Chartered Engineer registered with the UK Engineering Council and a Fellow of the Mauritius Institute of Directors
  - Council member of the National Committee on Road Safety. 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
  - Chairman 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

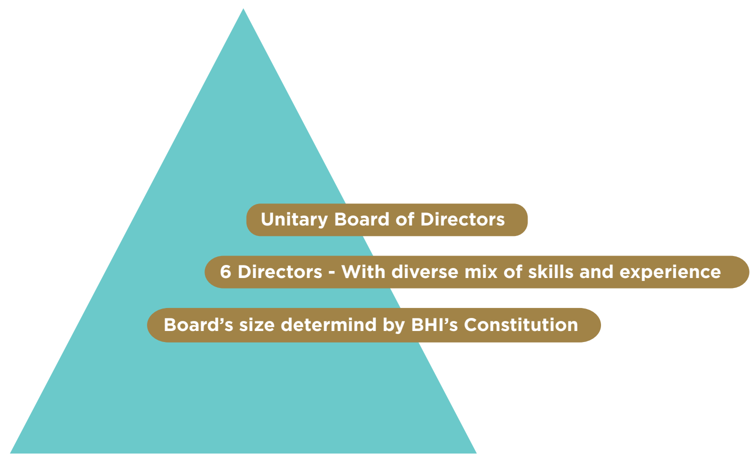
Bronwyn Anne KNIGHT
(Born in 1981)

- **Appointed in**: August 2017
- **Resigned in**: May 2023
- **Qualifications:** B. Comp Degree from the University of South Africa, Honours Degree in Accounting from the University of Durban, Qualified Chartered Accountant
- **Professional journey:**
  - Founding member and the CEO of Grit, the largest pan-African real estate focused company listed on the Premium segment of the main market of the London Stock Exchange and on the Stock Exchange of Mauritius.
  - Under Bronwyn's leadership, Grit has achieved consistent Dollar-based distributions and returns and has grown the portfolio from two assets of US$140 million at listing, to 54 assets, currently valued in excess of c.US$849 million across eight African jurisdictions in six asset classes.
  - Served on several property company boards and played a key role in listing South Africa's largest sovereign underpinned real estate investment trust (REIT), where she held the roles of both Chief Financial and Chief Investment Officer, before co-founding what would become Grit Real Estate Income Group.
  - Recognized as the 2019 EY Entrepreneur of the Year (Southern Africa) in the Exceptional Category. Past winner of the South African Institute of Chartered Accountants (SAICA) Top CA(SA) under 35 Award. Received many other recognitions such as API Top Africa Real Estate CEO in 2020.
- **Skills and experience:**
  - Bronwyn is a seasoned businesswoman with extensive experience in developing and implementing business strategies.
  - Is skilled at capital raising and has the ability to leverage a broad investor network across various jurisdictions.
  - Has strong corporate governance principles from operating in the listed property space, including a premium listed environment on the London Stock Exchange

Leon Paul VAN DE MOORTELE
(Born in 1975)
Non-Executive Director

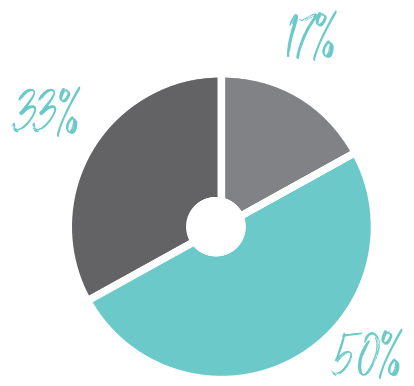
- **Appointed in**: August 2017
- **Resigned in**: May 2023
- **Qualifications**: Chartered Accountant and Honours Degree in Accounting Science
- **Professional journey:**
  - Prior to joining Grit, Leon completed his articles with PwC before moving to their Global Risk Management Services division as a senior manager of the Data Services division.
  - In 2004, he was appointed as the Group Finance Director for an Africa focused aviation group until joining Grit in 2015. He continues to utilise his IT skills and tax structuring knowledge and experience in operating in Africa to expand the asset base of the Grit Group.
- **Skills and experience**:
  - Significant financial and commercial experience across African countries, including Mauritius, Mozambique, Morocco, Ghana, Kenya, Algeria, Ivory Coast, South Africa and Zambia.
  - Strong tax structuring knowledge and experience in operating in Africa.

2.2 Board Composition

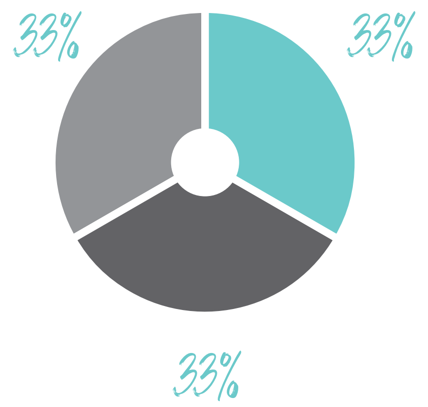


2.2 Board Composition (cont'd)

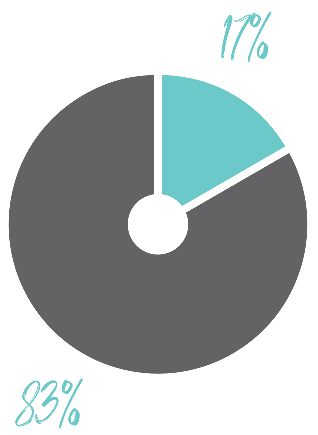
Board Composition as at 30 June 2023



Board Composition post 30 June 2023



Gender as at 30 June 2023



** There has been no change in the gender distribution post 30 June 2023.*

Tenure as at 30 June 2023

** There has been no change in the tenure distribution post 30 June 2023.*

During the financial year under review, the Board met 4 times and 11 written resolutions have been passed by the Company.

2.3 Main Focus Areas of the Board FY 2022/2023

Financials

- approved the audited financial statements/Annual Report for the year ended 30 June 2022.

Strategy & Finance

- reviewed the performance of the Company against business plans;
- approved the declaration of dividend for the year ended 30 June 2023;
- approved change in authorised bank signatories;
- approved the extension of maturity date for term loans with SBM Bank (Mauritius) Ltd and transfer of term loans in the name of Leisure Property Northern (Mauritius) Limited to BHI; and
- approved the Company's and the Group's budgets for the year ending 30 June 2024.

Governance, Compliance and Risk

- approved the restructuring of BHI in the form of a scheme of arrangement;
- reviewed the composition of the Board and categorisation of the Directors;
- approved the setting up of an Audit and Risk Management Committee;
- approved the remuneration policy for the Independent Non-Executive Directors;
- approved the appointment of Mr Stéphane Poupinel De Valencé as additional Director;
- recommended to the shareholders the reappointment of BDO & Co. as auditors of the Company; and
- reviewed the implementation of the principles of the Code of Corporate Governance.

Standing Agenda Items

- received reports on follow up matters from previous minutes; and
- received disclosures of interests from Directors as and when applicable.

2.4 Audit and Risk Management Committee ("ARMC")

- The Board of Directors is ultimately responsible and accountable for the performance and affairs of the Company including risk management and integrity of the financial statements of the Company and the Group.
- In February 2023, the Board established an ARMC to assist the Board and its directors in discharging their duties.
- The composition of the ARMC is as follows:

ARMC Members	Category
Amaury BROUSSE DE LABORDE	Independent Non-Executive Director, Chairperson
Sidharth SHARMA	Independent Non-Executive Director
Pauline SEEYAVE	Executive Director

- The ARMC has its own Charter which sets out, inter alia, membership requirements, meeting proceedings, roles and responsibilities. The Charter is available for consultation on the website of the Company: http://bhi-corporate.com/

2.5 Directors' Appointment Procedures

2.5.1 Appointment and Re-election

- The Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. The Director so appointed by the Board will hold office only until the following Annual Meeting and will then be eligible for re-election.
- In accordance with the Company's Constitution, at each Annual Meeting of the Company, one Independent and one Non-Executive Director for the time being appointed by the Annual Meeting, shall retire from office.
- The re-election of Messrs Gilbert Espitalier-Noël and Sidharth Sharma as Directors of the Company in accordance with Section 21.7 the Company's Constitution will be proposed for approval at a forthcoming meeting of shareholder of BHI.
- The Board confirms that following a performance evaluation, Messrs Gilbert Espitalier-Noël and Sidharth Sharma continue to be performing and remain committed to their role as Director of the Company.

2.5.2 Board Induction

Board Induction

During the year under review, Messrs Sidharth Sharma, Amaury Brousse De Laborde and Stéphane Poupinel de Valencé have been appointed Directors of the Company.

Upon joining the Board, the new Directors benefits from an induction programme aimed at deepening their understanding of the business, eveironment and markets in which the Group operates.

As part of the induction programme, they receive an appointment letter and a comprehensive induction pack from the Company Secretary which contains essential Board and Company information, constitution, chartes, policies, calendar of meetings, minutes of proceedings, meet the Company's key executives and have a briefing session with the Chief Executive Officer.

2.5.3 Professional Development and Training

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

2.5.4 Succession Planning

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

2.6 Directors' Duties, Remuneration and Performance

2.6.1 Directors' Interests, Dealings in Securities and Related Party Transactions

- The Board, in relation to dealing in the Company's listed securities, complies with the provisions of the Model Code for Securities Transactions (the "Model Code") by Directors of listed companies as detailed in Appendix 6 of the Listing Rules issued by the SEM and the Mauritian Companies Act 2001.
- The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect to the Model Code.
- BHI's Board Charter also contains policies on Conflicts of Interests and Related Party Transactions.
- Directors who are interested in a transaction or proposed transaction with the Company disclose their interests to the Board and cause same to be entered in the Interests Register.
- As a measure of good practice, the disclosure of any conflict of interests is a standard item on the Board's agenda such that at the beginning of each meeting, the Chairman invites the Directors to declare their interests 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 BHI.
- As at 30 June 2023, the Directors' interests in BHI's shares were as follows:

	CLASS A PREFERENCE SHARES				CLASS B PREFERENCE SHARES			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Amaury BROUSSE DE LABORDE	-	-	-	-	-	-	-	-
Gilbert ESPITALIER-NOËL	700	0.19	6,185	1.70	34	0.10	559	1.70
Hector ESPITALIER-NOËL	-	-	10,506	2.88	405	1.23	950	2.88
Stéphane POUPINEL DE VALENCÉ	-	-	-	-	-	-	-	-
Pauline SEEYAVE	500	0.14	2	0.00	30	0.09	-	-
Sidharth SHARMA	-	-	-	-	-	-	-	-
Bronwyn Anne KNIGHT*	-	-	-	-	-	-	-	-
Leon Paul VAN DE MOORTELE*	-	-	-	-	-	-	-	-

** Resigned as Director of BHI, effective 12 May 2023*

- During the financial year under review, the following Directors have acquired the following Class A Preference Shares and Class B Preference Shares of BHI:

	No. of Shares Acquired	
	Class A Preference Shares	Class BPreference Shares
Gilbert ESPITALIER-NOËL	700	34
Hector ESPITALIER-NOËL	-	405
Pauline SEEYAVE	500	30

- Note 7 to the financial statements for the year ended 30 June 2023, set out on pages 40 to 41 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 Listing Rules of the SEM.

2.6.2 Information, Information Technology and Information Security Governance

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

2.6.3 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.

2.6.4 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 current market conditions and the Group's financial position. The Independent Non-Executive Directors are remunerated for their knowledge, experience and insight given to the Board and Committee.
- 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 for the Independent Non-Executive Director of the Company effective 22 February 2023:

Board of Directors		
Independent Non-Executive Director	Rs	20,000
Chairman of ARMC	Rs	10,000
Member of ARMC (Independent Non-Executive Director)	Rs	5,000

- No other Director received any remuneration from the Company during the year under review.

2.6.5. Attendance and Remuneration/Benefits Paid

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

		Board	Remuneration and Benefits Received (EUR)
Number of Meetings held		4	
Category	**Directors**		
Executive	Gilbert ESPITALIER-NOËL[1]	▶ 4/4	-
	Stéphane POUPINEL DE VALENCÉ[2]	N/A	-
	Pauline SEEYAVE	4/4	-
Non-Executive	Hector ESPITALIER-NOËL	4/4	-
	Bronwyn Anne KNIGHT[3]	3/3	-
	Leon Paul VAN DE MOORTELE[3]	3/3	-
Independent	Sidharth SHARMA[4]	2/2	2,292
	Amaury BROUSSE DE LABORDE[4]	2/2	2,292

▶ Chairperson
[1] *Effective July 2023, Mr Gilbert Espitalier-Noël is a Non-Executive Director of BHI.*
[2] *Appointed as Director of BHI in June 2023.*
[3] *Resigned as Directors of BHI in May 2023.*
[4] *Appointed as Directors of BHI in February 2023.*

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

2.6.6. Board Evaluation

Since the Board was recomposed during FY 2022/2023, the Board considered that it would be more appropriate and effective to conduct the first board evaluation during the financial year 2023/2024.

3. Risk Governance and Internal Control

Principle 5: Risk governance and internal control

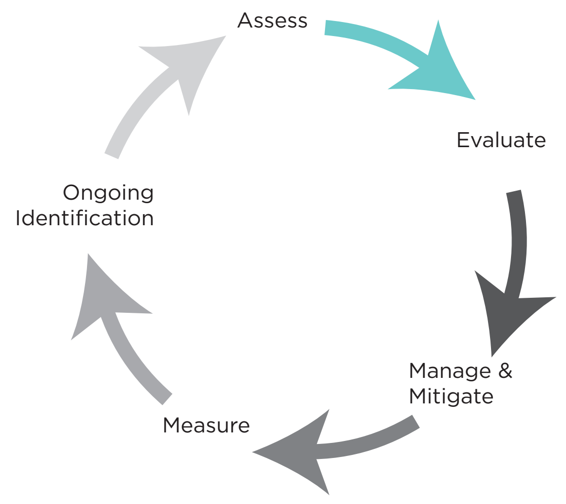
The Board of BHI is ultimately accountable for overall risk management across the Group. It is supported in this task by the Audit and Risk Management Committee ("ARMC"), the management team and other delegated committees which collectively set the tone and appetite for risk at BHI.

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. The risk management mechanisms in place include:

- a system for the ongoing identification and assessment of risk.
- development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk.
- reviewing the effectiveness of the system of internal control; and
- processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

3. Risk Governance and Internal Control (cont'd)

Principle 5: Risk governance and internal control (cont'd)



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.

Our 'Code of Ethics' is currently being reviewed to ensure that it incorporates contemporary issues and updated operational practices. The code includes a section on 'Whistleblowing'. During the year, there were no issues raised through our 'Whistleblowing' system.

Our Top Inherent Risks
BHI is faced with inherent risks that could materially affect revenue and operating profit. Our top inherent risks are as follows:

Tourism sector risk
The Issuer's main source of revenue is rental income from the operators of its hotel resorts, namely NMH and Club Med, which is directly linked to the soundness of their hotel operations and more generally, the health of the tourism industry. The most important risk faced is thus the inability of the operators to pay their rent on time, due to underperformance of the tourism sector.

Inability of an operator to pay rental income on time will amount to a material breach of the lease agreement and will entitle BHI to take a number of remedial actions, from deferring payments plans, to terminating the lease agreement. In a worst-case scenario, the Issuer may be constrained to dispose of its hotel resorts.

Interest rate and taxation risk
The debts of the Group are all denominated in EUR, mostly subject to floating interest rates. Any increase in the EURIBOR, for instance, will have an adverse impact on the Group's profits.

The onset of interest rate increases is likely to be accompanied by rising inflation rates. This should enable BHI to maximise the rental escalations, thus dampening the impact of the interest rate hikes.

Similarly, changes in the corporate tax rates in Mauritius and Seychelles, and other modifications to the existing fiscal policies which are not in favour of the BHI will have an adverse impact on BHI's results.

Risk of termination or non-renewal of the lease agreements
Another important risk factor for BHI, is the termination of a lease agreement by an operator earlier than its term or the non-renewal of the lease agreement by the operator on its expiry.

Risk of termination or non-renewal of the lease agreements (cont'd)

Mauritius
The probability that NMH will terminate or not renew its lease agreement with BHI is extremely low given its status as the major shareholder of BHI.

Specific to hotel resorts in Mauritius is the limited lifetime risk of ownership. Land found on so called ''Pas Géométriques'' in Mauritius is not freehold but leasehold. Thus, the BHI faces the risk that the Government of Mauritius may not renew any lease agreement(s) for its hotel resorts in Mauritius located on beachfront ''Pas Géométriques'' land.

However, the risk the Issuer faces is no different from the risk faced by other hotel groups that own similar hotel resorts in Mauritius.

Seychelles
In the case of Ste Anne, a premature termination of the lease agreement by the lessee (other than resulting from a material breach of the lease agreement by the lessor, the insolvency of the lessor, an event of *force majeure* or an adverse change) will entitle the lessor (SARL) to payment of the equivalent of three years of rent under the sub-sub lease agreement. Moreover, the lessor and the lessee must start discussions with a view to extending the initial lease period of 12 years at least twelve (12) months before the expiry of the lease period and the parties must have reached an agreement on the extension and new terms and conditions of the lease at least six months before the expiry of the lease period. This should provide the lessor with sufficient time to find a new lessee if an agreement cannot be reached with the existing lessee for the renewal of the lease agreement.

Credit risk
A deterioration in the financial situation of BHI and/or its subsidiaries would have an impact on their ability to honour their financial obligations under their existing debts. This could lead to enforcements of the security package available to the debt providers, and ultimately the liquidation of BHI's and /or its subsidiaries' assets. Subsequently, this will have an impact on the amount of capital invested by preference shareholders that could be recovered.

However, the current loan to value (''LTV'') of the Issuer and its subsidiaries being relatively low at 41%, and the future LTV being capped at 40% as from July 2024 onwards, there is sufficient headroom for the the repayment of the financial obligations and also the preference shareholders.

Foreign exchange risk
While the Group earns all of its revenue in EUR, given that the Class A Preference Shares shall be denominated in MUR, the Class B Preference Shareholders and Ordinary Shareholders may be impacted by the EUR/MUR exchange rate risk.

Risk of the Issuer not achieving its strategic objectives
BHI's ability to meet its strategic objectives will be dependent upon the management's successful implementation of BHI's hospitality real estate investment strategy and, ultimately, on its ability to generate the target returns. Management's ability to implement BHI's investment strategy will be subject to a number of factors, many of which are beyond the control of BHI and difficult to predict.

Risks relating to operations in Seychelles.
The Seychelles expose BHI to various levels of political, economic, and other risks and uncertainties, but are not limited to:
- changes in applicable laws or regulations, including tax laws.
- the risk of arbitrary governmental action.
- retroactive tax claims or claims for secondary tax liabilities.
- expropriation or nationalisation of property.
- limitations on the repatriation of earnings.
- levying of high penalties or demands, including interest on such penalties or demands, for alleged failure to comply with applicable laws or regulations.
- corruption.
- unstable political, financial, economic, or legal systems.
- changes to, or implementation of additional, environmental laws, regulations or permitting rules, including changes to existing interpretations of such laws, regulations or permitting rules.
- inflation and currency controls,
- outbreaks of disease, civil strife, acts of war, guerrilla activities, insurrection and terrorism.

Risk that the Issuer may be insufficiently insured against natural disasters, terrorism, and other events beyond the control of the Issuer and accidents at the Issuer's properties.
Damage to properties as a result of natural disasters, such as earthquakes, floods, hurricanes or other extreme weather events, or other events beyond the control of the Issuer, including fires, explosions, acts of terrorism, civil strife, acts of war, guerrilla activities and disease outbreaks, may lead to material damage to investment properties and, therefore, financial loss to BHI.

BHI believes its insurance coverage is in line with industry and market best practice, and its insurance policies are subject to standard exclusions of liability and limitations of liability both in amount and with respect to insured loss events. There are certain types of losses, generally of a catastrophic nature, such as those caused by earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable or, for example, in the case of terrorism, are not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, BHI could lose capital invested in the affected property as well as anticipated future revenue from that property.

Construction risk
The Group may, from time to time, need to engage in construction projects as part of the renovation of the assets. This exposes the Issuer to construction risks such as design risk, risk of cost overruns, rapid inflation in construction costs, availability of resources, risk of untimely delivery and project incidents. This could have an impact on the cash flows of the business and impede on the Issuer's ability to declare and pay dividends.

Additionally, before embarking on any renovation project, the Issuer shall need to negotiate with the lessors on the additional rent that shall be payable following such capital expenditure.

Redevelopment, refurbishment and/or expansion of the Properties to maintain market share and rating.
BHI may be required on some of its assets, to carry out redevelopment or expansion or refurbishment or enhancement work to maintain the assets market share and position, which, in each case, may have an adverse effect on the Issuer's business, financial condition and results of operations if this leads to a reduction in the Average Rental Yield.

However, such redevelopment, refurbishment or expansion shall be subject to the approval of Preference Shareholders by way of vote if the cost exceeds 20% of the total assets value of the Group, and/or if the additional rental income expected from such projects has an adverse effect on the existing rental yield. Additionally, any such redevelopment, refurbishment and/or expansion, if approved by the Preference Shareholders, shall be financed by external funds and as such will not represent a drain on the existing cash balance of the Issuer and/or its subsidiaries.

It should be noted, however, that given the current state of the hotel assets, there is no major refurbishment planned in the near future.

Refinancing risk
The business model of the Issuer and its ability to pay a dividend that equates to a targeted threshold yield on the Preference Shares, assumes that a major part of its existing debt can be refinanced. BHI faces the risk of not being able to refinance these debt instruments or if it does, at unfavourable terms and conditions such as higher interest rates and heavier capital repayments. BHI is also prone to face challenges in securing a refinancing package in the face of a negative outlook for the hospitality sector. As a result, BHI would be faced with significant strain on its cash flows and be unable to remunerate shareholders adequately.

However, the financial situation of BHI is expected to get better as its LTV goes down progressively as it pays down the existing debt, until an optimal level of 40% has been reached. BHI is also expected to benefit from rental escalations which should help improve its cash position. These factors will ease the negotiation with finance providers when a refinancing is planned. Additionally, NMH and BHI benefit from long-standing relationships with the leading banks and other finance providers in Mauritius and the region which will also contribute to the success of a refinancing program.

Environmental, social and governance risks
BHI may be subject to material social, environmental and health and safety requirements and liabilities in connection with its property portfolio and development of its properties. BHI must comply with applicable social, environmental and health and safety requirements in the jurisdiction in which it operates. These requirements relate to a variety of matters relating to the properties that BHI.

Principle 7:

Audit and Risk Committee
For internal control, internal audit, and risk management issues, please refer to page 12 (Governance – Board Committees).
Internal Audit
Internal audit forms BHI's 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.
The internal audit function of our operations in Mauritius is serviced by the internal audit team of NMH Ltd since May 2023. The internal audit team planning will stem from the risk assessment exercise that has been carried out and will be approved by the ARMC.
Focus will be laid on emerging and high-risk areas and reporting will be made to the Committee on a quarterly basis. High-risk issues together with internal audit recommendations will be tabled during ARMC meetings and comments from management and implementation plans will be discussed.
The 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. 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.

External Auditor
The ARC is responsible for reviewing with the external auditors the letter of engagement, terms and nature of the audit scope and approach and ensure that no restrictions or limitations have been placed on the scope. The external auditors report directly to the ARC which is also responsible for monitoring the external auditors' independence, objectivity, and compliance with ethical, professional, and regulatory requirements. The ARC meets with the external auditor without management presence when required and for the year under review no such meeting was held.

BDO was appointed as external auditor of the Group following a tender exercise. The ARMC will assess 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 will be discussed during ARMC meetings.

4. Shareholders and Other Key Stakeholders

4.1 Shareholding Profile
- The Class A Preference Shares and Class B Preference Shares of BHI are listed on the Official List of the SEM and the Company is governed by the Listing Rules of the SEM.
- As at 30 June 2023, the share capital of BHI is composed as follows:

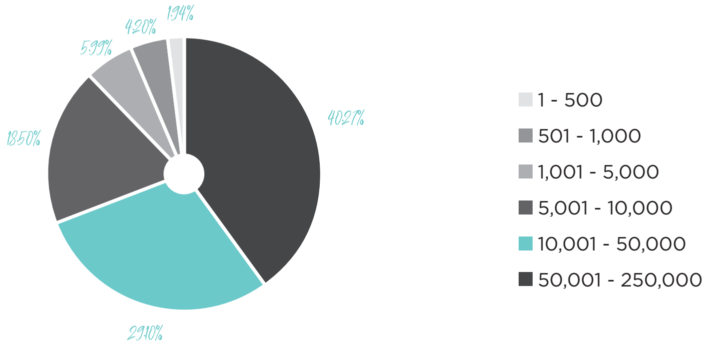
1,000 Ordinary shares	Rs 1,000
87,919,806 Ordinary Shares	Eur 87,920,806
364,251 Class A Preference Shares	Rs 364,251,000
32,922 Class B Preference Shares	Eur 32,922,000

- As at 30 June 2023, New Mauritius Hotels Limited held 100% of the ordinary shares and qualified as the substantial shareholder of the Company.

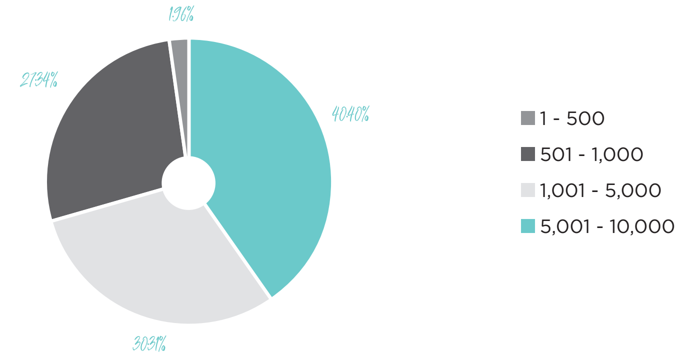
4.1.1 Distribution of shareholders at 30 June 2023

The distribution of the Class A Preference Shares and Class B Preference Shares as at 30 June 2023 were as follows:

Class A Preference Shares



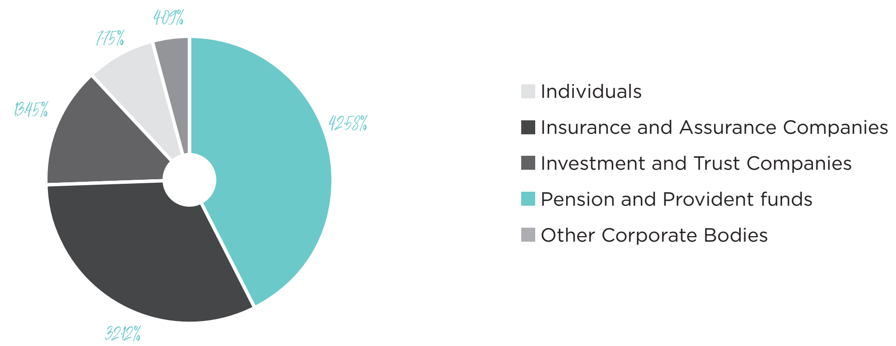
Class B Preference Shares



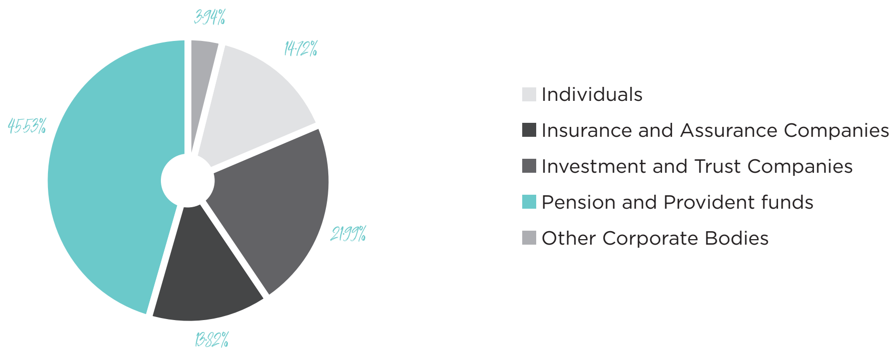
4.1.2 Spread of shareholders

To the best knowledge of the Directors, the spread of the Class A Preference Shares and Class B Preference Shares as at 30 June 2023 were as follows:

Class A Preference Shares



Class B Preference Shares



4.2 Contract between the Company and its Substantial Shareholders and Shareholders' Agreement affecting the Governance of the Company by the Board

BHI has a shareholder's loan agreement, a rental agreement and a management agreement with NMH.

4.3 Third-Party Agreements

Ste Anne Resort Limited has a rental agreement with Société des Villages de Vacances (des Seychelles) Limited, trading as Club Med Seychelles for its hotel property.

4.4 Engagement with Shareholders

4.4.1 Shareholders' Relations and Communication

- The Company communicates with its shareholders through its Annual Report, circulars issued in compliance with the Listing Rules of the SEM, press announcements, publication of unaudited quarterly and audited abridged financial statements of the Company, dividend declaration and meetings of shareholders, as applicable.
- The website http://bhi-corporate.com/, includes an investors' corner which provides timely information to stakeholders. Interim and audited financial statements, press releases and so forth are accessible from there.

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 Dividend

The Company has a Dividend Policy consisting of the Interim Dividend Policy and Final Dividend Policy as detailed in the Prospectus dated 29 March 2023 which is available for consultation on: http://bhi-corporate.com/

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 BHI 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

26 September 2023

BOARD OF DIRECTORS' STATEMENTS

1. Other Statutory Disclosures

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

BOARD OF DIRECTORS' STATEMENT

The Directors are pleased to submit the Annual Report of Beachcomber Hospitality Investments Ltd and its subsidiaries together with the audited financial statements of Beachcomber Hospitality Investments Ltd (the "Company") and consolidated with its subsidiary (the "Group") for the year ended June 30, 2023.

Major transactions

The activities of BHI Group are disclosed in Note 1 of the Annual Report 2023. The group also undertook a reorganisation during the year as detailed in Page 5.

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	**Brousse De Laborde** Amaury	**Espitalier-Noël** Marie Edouard Gilbert	**Espitalier-Noël** Marie Maxime Hector	**Knight** Bronwyn Anne	**Pismont** Jean-Louis Fernand André	**Poupinel de Valencé** Stéphane Jean François	**Seeyave** Pauline Sybille Cheh	**Sharma** Sidharth	**Van De Moortele** Leon Paul
Beachcomber Hospitality Investments Ltd	A	◇	◇	R		A	◇	A	R
Kingfisher Ltd		◇			◇		◇		
Ste Anne Resort Limited		◇	R				◇		

◇: In office **R**: Resigned **A**: Appointed

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:

Directors	From the Company		From the Subsidiaries	
	2023	2022	**2023**	2022
	EUR	EUR	**EUR**	EUR
Executive Directors				
- Full-time	**-**	-	**-**	-
- Part-time	**-**	-	**-**	-
Non-Executive Directors	**4,584**	-	**-**	-
Post-employment benefits – Executive Directors	**-**	-	**-**	-
	4,584	-	**-**	-

Directors' Interests in the Equity of BHI

The interests of the Directors in the shares of BHI as at 30 June 2023 are found on page 11 of the Annual Report 2023.
As at 30 June 2023, none of the Directors held any direct interests in the equity of the subsidiaries of the Company.

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

As at 30 June 2023, none of the senior officers (excluding Directors) held any direct or indirect shares in the equity of the Company.

Contracts of Significance

The Company has a Shareholder's Loan agreement and a Rental Agreement with NMH.

Shareholder

At 26 August 2023, the sole shareholder holding more than 5% of the ordinary shares of the Company was as follows:

Name of Shareholder	Interest (%)
New Mauritius Hotels Limited	100

Donations

The Company and its subsidiaries did not make any donation during the year. (2022: Nil)

Auditors' Remuneration	Group		Company	
	2023	2022	**2023**	2022
Audit fees paid to:	**EUR**	EUR	**EUR**	EUR
BDO & Co.	**14,756**	2,842	**10,692**	2,842
Other firms	**11,978**	-	**-**	-
Fees paid for the other services provided by:				
BDO & Co.	**5,375**	-	**5,375**	-

Other services related mainly to Agreed Upon Procedures performed for the listing of preference shares.

Name of Company	Country of Incorporation	Audit fees paid to	
		BDO & Co.	**Other firms**
		EUR	**EUR**
Kingfisher Ltd	Mauritius	4,063	-
Ste Anne Resort Limited	Seychelles	-	11,978

Statement of Directors' Responsibilities
for the year ended 30 June 2023

II. Statement of Directors' Responsibilities
In Respect of Financial Statements

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing 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 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
for the year ended 30 June 2023

III. Statement of Compliance to the Code
(Section 75 (3) of the Mauritian *Financial Reporting Act)*

Name of Public Interest Entity ("PIE"):	Beachcomber Hospitality Investments Ltd
Reporting Period:	1 July 2022 to 30 June 2023

We, the Directors of Beachcomber Hospitality Investments Ltd, confirm to the best of our knowledge that the PIE has fully complied with the principles of the Code of Corporate Governance except for Principle 2 where during the period 31 January 2023 to 21 February 2023, the Company did not have any Independent Director and was not in compliance with Section 133 (1)(c) of the Mauritian Companies Act 2001 as explained under Section 2.1 of the Corporate Governance Report.

Stéphane Poupinel de Valencé
Director

Pauline Seeyave
Director

26 September 2023

Company Secretary's Certificate

for the year ended 30 June 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

26 September 2023

Independent Auditor's Report

To the Shareholders of Beachcomber Hospitality Investments Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Beachcomber Hospitality Investments Ltd and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 26 to 61**,** which comprise the consolidated and separate statements of financial position as at 30 June 2023, and consolidated and separate statements of profit or loss and 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 26 to 61 give a true and fair view of the financial position of the Group and of the Company as at 30 June 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.

Valuation of Investment Properties

Key Audit Matter

The Group and Company has investment properties amounting to EUR 322,700,000 and EUR 203,100,000 respectively as at 30 June 2023. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value with the corresponding changes in fair values being recognised in the consolidated and separate statements of profit or loss in accordance with IAS 40 *Investment Property*. The fair value losses on the investment properties for the Group and Company for the year ended 30 June 2023 amounted to EUR 906,546 and EUR 320,000 respectively.

The fair values of the investment properties are determined by an external independent valuation specialist using valuation techniques which involve significant judgements and assumptions. Inappropriate estimates made in the fair valuation of investment properties may result in a significant impact on the results and on the carrying amount of the properties.

As a result, the valuation of investment properties has been identified to be a key audit matter due to the significant judgements and estimates involved and its significance on the consolidated and separate financial statements.

Related Disclosure

Refer to note 3.13 (accounting policies), note 4.2 (significant accounting judgements, estimates and assumptions) and note 18 (Investment Properties) of the accompanying financial statements.

Audit Response

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

- We assessed the design and implementation of the key controls relating to the valuation of investment properties;
- We have obtained, read and understood all the reports from the external independent valuation specialist;
- We assessed the qualifications, competence, capabilities and objectivity of the external independent valuation specialist;
- We engaged with our Corporate Finance specialist team to ensure the valuation process, valuation methodology used and the significant judgements and assumptions applied, including yields and capitalisation rates are appropriate and reasonable;
- We tested the data inputs against supporting documentation to ensure it is accurate, reliable and reasonable;
- We discussed with the external independent valuation specialist and challenged the key assumptions comprising the discount rates and capitalisation rates applied in the valuation;
- We benchmarked the key assumptions to external industry data and comparable property valuation;
- We tested the mathematical accuracy of the underlying conditions used in the valuation models;
- We ensured that the measurement basis for the valuation and valuation methods used were in accordance with International Financial Reporting Standards; and
- We evaluated whether disclosures in the financial statements in respect of valuation of investment properties are in accordance with the requirements of International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

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

Other Information

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

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

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

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

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

The Company was not in compliance with Section 133 (1)(c) of the Mauritian Companies Act 2001 from 31 January 2023 to 21 February 2023 during the financial year ended 30 June 2023, where all public companies should at all times have at least two independent Directors.

Mauritian Financial Reporting Act 2004

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

Other Matter

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

BDO & Co
Chartered Accountants

Port Louis
Mauritius.

Rookaya Ghanty, FCCA
Licensed by FRC

26 September 2023

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	Notes	THE GROUP 2023 Eur	THE COMPANY 2023 Eur	THE COMPANY 2022 Eur
Rental income	10	**15,285,558**	**14,187,824**	13,681,257
Recoveries	10	**561,512**	**561,512**	538,227
Revenue		**15,847,070**	**14,749,336**	14,219,484
Staff costs	11	**(3,770)**	**-**	-
Other expenses	12	**(165,559)**	**(128,851)**	(76,086)
Earnings before interest, tax, depreciation and other gains/(losses)		**15,677,741**	**14,620,485**	14,143,398
Other gains/(losses)	13	**558,447**	**568,362**	(612,040)
Change in fair value on investment properties	18	**(1,242,466)**	**(794,019)**	12,211,722
Gain on business combination	30(a)	**5,050,123**	**5,050,123**	-
Gain on revaluation of financial assets at amortised cost	20	**-**	**-**	55,290
Earnings before interest, tax and depreciation		**20,043,845**	**19,444,951**	25,798,370
Finance revenue	14(a)	**9,842**	**9,842**	-
Finance costs	14(b)	**(9,448,167)**	**(8,955,013)**	(8,277,112)
Depreciation of plant and equipment	17	**(5,626)**	**-**	-
Profit before tax		**10,599,894**	**10,499,780**	17,521,258
Income tax expense	15(a)	**(386,071)**	**(438,970)**	(1,285,200)
Profit for the year		**10,213,823**	**10,060,810**	16,236,058
Other comprehensive income				
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods				
Remeasurements of retirement benefit obligations	28	**(9,303)**	**-**	-
Deferred tax effect on remeasurements of retirement benefit obligations	16	**2,326**	**-**	-
Exchange differences on retranslation of retirement benefit obligations	28	**(250)**	**-**	-
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax		**(7,227)**	**-**	-
Other comprehensive loss for the year, net of tax		**(7,227)**	**-**	-
Total comprehensive income for the year, net of tax		**10,206,596**	**10,060,810**	16,236,058
Profit attributable to:				
Owners of the parent		**10,213,805**	**10,060,810**	16,236,058
Non-controlling interest		**18**	**-**	-
		10,213,823	**10,060,810**	16,236,058
Total comprehensive income attributable to:				
Owners of the parent		**10,206,578**	**10,060,810**	16,236,058
Non-controlling interest		**18**	**-**	-
		10,206,596	**10,060,810**	16,236,058
Basic earnings per share	8	**0.17**		

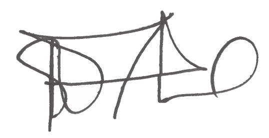
The notes set out on pages 31 to 61 form part of these financial statements.
Independent auditor's report on pages 23 to 25.

Statements of Financial Position

as at 30 June 2023

	Notes	THE GROUP 2023 Eur	THE COMPANY 2023 Eur	THE COMPANY 2022 Eur
ASSETS				
Non-current assets				
Plant and equipment	17	**121,038**	**-**	-
Investment properties	18	**334,289,722**	**209,683,153**	210,284,547
Investment in subsidiaries	19	**-**	**54,141,205**	-
Financial assets at amortised cost	20	**-**	**-**	4,514,258
		334,410,760	**263,824,358**	214,798,805
Current assets				
Financial assets at amortised cost	20	**5,894,348**	**1,768,404**	5,225,895
Other assets	21	**5,874**	**2,468**	-
Cash at bank	22	**96,795**	**14,273**	7
		5,997,017	**1,785,145**	5,225,902
Total assets		**340,407,777**	**265,609,503**	220,024,707
EQUITY AND LIABILITIES				
Ordinary share capital	23	**87,920,832**	**87,920,832**	28,138,730
Preference share capital	24	**38,949,762**	**38,949,762**	-
Retained earnings		**6,865,714**	**6,719,946**	41,305,502
Equity attributable to owners of the parent		**133,736,308**	**133,590,540**	69,444,232
Non-controlling interest		**2,724**	**-**	-
Total equity		**133,739,032**	**133,590,540**	69,444,232
Non-current liabilities				
Shareholders' loan	25	**47,864,303**	**47,864,303**	84,416,192
Borrowings	26	**119,013,800**	**68,201,848**	-
Lease liabilities	27	**11,703,180**	**6,568,040**	6,714,776
Deferred tax liabilities	16	**7,390,868**	**2,925,754**	3,316,591
Retirement benefits obligations	28	**70,320**	**-**	-
		186,042,471	**125,559,945**	94,447,559
Current liabilities				
Shareholders' loan	25	**465,347**	**465,347**	-
Borrowings	26	**12,292,110**	**4,864,448**	54,806,853
Lease liabilities	27	**58,423**	**15,113**	149,772
Income tax payable	15(b)	**813,399**	**813,399**	904,835
Other payables	29	**6,996,995**	**300,711**	271,456
		20,626,274	**6,459,018**	56,132,916
Total liabilities		**206,668,745**	**132,018,963**	150,580,475
Total equity and liabilities		**340,407,777**	**265,609,503**	220,024,707

Approved by the Board of Directors on 26 September 2023 and signed on its behalf by:



Stéphane Poupinel de Valencé
Director

Pauline Seeyave
Director

The notes set out on pages 31 to 61 form part of these financial statements.
Independent auditor's report on pages 23 to 25.

Statements of Changes in Equity

for the year ended 30 June 2023

THE GROUP

	Note	Stated Capital	Preference Shares	Retained Earnings	Total	Non-Controlling Interest	Total
		Attributable to owners of the parent company					
		Eur	Eur	Eur	Eur	Eur	Eur
At 1 July 2022		28,138,730	-	41,305,502	69,444,232	-	69,444,232
Profit for the year		-	-	10,213,805	10,213,805	18	10,213,823
Other comprehensive income for the year		-	-	(7,227)	(7,227)	-	(7,227)
Total comprehensive income for the year		-	-	10,206,578	10,206,578	18	10,206,596
Issue of ordinary shares	23	72,282,102	-	-	72,282,102	-	72,282,102
Cancellation of ordinary shares	23	(12,500,000)	-	-	(12,500,000)	-	(12,500,000)
Issue of preference shares, net of transaction costs	24	-	38,949,762	-	38,949,762	-	38,949,762
Acquisition of subsidiary	30	-	-	-	-	2,706	2,706
Dividends	9	-	-	(44,646,366)	(44,646,366)	-	(44,646,366)
At 30 June 2023		**87,920,832**	**38,949,762**	**6,865,714**	**133,736,308**	**2,724**	**133,739,032**

THE COMPANY

	Note	Stated Capital	Preference Shares	Retained Earnings	Total
		Eur	Eur	Eur	Eur
At 1 July 2022		28,138,730	-	41,305,502	69,444,232
Profit for the year		-	-	10,060,810	10,060,810
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	10,060,810	10,060,810
Issue of ordinary shares	23	72,282,102	-	-	72,282,102
Cancellation of ordinary shares	23	(12,500,000)	-	-	(12,500,000)
Issue of preference shares, net of transaction costs	24	-	38,949,762	-	38,949,762
Dividends	9	-	-	(44,646,366)	(44,646,366)
At 30 June 2023		**87,920,832**	**38,949,762**	**6,719,946**	**133,590,540**
At 1 July 2021		28,138,730	-	25,069,444	53,208,174
Profit for the year		-	-	16,236,058	16,236,058
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	16,236,058	16,236,058
At 30 June 2022		28,138,730	-	41,305,502	69,444,232

The notes set out on pages 31 to 61 form part of these financial statements.
Independent auditor's report on pages 23 to 25.

Statements of Cash Flows

for the year ended 30 June 2023

	Notes	THE GROUP 2023	THE COMPANY 2023	THE COMPANY 2022
		Eur	Eur	Eur
Cash flows from operating activities				
Profit before tax		**10,599,894**	**10,499,780**	17,521,258
Adjustments to reconcile profit before tax to net cash flows:				
Recoveries	22(c)	**(561,512)**	**(561,512)**	(538,227)
Change in fair value on investment properties	18	**1,242,466**	**794,019**	(12,211,722)
Gain on business combination	30(a)	**(5,050,123)**	**(5,050,123)**	-
Gain on revaluation of financial assets at amortised cost	20	**-**	**-**	(55,290)
Interest income	14(a)	**(9,842)**	**(9,842)**	-
Interest expense	14(b)	**9,448,167**	**8,955,013**	8,277,112
Depreciation on plant and equipment	17	**5,626**	-	-
Increase in retirement benefit obligations	28	**3,742**	**-**	-
Foreign exchange differences		**(475,457)**	**(558,982)**	612,040
		15,202,961	**14,068,353**	13,605,171
Changes in working capital:				
Decrease/(increase) in financial assets at amortised cost		**7,317,424**	**7,374,664**	(2,336,618)
Increase in other assets		**(230)**	**(2,468)**	-
(Decrease)/increase in other payables		**(1,036,127)**	**29,255**	117,104
Cash generated from operations		**21,484,028**	**21,469,804**	11,385,657
Income tax paid	15	**(324,158)**	**(324,158)**	(161,750)
Net cash flows generated from operating activities		**21,159,870**	**21,145,646**	11,223,907
Cash flows from investing activities				
Purchase of investment property		**(5,142)**	**-**	-
Interest received	14(a)	**9,842**	**9,842**	-
Net cash flow generated from investing activities		**4,700**	**9,842**	-
Cash flows from financing activities				
Proceeds from preference shares, net of transaction costs	24	**38,949,762**	**38,949,762**	-
Compensation paid for business combination	30(a)	**(26,748,030)**	**(26,748,030)**	-
Proceeds from shareholder's loan	22(c)	**14,500,000**	**14,500,000**	-
Repayment of shareholder's loan	22(c)	**(13,551,953)**	**(13,551,953)**	-
Interest paid on shareholders' loan	22(c)	**(4,760,961)**	**(4,760,961)**	(5,394,904)
Proceeds from borrowings	22(c)	**-**	**-**	18,936,652
Repayment of borrowings	22(c)	**-**	**-**	(18,966,667)
Interest paid on borrowings	22(c)	**(3,382,313)**	**(3,119,991)**	(2,533,440)
Dividend paid to ordinary shareholders	9	**(26,505,469)**	**(26,505,469)**	(750,292)
Net cash flow used in financing activities		**(21,498,964)**	**(21,236,642)**	(8,708,651)
Net (decrease)/increase in cash and cash equivalents		**(334,394)**	**(81,154)**	2,515,256
Cash and cash equivalents at 1 July		**(4,836,861)**	**(4,836,861)**	(7,324,611)
Acquisition of subsidiaries	30(b)	**(2,731,200)**	**-**	-
Net foreign exchange differences		**44,408**	**67,840**	(27,506)
Cash and cash equivalents at 30 June	22	**(7,858,047)**	**(4,850,175)**	(4,836,861)

The notes set out on pages 31 to 61 form part of these financial statements.
Independent auditor's report on pages 23 to 25.



Notes To The Financial Statements

for the year ended 30 June 2023

1. Corporate Information

Beachcomber Hospitality Investments Ltd (the "Company") is a public company incorporated in the Republic of Mauritius. Its registered office is situated at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius. The Company was converted from a private company to a public company on 31 January 2023.

It is a wholly owned subsidiary of New Mauritius Hotels Limited. The preference shares of the Company were issued and listed on the Stock Exchange of Mauritius on 12 May 2023.

The financial statements also include the results of its subsidiaries, which are together referred to as the "Group". The principal activity of the Group and the Company consists of rental of hotel properties.

2. Group Information

Information on subsidiaries:

Name of Corporation	Main Business Activity	Country of Incorporation	Effective % Holding Year ended 30 June 2023	Year ended 30 June 2022
Kingfisher Ltd	Investment	Mauritius	**100.00**	-
Ste Anne Resort Limited	Real estate	Seychelles	**99.99**	-

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.

All effective % holding of the subsidiaries are representative of their % voting rights.

3. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements of Beachcomber Hospitality Investments Ltd comply with the Mauritian Companies Act 2001 and Mauritian Financial Services Act 2007 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary company (the "Group") and the separate financial statements of the parent company (the "Company").

The financial statements are presented in Euro, rounded to the nearest EUR. Where necessary, comparatives figures have been amended to conform with changes in presentation in the current year. The financial statements are prepared using the going concern principle, under the historical cost convention, except for investment properties that are stated at fair value.

As at 30 June 2023, the Group had retained earnings of Eur 6.9m and net current liabilities of Eur 14.6m whereas the Company had retained earnings of Eur 6.7m (2022: Eur 41.3m) and net current liabilities of Eur 4.7m (2022: Eur 50.9m). The Board of Directors is of the view that the lessees will continue to honour their rental obligations towards the Group and Company, thus enabling the latter to have sufficient cashflows to service their debt and working capital obligations in the foreseeable future. Furthermore, the Board is not aware of any uncertainties that may cast significant doubt upon the Group and Company's ability to continue as a going concern. The Directors are hence of opinion that the Company will be able to meet its financial obligations for the next 12 months following reporting date of the financial statement, thus confirming the adoption of the going concern as basis of preparation of the financial statements.

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 above. The Company based their assumptions and estimates on parameters available when the 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 Company. Such changes are reflected in the assumptions when they occur.

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 and the Company'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 and the Company'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 and the Company'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 and the Company's financial statements.

3. Significant Accounting Policies (cont'd)

3.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

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 and the Company'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 and the Company's financial statements.

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 January 1, 2023 or later periods, but which the Group and the Company have not early adopted.

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

Effective date 1 January 2023

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

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

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

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

IAS 12 Income Taxes
International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

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.

Amendment for which effective date has been deferred indefinitely until further notice

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

3. Significant Accounting Policies (cont'd)

3.1 Basis of preparation (cont'd)

Amendment for which effective date has been deferred indefinitely until further notice (cont'd)

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

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

3.2 Foreign currency translation

The financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Group and the Company are EUR as such there is no foreign exchange difference on retranslation of foreign operations.

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

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

Transactions and balances
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.3 Investment in subsidiaries

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

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

Consolidated financial statements
The consolidated financial statements comprise of 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

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

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

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

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

3. Significant Accounting Policies (cont'd)

3.3 Investment in subsidiaries (cont'd)

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

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

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.

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

If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

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

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

The acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:
(a) the aggregate of:
(i) the consideration transferred measured in accordance with this IFRS, which generally requires acquisition date fair value;

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

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

<u>Common control transactions:</u>
For transactions in which combining entities are controlled by the same party or parties before and after the transaction and where that control is not transitory are referred to as common control transactions. The Group's accounting policy for the acquiring entity would be to account for the transaction at fair values as reflected in the consolidated financial statements of the selling entity.

The excess of the cost of the transaction over the acquirer's proportionate share of the net assets value acquired in common control transactions, will be allocated to the common control reserve in equity.

3.4 Impairment of non-financial assets

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

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

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

3. Significant Accounting Policies (cont'd)

3.5 Financial assets

(i) Recognition and initial measurement
Financial assets are initially recognised at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issue, when the Group and Company becomes a party to the contractual provisions of the instrument.

(ii) Classification and subsequent measurement
IFRS 9 classification is based on two aspects; the business model within the asset is held (the business model test) and the contractual cash flows of the asset which meet the solely payments of principal and interest (SPPI) test.

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income. The Group and Company determine the classification at initial recognition.

The Group and the Company's financial assets are all classified at amortised cost as defined below.

(a) Amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. Solely Payments of principal and interest (SPPI).

Under IFRS 9, the SPPI test requires that the contractual terms of the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding i.e. cash flows that are consistent with a basic lending arrangement..

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. Liquidity risks and administrative cost), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would meet this condition. In making the assessment, the Group and Company considers:

- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms;

(a) Amortised cost (cont'd)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to the expected credit loss requirements.

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

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

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the company to actions such as realising security. Amounts over 90 days due are considered as default.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. 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: (i) significant financial difficulty of the borrower or issuer and (ii) it is probable that the borrower will enter bankruptcy or other financial re-organisation.

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.

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

(a) Amortised cost
The Group and Company's financial assets measured at amortised cost comprise of financial assets at amortised cost (non-current and current) and cash and cash equivalents in the statements of financial position.

For the purpose of the statements of cash flows cash at banks include bank overdraft. Bank overdraft is shown within borrowings in current liabilities in the statements of financial position.

3. Significant Accounting Policies (cont'd)

3.5 Financial assets (cont'd)

(iii) Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Modifications of financial assets
If the terms of a financial asset are modified, then the Group and the Company evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group and the Company plan to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Group and the Company first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

(iv) Modifications of financial assets (cont'd)
If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the terms and conditions of the financial asset are not substantially different, the Company recalculates the new gross carrying amount of the financial asset by discounting the modified cash flows of the financial asset using the original effective interest rate (EIR). The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss in profit or loss.

3.6 Financial liabilities

The Group and Company determine the classification of their financial liabilities at initial recognition. The Group and Company classify their financial liabilities as follows:

(i) Amortised cost
Shareholder's loan, bank loans and notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Other 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.

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

(iii) Modifications of financial liabilities
The Group and the Company derecognise their financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

3. Significant Accounting Policies (cont'd)

3.6 Financial liabilities (cont'd)

(iii) Modifications of financial liabilities (cont'd)
If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

3.7 Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

3.8 Preference share capital

Preference shares are classified as debt or equity based on their contractual terms. The preference shares were classified as equity as there was no contractual obligation to either pay dividend or redeem the preference shares. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

3.9 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.10 Current & deferred income tax and other taxes

The tax expense for the year comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

(i) Current Tax
The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantially enacted by the end of the reporting period.

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

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

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

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

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

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

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

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

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Significant Accounting Policies (cont'd)

3.10 Current & deferred income tax and other taxes (cont'd)

(iii) Value added tax
Revenues, expenses and assets are recognised net of the amount of value added tax except where:

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

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

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

3.11 Revenue recognition

(i) Rental income
The Group as a lessor
Revenue from the letting of investment property comprises gross rental income and recoveries of operating costs, net of value added tax. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. Recoveries of costs from lessees, are separately disclosed under revenue in the "Recoverable lease expenses" line and the associated costs are disclosed under other expenses. Rental income is shown net of Value Added Tax.

Straight lining rental income accrual is the aggregate difference between the scheduled rents which vary during the lease term and the income recognized on a straight-line basis.

(ii) Interest income
Interest income being recognised over a period of time, 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).

3.12 Plant and equipment

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

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Plant and equipment	6 years

The carrying values of plant and equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

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

3.13 Investment properties

Investment properties are measured initially at cost, including transaction costs and comprise of leasehold land and property/building that is subject to operating lease (Note 3.14). The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise. Fair values are determined based on an annual valuation performed by an accredited external independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is: (i) reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments (ii) adjusted accordingly, if a valuation obtained for a property is net of all payments expected to be made. Any recognised lease liability is added back.

3. Significant Accounting Policies (cont'd)

3.13 Investment properties (cont'd)

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

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

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

3.14 Right-of-use assets and lease liabilities

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

(i) Identifying leases
The Group and the Company accounts for a contract, or a portion of a contract, as a lease when they convey the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

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

The Group and the Company 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 and the Company obtain substantially all the economic benefits from use of the asset, the Group and the Company consider only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

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

Leases that do not transfer to the Group and the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which it is incurred.

For contracts that both convey a right to the Group and Company to use an identified asset and require services to be provided to the Group and Company by the lessor, the Group and Company have elected to account for the entire contract as a lease, i.e. they do allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

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

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

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group and the Company if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group and the Company are contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

3. Significant Accounting Policies (cont'd)

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

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

When the Group and the Company revise their estimate of the term of any lease (because, for example, they reassess the probability of a lessee extension or termination option being exercised), they adjust the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at a revised discount 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 and the Company renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

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

(iii) As a lessee
In accordance with IAS 40, commitments under non-cancellable operating leases of land are recognised on the statement of financial position as a liability and as an asset (investment property). The liability is determined as the present value of the minimum lease payments. Finance charges are allocated to profit or loss during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3.15 Retirement benefit obligations

(i) *Defined benefit plans*
A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are accumulated in a separate reserve and will not be reclassified to profit or loss in subsequent periods.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in the Statement of Profit or Loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in the Statement of Profit or Loss.

3.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs.

3.17 Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Group or when there is a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources will be required to settle the obligation; or
- the amount of the obligation cannot be measured reliably.

4. Critical Accounting Estimates And Judgements

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

4.1 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:

(a) Going concern
The Group and the Company have made an assessment of their ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the next 12 months following reporting date of the financial statement. On making this assessment, the Board considers the ability of the Group to service the interest costs as well as the capital repayment of the shareholder's loan, bank loans and notes when they fall due. The annual rental income received from the tenants provides a comfortable cover over the Group's interest costs with marginal administrative annual costs.

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

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

4.2 Critical accounting estimates and assumptions

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

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

Bank balances have been assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. Directors have estimated impairment to be immaterial.

There were no trade receivables as at 30 June 2023 (2022: Nil) and thus no Expected Credit Losses (ECL) were required to be provided for. Financial assets at amortised costs consisted mainly of balance receivable from related parties for which no ECL were provided for.

(b) 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 future rental income and do not include restructuring activities that the Group and Company are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

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

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

(d) Fair value/valuation of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. As at 30 June 2023 and 2022, the Group engaged an independent valuation specialist to determine fair value based on prevailing market data. Further explained and key assumptions used to determine the fair value are contained in Note 18.

(e) Leases - Estimating the incremental borrowing rate
The Group was not able to readily determine the interest rate implicit in the lease; therefore, it used 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. Judgement is applied in determining the components of the IBR used for each lease including risk-free rates, the Group's credit risk and any lease-specific adjustments. The IBR is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country specific risk adjustment; and a credit risk adjustment.

4. Critical Accounting Estimates And Judgements (cont'd)

4.2 Critical accounting estimates and assumptions (cont'd)

(f) Retirement benefit obligations
The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

For the funded obligations, the Group participates in the New Mauritius Hotels Group Superannuation Fund, a multi-employer pension plan registered under the Private Pension Fund Act, the assets of which are held independently. The pension plans are funded from payments from the employees and the Group, taking into account the recommendations of an independent actuary, namely Swan Life Ltd.

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

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

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors reviewed the Group and the Company's investment properties and concluded that the properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group and the Company's deferred taxation on its investment properties, the directors have determined that the presumption that the carrying amount of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group and the Company have not recognised any deferred taxes on changes in fair value of investment properties as the Group and the Company are not subject to any capital gain taxes on disposal of its investment properties.

5. Financial Risk Management Objectives and Policies

The Group and Company's principal financial liabilities comprise of bank loans, fixed rate secured notes, lease liabilities and other payables. The main purpose of these financial liabilities is to raise finance for the Group and Company's operations. The Group and Company's financial assets comprise of financial assets at amortised cost and cash and cash equivalents which arise directly from its operations.

The Group and Company's activities therefore expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and Company's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(i) **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company have significant concentration of credit risk mainly from exposure towards with related parties.

The Group's and Company's credit risk arises mainly from cash and cash equivalents and financial assets at amortised cost.

Credit risk is managed at both Group and Company level. For banks and financial institutions, only independently rated parties are accepted.

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

The following table shows the maximum exposure to credit risk for the components of the statements of financial position.

	THE GROUP	**THE COMPANY**	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Cash at bank (note 22)	**96,795**	**14,273**	7
Financial assets at amortised cost (note 20)	**5,894,348**	**1,768,404**	9,740,153
	5,991,143	**1,782,677**	9,740,160

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

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and currency risk.

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 pension and other post-retirement obligations, provisions and on the non-financial assets and liabilities of the Group and Company.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The following table demonstrates the sensitivity to a reasonable possible change in the Mauritian rupees, Seychelles rupee and United States dollars exchange rates, with all other variables held constant, of the Group's and Company's profit before tax (due to changes in the fair value of monetary assets and liabilities):

		THE GROUP	THE COMPANY
	Increase in Rates	**Effect on Profit before Tax /Equity**	**Effect on Profit before Tax /Equity**
	%	**Eur**	**Eur**
30 June 2023			
Mauritian rupees	**5%**	**(340,001)**	**(339,662)**
Seychelles rupees	**5%**	**(13,800)**	**-**
United States dollars	**5%**	**(509,025)**	**(446)**
30 June 2022			
Mauritian rupees	5%		(352,729)
Seychelles rupees	5%		-
United States dollars	5%		(252)

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

The % change in rates used above was derived from the average fluctuation in the foreign currencies for the previous years.

Currency profile

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

	THE GROUP		THE COMPANY			
	FINANCIAL ASSETS	**FINANCIAL LIABILITIES**	**FINANCIAL ASSETS**		**FINANCIAL LIABILITIES**	
	2023	**2023**	**2023**	2022	**2023**	2022
	Eur	**Eur**	**Eur**	Eur	**Eur**	Eur
Euros	**5,420,815**	**181,380,704**	**1,768,596**	9,740,153	**122,276,985**	140,204,267
Mauritian Rupees	**15,894**	**6,815,912**	**14,081**	7	**6,807,314**	7,054,577
Seychelles rupees	**56,557**	**332,565**	**-**	-	**-**	-
United States dollars	**497,877**	**10,678,376**	**-**	-	**8,910**	5,040
	5,991,143	**199,207,557**	**1,782,677**	9,740,160	**129,093,209**	147,263,884

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Net exposure, excluding Euros	**(17,256,525)**	**(6,802,143)**	(7,059,610)

(iii) Interest rate risk

The Group's and Company's income and operating cash flows are exposed to interest rate risk as they sometimes borrow at variable rates. The Group's and Company's policy is to manage interest cost using a mix of fixed and variable rate debts. The Group and Company have no significant interest-bearing assets with floating interest rates.

Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and Company's exposure to the risk of changes in market interest rates relates primarily to the Group's and Company's borrowings with floating interest rates.

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

(iii) Interest rate risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before taxation (through the impact of variable rate borrowings). Based on historical observations, the percentage change in interest rates taken is 1% and this represents management assessment's of the likely change in interest rate.

		THE GROUP	THE COMPANY
	Increase in Rates	**Effect on Profit before Tax /Equity**	**Effect on Profit before Tax /Equity**
30 June 2023	**%**	**Eur**	**Eur**
Term loans	**1%**	**(665,352)**	**(515,352)**
Bank overdrafts	**1%**	**(79,548)**	**(48,644)**
30 June 2022	%		
Term loans	1%		(333,033)
Bank overdrafts	1%		(48,369)

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

(iv) Liquidity risk

The Group's and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, secured notes and lease liabilities.

The ultimate responsibility for liquidity risk management remains with the Board of Directors, which has developed an appropriate liquidity risk management policy for the Group's and Company's funding and liquidity management requirements.

The Group and Company have to ensure adequate cash resources, borrowing arrangements and overdraft facilities to have the necessary level of funds available for the achievement of its business objectives at all time. Cash and debt management of the Group and Company are centralised through holding company to match the payments of creditors and other Group commitments. Any temporary gap in cash is covered by the overdraft and short-term borrowing facilities in place.

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

THE GROUP	**Note**	**On Demand**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**> 5 Years**	**Total**
		Eur	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**
30 June 2023							
Other payables	**29**	**-**	**6,996,995**	**-**	**-**	**-**	**6,996,995**
Shareholders' loan*	**25**	**-**	**856,239**	**3,015,451**	**58,055,411**	**-**	**61,927,101**
Borrowings*	**26**	**7,954,842**	**1,934,253**	**9,687,764**	**124,945,132**	**-**	**144,521,991**
Lease liabilities*	**27**	**-**	**-**	**969,308**	**3,999,569**	**55,493,681**	**60,462,558**
		7,954,842	**9,787,487**	**13,672,523**	**187,000,112**	**55,493,681**	**273,908,645**

THE COMPANY	**Note**	**On Demand**	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**> 5 Years**	**Total**
		Eur	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**
30 June 2023							
Other payables	**29**	**-**	**300,711**	**-**	**-**	**-**	**300,711**
Shareholders' loan*	**25**	**-**	**856,239**	**3,015,451**	**58,055,411**	**-**	**61,927,101**
Borrowings*	**26**	**4,864,448**	**1,179,901**	**3,514,058**	**71,378,869**	**-**	**80,937,276**
Lease liabilities*	**27**	**-**	**-**	**561,512**	**2,246,047**	**22,653,240**	**25,460,799**
		4,864,448	**2,336,851**	**7,091,021**	**131,680,327**	**22,653,240**	**168,625,887**

*Shareholders' loan, borrowings and lease liabilities include future interest costs.

	Note	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
		Eur	Eur	Eur	Eur	Eur	Eur
30 June 2022							
Other payables	29	-	271,456	-	-	-	271,456
Shareholders' loan*	25	-	1,319,003	3,957,009	102,442,566	-	107,718,578
Borrowings*	26	4,836,868	500,000	51,358,874	-	-	56,695,742
Lease liabilities*	27	-	140,789	422,367	2,252,626	23,285,641	26,101,423
		4,836,868	2,231,248	55,738,250	104,695,192	23,285,641	190,787,199

*Shareholders' loan, borrowings and lease liabilities include future interest costs.

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

(v) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise of primarily of quoted equity investments.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 (Note 18).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

			THE GROUP		THE COMPANY			
			2023		2023		2022	
	IFRS 9 Classification	Fair value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
			Eur	Eur	Eur	Eur	Eur	Eur
Financial assets								
Financial assets at amortised cost	Amortised cost	Level 3	**5,894,348**	**5,894,348**	**1,768,404**	**1,768,404**	9,740,153	9,740,153
Cash at bank	Amortised cost	Level 3	**96,795**	**96,795**	**14,273**	**14,273**	7	7
Financial liabilities								
Shareholders' loan	Amortised cost	Level 3	**48,329,650**	**47,789,776**	**48,329,650**	**47,789,776**	84,416,192	92,359,072
Borrowings	Amortised cost	Level 3	**131,305,910**	**129,749,566**	**73,066,296**	**73,001,341**	54,806,853	54,806,853
Other payables	Amortised cost	Level 3	**6,996,995**	**6,996,995**	**300,711**	**300,711**	271,456	271,456

During the year ended 30 June 2023, there was no transfer between level 1 and level 2.

The fair value of borrowings and shareholders' loan for disclosure purposes is estimated by discounting the future contracted cashflows at the current market interest rate that is available to the Group and Company for similar financial instruments.

(vi) Capital Management

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

The Group and Company manage and make adjustments to their capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and Company may adjust the dividend payment to Shareholder, return capital to Shareholder or issue new shares, or sell assets to reduce debt.

The Group and Company monitor capital using a gearing ratio, which is "borrowings less cash at bank" divided by "total equity plus shareholders' loan" plus "borrowings less cash at banks". Borrowings, cash at bank, total equity and shareholders' are as shown in the statements of financial position. The gearing ratios at 30 June 2023 and 30 June 2022 were as follows:

	THE GROUP	THE COMPANY	
	2023	2023	2022
	Eur	Eur	Eur
Borrowings (note 26)	**131,305,910**	**73,066,296**	54,806,853
Less cash at bank (note 22)	**(96,795)**	**(14,273)**	(7)
	131,209,115	**73,052,023**	54,806,846
Total equity	**133,739,032**	**133,590,540**	69,444,232
Shareholders' loan (note 25)	**48,329,650**	**48,329,650**	84,416,192
Total equity inclusive of shareholders' loan	**182,068,682**	**181,920,190**	153,860,424
Gearing ratio	**42%**	**29%**	26%

6. 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.

As from the year ended 30 June 2023, the Group was composed of two geographical segments, which were as follows: Mauritius and Seychelles.

6. Segmental Reporting (cont'd)

The below figures are net of intra-group transactions.

Geographical segments

For the year ended 30 June 2023:	Mauritius	Seychelles	**Group**
	Eur	Eur	**Eur**
Revenue*	14,749,336	1,097,734	**15,847,070**
Earnings before fair value changes, interest, tax and depreciation	20,238,970	1,047,341	**21,286,311**
Change in fair value on investment properties	(794,019)	(448,447)	**(1,242,466)**
Finance revenue	9,842	-	**9,842**
Finance costs	(8,955,013)	(493,154)	**(9,448,167)**
Depreciation of property, plant and equipment	-	(5,626)	**(5,626)**
Profit before tax	10,499,780	100,114	**10,599,894**
Income tax (expense)/credit	(438,970)	52,899	**(386,071)**
Profit for the year	10,060,810	153,013	**10,213,823**
Other segment information:			
Gain on business combination	5,050,123	-	**5,050,123**
Segment assets	211,468,298	128,939,479	**340,407,777**
Segment liabilities	132,018,964	74,649,781	**206,668,745**
Capital expenditure	-	586,546	**586,546**

*Revenue from Mauritius is derived only from New Mauritius Hotels Limited, the holding company while revenue from Seychelles are generated from external customers through its operating activities.

7. Related Party Transactions

(i) The following transactions have been entered into with related parties:	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
(i) Rental income:			
Holding company:			
New Mauritius Hotels Limited	**14,187,824**	**14,187,824**	13,681,257
(ii) Recoveries:			
Holding company:			
New Mauritius Hotels Limited	**561,512**	**561,512**	538,227
(ii) Management fees:			
Holding company:			
New Mauritius Hotels Limited	**65,505**	**53,585**	52,409
(iii) Finance costs:			
Holding company:			
New Mauritius Hotels Limited	**3,442,518**	**3,442,518**	2,998,735
Former shareholder:			
Leisure Property Northern (Mauritius) Limited	**1,783,854**	**1,783,854**	2,396,169
(iv) Amount owed by related parties:			
Holding company:			
New Mauritius Hotels Limited	**3,641,077**	**-**	9,143,068
Other related parties:			
Praslin Resort Limited	**126,878**	**-**	-
(v) Amount owed to related parties			
Holding company:			
New Mauritius Hotels Limited	**46,494**	**4,466**	-
(vi) Shareholders' loan			
Holding company:			
New Mauritius Hotels Limited	**48,329,650**	**48,329,650**	46,916,192
Former shareholder:			
Leisure Property Northern (Mauritius) Limited	**-**	**-**	37,500,000

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

The amount owed by/owned to related parties are unsecured, bear no interest and generally on 30 days' repayment term. For shareholder's loan, refer to note 25 for details about terms of the loan.

7. Related Party Transactions (cont'd)

Amount due by related parties as at June 30, 2023 includes an amount of Eur 3,641,205, accrued during the year, which relates to an indemnity commitment made by New Mauritius Hotels Ltd towards the subsidiary, Ste Anne Resort Limited.

There has been no guarantees provided or received for any related party receivables or payables.

For the year ended 30 June 2023, the Group and Company have assessed the provision for impairment losses relating to amount owed by related parties and no impairment was identified (2022: nil) since "loss given default" was determined to be close to zero. This assessment is undertaken each financial year through examining the financial position of related parties and the market in which the related parties operate.

(ii) **Compensation of key management personnel**
The Group considers only the Executive Directors as its key management personnel. Compensation of key management personnel for the Group and Company was nil (2022: Nil). As defined by IAS 24:- Related Party Disclosures which have been disclosed in the holding company's Group Annual Report are therefore not applicable to the Company.

8. Earnings Per Share

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 in issue stood at 28,138,704 at the start of the financial year.

During the year, movement in the ordinary shares was as follows:
(i) On 13 December 2022, following a scrip dividend, 18,140,897 shares were issued to New Mauritius Hotels Limited (NMH).

(ii) On 12 May 2023, in consideration for the acquisition of Kingfisher Ltd and its subsidiary, 54,141,205 shares were also issued to NMH.

(iii) On 12 May 2023, upon merger of the Company with Leisure Property Northern (Mauritius) Limited, the 12,500,000 existing shares were cancelled.

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

	THE GROUP
	2023
	Eur
Profit attributable to ordinary equity holders of the parent*	**7,392,806**
Weighted average number of ordinary shares for basic EPS	**43,783,196**
Basic earnings per share:	**0.17**

*Profit attributable to ordinary equity holders of the parent has been adjusted for dividend entitled to preference shareholders.

9. Dividends

	THE GROUP AND THE COMPANY	
	2023	2022
	Eur	Eur
Interim dividends	**12,005,469**	-
Special dividends	**32,640,897**	-
	44,646,366	**-**
Analysed as follows:		
Cash dividends	**26,505,469**	-
Non-cash dividends	**18,140,897**	-
	44,646,366	**-**
Dividend per share was as follows:		
Interim dividends	**0.82**	-
Special dividends	**2.32**	-
	3.14	**-**

During the year, a special dividend was declared where New Mauritius Hotels Limited elected to received its share of dividend of Eur 18,140,897 in shares whereas Leisure Property Northern (Mauritius) Limited elected to its share of dividends of Eur 14,500,000 in cash.

10. Revenue

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Rental income	**15,285,558**	**14,187,824**	13,681,257
Recoverable lease expenses	**561,512**	**561,512**	538,227
	15,847,070	**14,749,336**	14,219,484

The recoverable property expenses, in line with IFRS 15, relate to expenditure that is directly recoverable from tenants. The recoverable lease expenses are recognised at a point in time.

10. Revenue (cont'd)

Future minimum lease payments receivable on leases of investment properties are as follows:

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Within 1 year	**22,560,710**	**14,579,331**	14,634,056
Between 1 and 2 years	**23,096,841**	**15,009,258**	17,393,896
Between 2 and 3 years	**23,610,106**	**15,414,195**	17,687,846
Between 3 and 4 years	**24,090,541**	**15,784,136**	16,414,807
Between 4 and 5 years	**24,582,065**	**16,162,955**	15,597,154
More than 5 years	**151,302,678**	**113,360,992**	72,746,281
	269,242,941	**190,310,867**	154,474,040

11. Staff Costs

	THE GROUP
	2023
	Eur
Defined benefits plans	**3,742**
Other staff costs	**28**
	3,770

12. Other Expenses

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Management fees (note 7)	**65,505**	**53,585**	52,409
Legal and professional fees	**18,287**	**16,162**	17,815
Administrative expenses	**81,767**	**59,104**	5,862
	165,559	**128,851**	76,086

13. Other Gains/(Losses)

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Net foreign exchange gain/(losses)	**558,447**	**568,362**	(612,040)

14. Finance Revenue And Finance Costs

(a) **Finance revenue**

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Interest income	**9,842**	**9,842**	-

(b) **Finance costs**

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Interest costs on:			
Shareholder's loan (note 7)	**5,226,372**	**5,226,372**	5,394,904
Borrowings	**3,568,282**	**3,150,007**	2,356,793
Lease liabilities	**653,513**	**578,634**	525,415
	9,448,167	**8,955,013**	8,277,112

15. Income Tax

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
(a) Income tax on the adjusted profit for the year at 15% to 25% (2022: 15%)	**750,575**	**750,575**	844,501
Corporate Social Responsibility	**116,374**	**116,374**	62,021
(Over)/under provision in previous years	**(37,142)**	**(37,142)**	23,559
Deferred tax movement (note 16 (a))	**(443,736)**	**(390,837)**	355,119
Income tax credited/(charged)	**386,071**	**438,970**	1,285,200

15. Income Tax (cont'd)

(b) Statements of financial position:

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
At 1 July	**904,835**	**904,835**	565,256
Income tax on the adjusted profit for the year at 15% to 25% (2022: 15%)	**750,575**	**750,575**	844,501
Corporate Social Responsibility	**116,374**	**116,374**	62,021
(Over)/under provision in previous years	**(37,142)**	**(37,142)**	23,559
Payment during the year	**(324,158)**	**(324,158)**	(161,750)
Tax payable offsetted against TDS receivable	**(597,085)**	**(597,085)**	(428,752)
At 30 June	**813,399**	**813,399**	904,835

(c) The tax on the Group and Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Group and Company as follows:

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Profit before tax	**10,599,894**	**10,499,780**	17,521,258
Tax calculated at the rate of 15% -25% (2022: 15%)	**1,602,698**	**1,574,967**	2,628,189
Corporate Social Responsibility	**116,374**	**116,374**	62,021
(Over)/under provision in previous years	**(37,142)**	**(37,142)**	23,559
Income not subject to tax*	**(925,592)**	**(925,592)**	(80,734)
Expenses not deductible for tax purposes	**86,890**	**93,148**	286,918
Investment properties at fair value	**(413,151)**	**(382,785)**	(1,634,753)
Utilised tax losses	**(44,006)**	**-**	-
	386,071	**438,970**	1,285,200

*Income not subject to tax relates mainly to gain on business combination for 2023.

At the end of the reporting date, the Group had unused tax losses of Eur 14.4m available for offset against future taxable income.

For the subsidiary, Ste Anne Resort Limited, losses amounting to EUR 0.1m expired during the year.

(d) Tax losses carried forward

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

	Tax year of assessment	THE GROUP 2023 Eur
Year 1	2024/2025	**364**
Year 2	2025/2026	**52,035**
Year 3	2026/2027	**98,107**
Year 4	2027/2028	**129,552**
Year 5	2028/2029	**154,257**
		434,315

For the subsidiary, Kingfisher Ltd, no deferred tax asset has been recognised in respect of its losses due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

16. Deferred Tax

Deferred taxes are calculated on all temporary differences under the liability method at 17% to 25% and 17% for the Group and the Company respectively (2022: 17% for the Company).

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

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
At 1 July 2022	**3,316,591**	**3,316,591**	2,961,472
Acquisition of subsidiaries (note 30(b))	**4,520,339**	**-**	-
Credited/(charged) to profit or loss (notes (b) and 15(a))	**(443,736)**	**(390,837)**	355,119
Charged to other comprehensive income (note (b))	**(2,326)**	**-**	-
At 30 June 2023	**7,390,868**	**2,925,754**	3,316,591
Disclosed as:			
Net deferred tax liabilities (note (b))	**7,390,868**	**2,925,754**	3,316,591

16. Deferred Tax (cont'd)

(b) The movements in deferred tax assets and liabilities during the year are as follows:

(i) **Deferred tax assets**

THE GROUP

	Accumulated tax losses Eur	Lease liabilities Eur	Retirement benefits obligations Eur	Total Eur
At 1 July 2022	**-**	**1,166,973**	**-**	**1,166,973**
Acquisition of subsidiaries (note 30(b))	**3,368,757**	**1,259,618**	**30,961**	**4,659,336**
Credited to profit or loss (note (a))	**126,181**	**(12,842)**	**592**	**113,931**
Credited to other comprehensive income (note (a))	**-**	**-**	**2,326**	**2,326**
At 30 June 2023	**3,494,938**	**2,413,749**	**33,879**	**5,942,566**

THE COMPANY

	Lease liabilities Eur
At 1 July 2021	1,069,780
Charged to profit or loss (note (a))	97,193
At June 30, 2022	**1,166,973**
Charged/(credited) to profit or loss (note (a))	**(47,837)**
At 30 June 2023	**1,119,136**

(ii) **Deferred tax liabilities**

THE GROUP

	Rights of use assets Eur	Accelerated tax depreciation Eur	Straightlining on rental income Eur	Total Eur
At 1 July 2022	**1,166,973**	**2,449,965**	**866,626**	**4,483,564**
Acquisition of subsidiaries (note 30(b))	**1,217,117**	**7,795,035**	**167,523**	**9,179,675**
(Credited)/charged to profit or loss (note (a))	**(13,312)**	**165,163**	**(481,656)**	**(329,805)**
At 30 June 2023	**2,370,778**	**10,410,163**	**552,493**	**13,333,434**

THE COMPANY

	Rights of use assets Eur	Accelerated tax depreciation Eur	Straightlining on rental income Eur	Total Eur
At 1 July 2021	1,069,780	2,270,769	690,703	4,031,252
Charged to profit or loss (note (a))	97,193	179,196	175,923	452,312
At June 30, 2022	**1,166,973**	**2,449,965**	**866,626**	**4,483,564**
(Credited)/charged to profit or loss (note (a))	**(47,837)**	**87,871**	**(478,708)**	**(438,674)**
At 30 June 2023	**1,119,136**	**2,537,836**	**387,918**	**4,044,890**

17. Plant and Equipment

THE GROUP

	Plant & Equipment Eur
COST	
At 1 July 2022	-
Acquisition of subsidiaries (note 30(b))	**202,615**
At 30 June 2023	**202,615**
DEPRECIATION	
At 1 July 2022	-
Acquisition of subsidiaries (note 30(b))	**75,951**
Charge for the year	**5,626**
At 30 June 2023	**81,577**
NET BOOK VALUE	
At 30 June 2023	**121,038**

18. Investment Properties

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
At 1 July 2022	**210,284,547**	**210,284,547**	198,072,825
Acquisition of subsidiaries (note 30(b))	**124,468,470**	**-**	-
Additions	**586,546**	**-**	-
Remeasurement of right of use assets	**192,625**	**192,625**	-
Change in fair value (note a)	**(1,242,466)**	**(794,019)**	12,211,722
At 30 June 2023	**334,289,722**	**209,683,153**	210,284,547
Analysed as follows:			
Investment property	**322,700,000**	**203,100,000**	203,420,000
Right of use assets	**11,589,722**	**6,583,153**	6,864,547
	334,289,722	**209,683,153**	210,284,547

Right of use assets differ to lease liability per note 27 due to delays in lease payments amounting to Euro 0.2m.

(a) ***Change in fair value includes:***

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Change in fair value of investment property	**2,144,624**	**2,719,382**	10,605,154
Change in fair value of right of assets	**(335,920)**	**(474,019)**	571,722
Straightlining adjustment on rental income*	**(3,051,170)**	**(3,039,382)**	1,034,846
	(1,242,466)	**(794,019)**	12,211,722

*During the year, the Company extended the lease tenor of its investment properties from 15 years to 18 years hence impacting the straightlining adjustment on rental income for 2023.

Valuation process
The Group and Company's valuation policies and procedures for the investment property valuations are determined by the management team. Each year, the management team recommend the appointment of an independent external valuer, subject to the approval of the Audit and Risk Committee, who is responsible for the external valuations of the Group and Company's investment properties for the annual financial statements. Selection criteria include market knowledge, reputation, independence, objectivity and whether professional standards are maintained.

As at each year end, all valuations of investment properties are performed by independent external valuers. At each reporting date, the management team analyses the movements in each property's value. For this analysis, the asset management team verifies the major inputs applied in the latest valuations.

For each property, the latest valuation is also compared with the valuations of the preceding annual periods. If fair value changes (positive or negative) are more than a certain specified threshold, the changes are further considered by discussion with the external valuer.

(b) Investment properties comprise solely of leasehold land and hotel properties. The value of the investment properties are assessed annually in accordance with IAS 40. Fair value measurement hierarchy for investment properties are level 3.

(c) The Group and the Company's investment properties were valued as at 30 June 2023 and 2022 by Knight Frank Gauteng (Pty) Ltd, South Africa, an external independent certified practising Valuer with relevant experience in the location and category of the investment property being valued. The valuation was performed in accordance with the International Valuation Standards Committee requirements, and the valuation model is consistent with principles of IFRS 13. The fair value is determined using the discounted cash-flow (DCF) method by discounting the rental income based on expected net cash flows of the underlying hotel. The DCF is also the approach by which investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

The discounted fair value of investment properties as estimated by the valuer was adjusted with right of use assets recognised separately for the Group and Company.

(d) The fair value measurement hierarchy for investment property as at 30 June 2023 was Level 3 – Significant unobservable inputs (2022: Level 3). There was no transfer between Level 1, 2 and 3 during the year.

The key unobservable inputs used in the fair value measurements are as follows:

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
Discount rate	**8.75% - 10.00%**	**10.00%**	9.25%
Terminal yield	**7.00% - 7.25%**	**7.25%**	7.50%
Rental growth rate	**1.41% - 3.00%**	**2.40% - 3.00%**	2.00%

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in the discount rate (and terminal yield) in isolation would result in a significantly lower (higher) fair value.

18. Investment Properties (cont'd)

(e) Amounts of investment properties recognised in Statement of Profit or Loss are as follows:

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Rental income from operating leases (note 10)	**15,285,558**	**14,187,824**	13,681,257
Recoverable lease expenses (note 10)	**561,512**	**561,512**	538,227
Direct operating expenses that did not generate rental income	**(29,176)**	**-**	-
Change in fair value of investment property	**(1,242,466)**	**(794,019)**	12,211,722

(f) **Restrictions on the realisability of investment properties**
The only restriction on the realisability of investment properties is obtaining bank approval on disposal of the properties.

(g) **Investment properties pledged as security**
Refer to note 26 for information on non-current assets pledged as security by the Group.

(h) **Leasing arrangements**
The Group and Company as lessor
Rental income from operating leases of the leasehold land and building of the Group and Company is recognised as per accounting policy under note 3.11(i).

The investment properties are leased to hotel operators, Beachcomber and Club Med, under operating leases. Lease rentals escalations linked to the Harmonised Index of Consumer Prices (HICP) annual average inflation rate, are reviewed each year, on the annual anniversary date subject to some maximum escalation rates.

Although the Group and the Company are exposed to changes in the residual value at the end of the current leases, they typically enter into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Lease of land under operating lease - sub lease arrangement
The land on which the hotel properties are situated on are leased by the Company from the Government of Mauritius for a period of 60 years and expires as follows:

	Expiry of lease
Mauricia Beachcomber Resort & Spa	July 2068
Cannonier Beachcomber Golf Resort & Spa	July 2068
Victoria Beachcomber Resort & Spa	June 2069

The above is thereafter sub-leased to the holding company for a lease term of 18 years

In respect of the subsidiary, Ste Anne Resort Limited, the land on which the hotel property, Club Med Seychelles, is situated is leased from an external party for a lease term of 99 years expiring in June 2100, which is then sub-leased to Club Med SAS for a lease term of 12 years.

The right of use asset of the leases arising on the head lease for the Group and the Company has been accounted for as an investment property (refer to note 3.13) since they are considered to be operating leases.

Lease of buildings under operating lease – Group and Company's owned buildings
Rental income from operating leases of the Group and Company as lessor arises from buildings constructed on the leasehold land are recognised as per accounting policy under 3.11(i).

The Group and the Company as lessee - Head lease (Land leased from the Government of Mauritius for Company and land leased from external party for Ste Anne Resort Limited)

In accordance with IAS 40, commitments under non-cancellable operating leases of leasehold land for the Group and the Company are recognised on the statement of financial position as a liability (lease liabilities) and as an asset (investment properties). The liability is determined as the present value of the minimum lease payments. Finance charges are recognised in profit or loss during the lease term. Remeasurement of lease liabilities is as per accounting policy under note 3.14(ii).

19. Investment In Subsidiaries

	THE COMPANY	
	2023	2022
	Eur	Eur
At 1 July	**-**	-
Additions (note (i) and 30(b))	**54,141,205**	-
At 30 June	**54,141,205**	-

(i) On 12 May 2023, the Company acquired Kingfisher Ltd and its subsidiary, Ste Anne Resort Limited from New Mauritius Hotels Limited (NMH). In consideration for the acquisition, the Company issued 54,141,205 shares at Eur 54,141,205 to NMH.

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

20. Financial Assets At Amortised Cost

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
Non-current	**Eur**	**Eur**	Eur
Deferred rental	**-**	**-**	4,514,258
Current			
Accrued rental income	**-**	**-**	4,628,810
Amount due from related parties (note 7)	**3,767,955**	**-**	-
Other receivables (note b)	**2,126,393**	**1,768,404**	597,085
	5,894,348	**1,768,404**	5,225,895
Total financial assets at amortised cost	**5,894,348**	**1,768,404**	9,740,153

(b) Other receivables relate mainly to tax deducted at source and value added rax receivable. Collateral is not normally obtained. Due to the short-term nature of the other receivables, their carrying amount is considered to be the same as their fair value.

(c) The fair value of the financial assets at amortised cost is disclosed in note 5(v).

(d) There is no loss allowance on the financial asset at amortised cost as at 30 June 2023 (2022: Nil). In 2022, a revaluation gain of EUR 55k was recognised as a result of accounting for time value of money as per IFRS 9 in respect of the deferred and accrued rental income. A discount rate of 8.46% was used.

(e The foreign currency risk is disclosed in note 5(a).

21. Other Assets

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Prepaid expenses	**5,874**	**2,468**	-

22. Cash And Cash Equivalents

(a) Cash and cash equivalents comprise the following:

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Cash at bank	**96,795**	**14,273**	7
Bank overdrafts (note 26)	**(7,954,842)**	**(4,864,448)**	(4,836,868)
	(7,858,047)	**(4,850,175)**	(4,836,861)

While cash at bank is also subject to the impairment requirement of IFRS 9, the identified impairment loss was immaterial.

The fair value of cash and foreign currency risk for interest rates on bank overdraft are disclosed in note 5(v) and 5(iii) respectively.

Undrawn overdraft facilities amounted to Eur 2.2m for the Group and Eur 0.1m (2022: Eur 0.2m) for the Company. There were no undrawn loan facility for the Group or the Company (2022: Nil).

(b) Non-cash transactions
The principal non-cash transactions during the year were the acquisition by the Company of Kingfisher Ltd and its subsidiary in exchange of a share issue in the Company (note 30(b)) and special dividend declared through issue of shares in lieu of cash (note 9). Other non-cash changes are as per note 22(c).

(c) Reconciliation of liabilities arising from financing activities:

(i) THE GROUP

			Non-cash changes					
	1 July 2022	**Cash flows***	**Remeasurement of lease liabilities**	**Rental paid by tenant**	**Business Combinations**	**Accrued interest**	**Foreign exchange movement**	**30 June 2023**
	Eur	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**
Shareholder's loan	**84,416,192**	**(3,812,914)**	**-**	**-**	**(37,500,000)**	**5,226,372**	**-**	**48,329,650**
Borrowings	**49,969,985**	**(3,127,831)**	**-**	**-**	**73,195,114**	**3,313,800**	**-**	**123,351,068**
Lease liabilities	**6,864,548**	**-**	**192,625**	**(561,512)**	**5,038,471**	**653,513**	**(426,042)**	**11,761,603**
	141,250,725	**(6,940,745)**	**192,625**	**(561,512)**	**40,733,585**	**9,193,685**	**(426,042)**	**183,442,321**

*Cashflows for borrowings differ from the statement of cash flows due to interest paid on bank overdrafts not disclosed above.

22. Cash And Cash Equivalents (cont'd)

(c) Reconciliation of liabilities arising from financing activities: (cont'd)

(ii) THE COMPANY

			Non-cash changes					
	1 July 2022	**Cash flows***	**Remeasurement of lease liabilities**	**Rental paid by tenant**	**Business Combinations**	**Accrued interest**	**Foreign exchange movement**	**30 June 2023**
	Eur	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**
Shareholder's loan	**84,416,192**	**(3,812,914)**	**-**	**-**	**(37,500,000)**	**5,226,372**	**-**	**48,329,650**
Borrowings	**49,969,985**	**(2,886,606)**	**-**	**-**	**18,201,847**	**2,916,622**	**-**	**68,201,848**
Lease liabilities	**6,864,548**	**-**	**192,625**	**(561,512)**	**-**	**578,634**	**(491,142)**	**6,583,153**
	141,250,725	**(6,699,520)**	**192,625**	**(561,512)**	**(19,298,153)**	**8,721,628**	**(491,142)**	**123,114,651**

			Non-cash changes			
	1 July 2021	Cash flows*	Rental paid by tenant	Accrued interest	Foreign exchange movement	30 June 2022
	Eur	Eur	Eur	Eur	Eur	Eur
Shareholder's loan	84,416,192	(5,394,904)	-	5,394,904	-	84,416,192
Borrowings	50,000,000	(2,352,254)	-	2,322,239	-	49,969,985
Lease liabilities	6,292,825	-	(538,227)	525,415	584,535	6,864,548
	140,709,017	(7,747,158)	(538,227)	8,242,558	584,535	141,250,725

*Cashflows for borrowings differ from the statement of cash flows due to interest paid on bank overdrafts not disclosed above.

23. Ordinary Share Capital

	THE GROUP AND THE COMPANY			
	Authorised Issued Number of Shares		Issued and Fully Paid	
	2023	2022	**2023**	2022
Authorised issued and fully paid ordinary share capital:			**Eur**	Eur
At 1 July	**28,138,704**	28,138,704	**28,138,730**	28,138,730
Issue of ordinary shares (note (a))	**72,282,102**	-	**72,282,102**	-
Cancellation of ordinary shares (note (b))	**(12,500,000)**	-	**(12,500,000)**	-
At 30 June	**87,920,806**	28,138,704	**87,920,832**	28,138,730

Each ordinary share confer the shareholder the right to vote, equal share of dividends and distribution of surplus assets. The ordinary shares have no par value.

(a) During the year, transaction for ordinary shares were as follows:

(i) In November 2022, the Company declared a special dividend of EUR 32,840,897 out of which scrip dividends of EUR 18,140,897 was distributed as ordinary shares to New Mauritius Hotels Limited (NMH) whereas EUR 14,500,000 was distributed in cash to Leisure Property Northern (Mauritius) Limited (LPN).
(ii) In May 2023, the Company issued 54,141,205 ordinary shares at Eur 54,141,205 to NMH in consideration for the acquisition of Kingfisher Ltd and its subsidiary (note 30(b)).

(b) In May 2023, the 12,500,000 ordinary shares at Eur 12,500,000 previously held by LPN in the Company were cancelled upon the merger of LPN with and into the Company (note 30(a)).

24. Preference Share Capital

	THE GROUP AND THE COMPANY	
	2023	2022
	Eur	Eur
Preference shares (Class A)	**7,377,983**	-
Preference shares (Class B)	**32,922,000**	-
Gross preference share capital amount	**40,299,983**	-
Transaction costs on issue of preference shares	**(1,350,221)**	-
Preference share capital net of transaction costs	**38,949,762**	-

	THE GROUP AND THE COMPANY			
	Authorised Issued Number of Shares		Issued and Fully Paid	
	2023	2022	**2023**	2022
			Eur	Eur
Preference shares (Class A)	**364,251**	-	**7,377,983**	-
Preference shares (Class B)	**32,922**	-	**32,922,000**	-

On 12 May 2023, (i) 364,251 of Class A Preference Shares at MUR 1,000 each and (ii) 32,922 of Class B Preference Shares at EUR 1,000 each, were issued and listed on the Official Market of The Stock Exchange of Mauritius Ltd .

24. Preference Share Capital (cont'd)

The preference shares are participating and non-cumulative. They have no par value and rank junior to all secured and unsecured creditors of the Company and in priority to the ordinary shares and shareholder's loan.

The preference shares would have restricted voting rights in the occurence of the following events as defined in the prospectus issued:

(i) Any amendment or revocation of the constitution and the adoption of a new constitution by the issuer;
(ii) A change in the dividend policy of the Group;
(iii) A change of control of the issuer;
(iv) Any issue of new shares in the share capital of the issuer;
(v) The acquisition or disposal of assets by a company within the Group with a value exceeding 20% of the total asset value of the Group;
(vi) The acquisition of assets by a company within the Group which are not yielding assets;
(vii) The acquisition of interests by a company within the Group in an entity owning assets that are not yielding assets;
(viii) The acquisition of interests in an entity that owns yielding assets but that has a dividend policy that is less favourable than that of the issuer;
(ix) The entering into of a new lease agreement that would have the effect of decreasing the average rental yield of the issuer;
(x) Incurring any capital expenditure representing more than 20% of the total asset value of the Group;
(xi) Effecting any change in any agreement witnessing transactions or arrangements with parties affiliated or related to the issuer or agreeing to any rental deferment and
(xii) Incurring any indebtedness in the form of new shareholder loans that would rank in priority to the preference shares or change the rank of any indebtedness owed to any company within the Group that would result in such indebtedness ranking in priority to the preference shares.

When dividends are declared, preference dividends will be paid in priority up to a threshold of 7% preference dividend yield. Once this threshold is attained, ordinary shareholders will start to receive dividends, else ordinary shareholders will not receive any dividends. If both preference shareholders and ordinary shareholders have reached a threshold of 7% dividend yield, any surplus dividends will be distributed between them as per their capital contribution.

The preference shares shall also rank in priority to the ordinary shares and the shareholder's loan in the event of the liquidation of the issuer. The issuer has the option the redeem the preference shares as from the 4th anniversary of the issue date

25. Shareholders' Loan

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
	Eur	**Eur**	Eur
Shareholders' loan	**48,329,650**	**48,329,650**	84,416,192
Disclosed as:			
Non-current	**47,864,303**	**47,864,303**	84,416,192
Current	**465,347**	**465,347**	-
	48,329,650	**48,329,650**	84,416,192

As at 30 June 2022, the shareholders' loan consisted of (i) Eur 46,916k from New Mauritius Hotels Limited (NMH) and (ii) Eur 37,500k from Leisure Property Northern (Mauritius) Limited (LPN).

In December 2022, an additional shareholder's loan was granted by NMH to the Company of which Eur 13,552k was repaid in May 2023.

Upon the merger of LPN with and into the Company in May 2023, the previous shareholder's loan of Eur 37,500k was cancelled (note 30(a)).

As at 30 June 2023, the shareholder's loan consisted of only Eur 47,864k from NMH along with Eur 465k of accrued interests.

Shareholders' loan bears an interest of 7.00% (2022: 6.25%). They are also (i) unsecured, (ii) subordinated to bank loans and preference shares and (iii) repayable in full or in part as from the 4th anniversary date of the preference shares.

Shareholders' loan have been classified as non-current as they are subordinated to preference shares which can only be redeemed as from their 4th anniversary date.

26. Borrowings

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
Non-current portion	**Eur**	**Eur**	Eur
Secured notes (note a)	**39,811,952**	**-**	-
Term loans (note b)	**79,201,848**	**68,201,848**	-
	119,013,800	**68,201,848**	-
Current portion			
Secured notes (note a)	**337,268**	**-**	-
Term loans (note b)	**4,000,000**	**-**	49,969,985
Bank overdrafts (note c)	**7,954,842**	**4,864,448**	4,836,868
	12,292,110	**4,864,448**	54,806,853
Total borrowings	**131,305,910**	**73,066,296**	54,806,853

26. Borrowings (cont'd)

(a) The secured notes are denominated as follows:

	Effective interest rate	Maturity	THE GROUP
			2023
			Eur
FRNEUR5Y - TA	4.00%	31-Oct-24	**19,977,145**
FRNEURSY - TB	4.75%	31-Oct-24	**10,113,604**
FRNEURSY - TC	6.00%	31-Oct-24	**10,058,471**
			40,149,220

The notes are secured by the following:
(i) a floating charge over all assets of Kingfisher Ltd;
(ii) a pledge of all bank accounts of Kingfisher Ltd; and
(iii) any other security interest as may be agreed between the Security Agent, the Bank and Kingfisher Ltd from time to time.

(b) **Term loans**

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
Term loans can be analysed as follows:	**Eur**	**Eur**	Eur
Current			
- Within 1 year	**4,000,000**	**-**	49,969,985
Non-current			
- After one year and before two years	**70,901,848**	**68,201,848**	-
- After two years and before five years	**8,300,000**	**-**	-
	83,201,848	**68,201,848**	49,969,985

Effective interest rate:
(i) Fixed rate loan bears an interest per annum of 4.00% for the Group and the Company.
(ii) Floating rate loans vary from '4.00% + 3 month Euribor' to '4.50% + 3 month Euribor' for the Group and '4.00% + 3 month Euribor' to '4.25% + 3 month Euribor' for the Company.

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

(c) Bank overdrafts are secured by fixed and floating charges over the Group's and Company's assets.

(d) The exposure of borrowings of the Group and the Company to interest rate changes and maturity profile are shown on notes 5(iii) and 5(iv).

(e) The fair value of the financial liabilities at amortised cost is disclosed in note 5(v).

27. Lease Liabilities

(a)

	THE GROUP	THE COMPANY
	Land	**Land**
	Eur	**Eur**
At 1 July 2021	-	6,292,825
Interest expense (note14(b))	-	525,415
Repayments	-	(538,227)
Exchange differences	-	584,535
At 30 June 2022	6,864,548	6,864,548
Acquisition of subsidiaries (note 30(b))	5,038,471	-
Remeasurement of lease liabilities	192,625	192,625
Interest expense (note14(b))	653,513	578,634
Repayments	(561,512)	(561,512)
Exchange differences	(426,042)	(491,142)
At 30 June 2023	**11,761,603**	**6,583,153**
Disclosed as:		
Non-current	**11,703,180**	**6,568,040**
Current	**58,423**	**15,113**
	11,761,603	**6,583,153**

27. Lease Liabilities (cont'd)

(b) **Maturity analysis of lease liabilities**

	THE GROUP 2023 Eur	THE COMPANY 2023 Eur	THE COMPANY 2022 Eur
Minimum lease payments:			
- Within one year	**969,308**	**561,512**	563,156
- After one year and before two years	**969,308**	**561,512**	563,156
- After two years and before five years	**3,030,261**	**1,684,535**	1,689,469
- After five years	**55,493,681**	**22,653,240**	23,285,642
	60,462,558	**25,460,799**	26,101,423
Less: Future finance charges on obligations under lease liabilities	**(48,700,955)**	**(18,877,646)**	(19,236,875)
Present value of obligations under lease liabilities	**11,761,603**	**6,583,153**	6,864,548
Present value analysed as follows:			
Current			
- Within one year	**58,423**	**15,113**	149,772
	58,423	**15,113**	149,772
Non-current			
- After one year and before two years	**63,771**	**16,367**	15,722
- After two years and before five years	**87,011**	**57,714**	55,438
- After five years	**11,552,398**	**6,493,959**	6,643,616
	11,703,180	**6,568,040**	6,714,776
	11,761,603	**6,583,153**	6,864,548

(c) **Nature of leasing activities (in the capacity as lessee)**
The Group and the Company lease properties in the jurisdictions from which they operate. The leases arise mainly on the land on which hotel properties are situated. The lease contracts provide for payments to increase periodically by inflation or market rental rate.

28. Retirement Benefits Obligations (cont'd)

(a) **Funded obligations**

	THE GROUP 2023 Eur
Amount recognised in the Statements of Financial Position:	
Funded obligations (note (a))	**70,320**
Other post retirement benefits (note (b))	-
Retirement benefit obligations	-

(i) The assets of the fund are held independently and administered by Swan Life Ltd in Mauritius.

(ii) ***Amount recognised in the statements of financial position in respect of funded obligation are as follows:***

Defined benefit obligation	**187,798**
Fair value of plan assets	**(117,478)**
Retirement benefit obligations	**70,320**

(iii) ***Movement in liability recognised in the statements of financial position:***

At 1 July	-
Acquisition of subsidiaries (note 30(b))	**62,032**
Amount recognised in profit or loss	**3,742**
Amount recognised in other comprehensive income	**9,303**
Exchange difference	**(4,757)**
At 30 June	**70,320**

(iv) ***Amounts recognised in the statements of profit or loss are as follows:***

Scheme expenses	**658**
Interest cost on defined benefit obligation	**9,902**
Return on plan assets	**(6,818)**
Net benefit expense	**3,742**

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

Gains on pension scheme assets	**18,554**
Experience losses on the liabilities	**(6,462)**
Changes in assumptions underlying the present value of the scheme	**(2,789)**
	9,303

28. Retirement Benefits Obligations (cont'd)

(a) **Funded obligations (cont'd)**

	THE GROUP 2023 Eur
(vi) ***Cumulative actuarial losses recognised:***	
Cumulative actuarial losses at 1 July	-
Acquisition of subsidiaries (note 30(b))	**(93,240)**
Actuarial gains recognised in current year	**(9,303)**
Exchange difference	**(250)**
Cumulative actuarial losses at 30 June	**(102,793)**
(vii) ***Reconciliation of the present value of defined benefit obligation:***	
Present value of obligation at 1 July	-
Acquisition of subsidiaries (note 30(b))	**200,235**
Interest cost on defined benefit obligation	**9,902**
Actuarial losses	**(9,251)**
Exchange difference	**(13,088)**
Present value of obligation at 30 June	**187,798**
(viii) ***Reconciliation of fair value of plan assets:***	
Fair value of plan assets at 1 July	-
Acquisition of subsidiaries (note 30(b))	**(138,203)**
Return on plan assets	**(6,818)**
Scheme expenses	**658**
Actuarial losses	**18,554**
Exchange difference	**8,331**
Fair value of plan assets at 30 June	**(117,478)**

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

	THE GROUP 2023 %
Discount rate	**5.10%**
Future salary increase	**1.00%**
Pension increase	**0.00%**
Post-retirement mortality tables	**PNMA00/PNFA00**

(x) ***A quantitative sensitivity analysis for significant assumptions as at 30 June 2023 is shown below:***

	Discount Rate THE GROUP 1% Increase Eur	Discount Rate THE GROUP 1% Decrease Eur
30 June 2023		
Impact on defined benefit obligation	**25,902**	**24,745**

	Future Salary Increase THE GROUP 1% Increase Eur	Future Salary Increase THE GROUP 1% Decrease Eur
30 June 2023		
Impact on defined benefit obligation	-	-

The sensitivity analyses above have been determined based on reasonably possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(b) **The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

	THE GROUP 2023 Euro	THE GROUP 2023 %
Local equities	**51,691**	**44%**
Overseas bond and equities	**25,845**	**22%**
Fixed interest	**35,243**	**30%**
Properties and other	**4,699**	**4%**
Total market value of assets	**117,478**	**100%**

28. Retirement Benefits Obligations (cont'd)

(c) **Plan assets**
Included in the plan assets is a property, estimated at an open market value of EUR 9m. The property is rented to the ultimate holding company by the New Mauritius Hotels Group Superannuation Fund.

(d) **Maturity profile of the defined benefit obligation**
The weighted average duration of the liabilities as at 30 June 2023 is 15 years.

(e) Group expected contributions to post-employment benefit plans for the year ending 30 June 2024 are Eur 3.5M.

(f) **Risk associated with the plans**
The Group is 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.

29. Other Payables

	THE GROUP	THE COMPANY	
	2023	**2023**	2022
Current	**Eur**	**Eur**	Eur
Other payables	**6,950,501**	**296,245**	271,456
Amount due to related parties (note 7)	**46,494**	**4,466**	-
	6,996,995	**300,711**	271,456

(a) Other payables mainly include costs related to the investment properties. The fair value of other payables is disclosed in note 5(v).

(b) The amounts due to related parties are unsecured, non-interest bearing and generally on 30 days' repayment term.

30. Business Combinations

With a vision to create a larger and more diversified portfolio, be it in terms of market segment, geographical exposure and tenant, the holding Company, New Mauritius Hotels Limited (NMH) contributed its investment in Kingfisher Ltd ('Kingfisher') to the Company on 12 May 2023 (Note (b)) in exchange of a respective share issue.

The updated strategy of Grit Real Estate Income Group Limited (GRIT) did not envisaged material increased hospitality sector investment and had, therefore, expressed its wish to exit its interests in the Company. In furtherance of that exit, the Board has approved a scheme of arrangement (the 'Scheme') to merge GRIT's wholly owned subsidiary Leisure Property Northern (Mauritius) Limited (LPN), through which it owns its interests in the Company, with and into the Company itself (Note (a)).

(a) On 12 May 2023, LPN was merged with and into the Company with the latter being the surviving entity for a cash consideration of Eur 26,748k.

The business combination was treated in accordance with IFRS 3 by applying the acquisition method. The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	As at 12 May 2023 Eur
Assets	
Investment in associate	12,500,000
Loan receivable from associate	37,500,000
	50,000,000
Liabilities	
Borrowings	18,201,847
Fair value of net assets acquired	**31,798,153**
Consideration paid in cash	26,748,030
Gain on business combination	**5,050,123**

A gain from bargain purchase of Eur 5.1m arose on 12 May 2023 as the fair value of net assets acquired of Eur 31.8m was in excess of the aggregate consideration paid of Eur 26.7m.

(b) On 12 May 2023, the Company acquired Kingfisher Ltd and its subsidiary, Ste Anne Resort Limited from New Mauritius Hotels Limited (NMH). In consideration for the acquisition, the Company issued 54,141,205 shares at Eur 54,141,205 to NMH.

30. Business Combinations (cont'd)

The business combination was treated as a common control transaction by applying the pooling of interest method. The identifiable assets and liabilities acquired of Kingfisher Ltd and its subsidiary, assumed at fair value at date of acquisition are as follows:

	Notes	**As at 12 May 2023 Eur**
Assets		
Plant and equipment	17	126,664
Investment property	18	124,468,470
Financial assets at amortised cost	20	4,068,704
Other assets	21	5,644
Cash at bank	22	116,098
		128,785,580
Liabilities		
Borrowings	26	54,993,267
Bank overdrafts	26	2,847,298
Lease liabilities	27	5,038,471
Deferred tax liabilities	16	4,520,339
Retirement benefits obligations	28	62,032
Other payables	29	7,180,262
		74,641,669
Non-controlling interest		2,706
Fair value of net assets acquired		**54,141,205**
Consideration paid through share issue		54,141,205
Common control reserve		**-**

31. Holding Company

New Mauritius Hotels Limited whose registered office is at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius is the holding company of Beachcomber Hospitality Investments Ltd.

32. Commitments And Contingencies

(a) **Capital commitments**
Capital commitments for both the Group and the Company amounted to nil. (2022: nil)

(b) **Contingencies**
(i) Sub-leasing of St Anne Island
Ste Anne Resort Limited ("SARL") was served with a Restriction Order for a period of 6 months as of 6 May 2022 by the Land Registrar in Seychelles following the proposed registration of its lease agreement with Club Med (the "Order"). The Order had been applied for by the lessor (a third-party private company) of the property on which SARL has refurbished, extended and subsequently sub-sub-leased the property to Club Med in February 2021. However, by way of letter addressed to SARL on 7 June 2023, the Land Registrar informed SARL that it removed the Order given that the period of 6 months lapsed which follows that there is no case against SARL. The latter has since proceeded with the registration of the lease before the Land Registrar.

33. Events After Reporting Period

There has been no event after the reporting period which would require disclosure or adjustment to the financial statement for the year ended 30 June 2023.

Notes

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