ANNUAL REPORT
2020

BlueLife
THE FUTURE OF DEVELOPMENT

DEAR SHAREHOLDER,

The Board of Directors of BlueLife Limited is pleased to present its Annual Report for the year ended 30 June 2020. This report was approved by the Board of Directors on 23 October 2020.

On behalf of the Board of Directors of BlueLife Limited, we would like to invite you to go through the Annual Report and to attend the Annual Meeting of the Company which will be held on:

Date:	Thursday, 10 December 2020
Time:	13.30 hours
Venue:	1st Floor IBL House Caudan Waterfront Port Louis

We look forward to seeing you.

Yours sincerely,

Sunil Banymandhub	Hugues Lagesse
Chairman	Executive Director

#1
Financial indicators Year at a glance

CORE PURPOSE
STATEMENTS

HAPPINESS INSPIRES THE LIFESTYLES WE CREATE

ONLY EXCELLENCE IS GOOD ENOUGH

WE

INTERACT WITH INTEGRITY AND RESPECT

EMBRACE CHALLENGE AND NEVER GIVE UP

SUCCEED THROUGH TEAMWORK AND COLLABORATION

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GROUP STRUCTURE

ACTIS PARADISE JERSEY LIMITED **21.06%**

GML INEO LTEE **7.45%**

IBL LTD **48.99%**

OTHER SHAREHOLDERS **22.5%**

BlueLife
THE FUTURE OF DEVELOPMENT

100% OCEAN EDGE PROPERTY MANAGEMENT COMPANY LTD

100% AZURI SERVICES LTD

100% CIRCLE SQUARE HOLDING COMPANY LTD

100% HAUTE RIVE HOLDINGS LTD

- **100%** AZURI WATCH LTD
- **100%** AZURI ESTATE MANAGEMENT LTD
- **100%** HR GOLF HOLDING LTD
  - **100%** AZURI GOLF MANAGEMENT LTD
- **100%** HAUTE RIVE OCEAN FRONT LIVING LTD
- **100%** HAUTE RIVE IRS COMPANY LTD
- **100%** HAUTE RIVE PDS COMPANY LTD
- **62.9%** HAUTE RIVE AZURI HOTEL LTD
- **100%** AZURI SUITES LTD

100% LES HAUTS CHAMPS 2 LTD

60% PL RESORT LTD

100% LIFE IN BLUE LIMITED

FINANCIAL INDICATORS

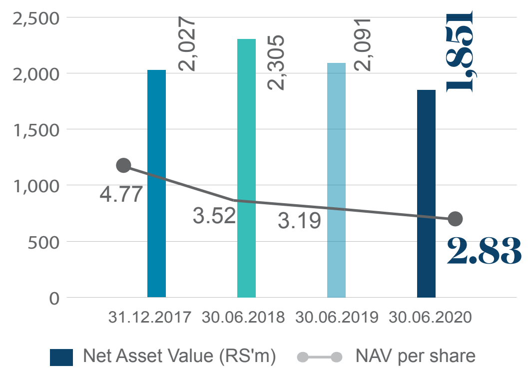
BlueLife is a property investment and development company. Its portfolio of assets includes offices, retail units, hotels and land for mixed-used developments, mainly in Azuri Ocean & Golf Village, where there is ongoing development.

The last years have proven difficult, mainly due to a non-performing hospitality cluster and delay in breaking ground with new property development projects.

The hotels have associated themselves, through a hotel management agreement, with Radisson Blu, a leading global hotel brand name. This strategy has resulted in the hotels being able to take advantage of the Radisson Blu's global customer network and, through significantly increased occupancy and room rates, the hotels have reflected constantly improving financial results, up until the outbreak of Covid-19. Instead of the initial anticipated outstanding performance for 2020, our hotels terminated the financial year 2020 with losses as a result of both operational losses with hotels closed since March 19, 2020 and increased provisions for expected credit losses from debtors. It is expected that, under the Radisson Blu's management, this situation will take a positive turn rapidly once the border re-opens and tourism industry regains momentum.

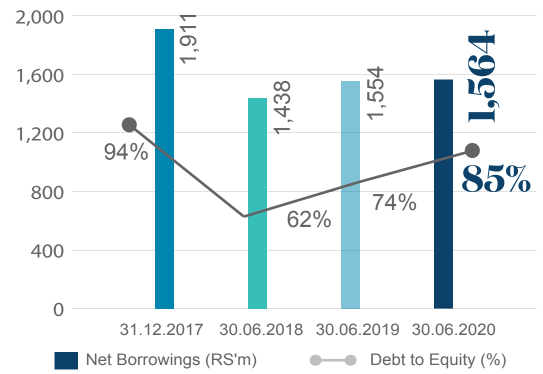
We have not been able to break ground with the Rive Droite development as initially planned for beginning of 2020. Delays, as a result of planning, obtaining permits and non-reaching pre-sales levels, impacted our financial performance for the second year where no single revenue could be generated on the land development segment. As this segment is very much dependent on the physical presence of prospective buyers in Mauritius, the advent of the COVID-19 pandemic has disrupted lives and livelihoods and has placed considerable pressure on our ability to realise sales in the short term.

NET ASSET VALUE (RS 'M)



BlueLife's total assets value went down from Rs 4.05 billion to Rs 3.70 billion from 30 June 2019 to 30 June 2020. This drop is attributable to the cumulative effect of operating losses and impairment. Change in Net Asset Value is highlighted in the graph above.

NET BORROWINGS AND DEBT-TO-EQUITY (RS 'M)

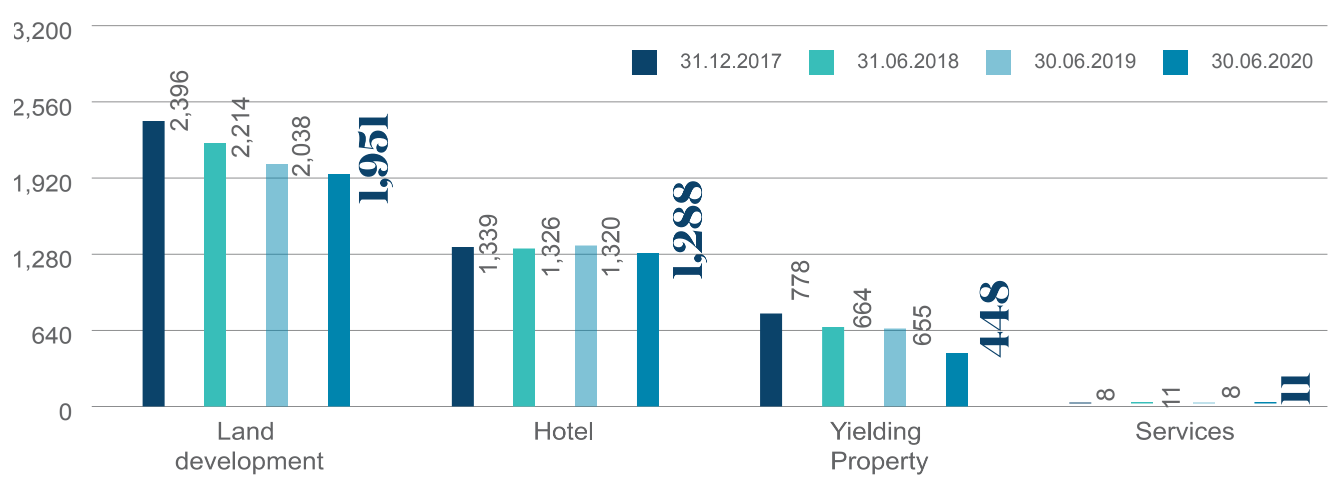


We have during the year repaid some bank term loans and taken additional short term funding from our main shareholder with an effective reduction of Rs 105 m. The increase in net borrowings is the result of the implementation of IFRS16 and the recognition of the liability portion of leases.

We have paid finance costs of Rs 102.5 m for the year ended June 30, 2020, exactly same as for 2019; with Rs 88.3 m from continuing activities and Rs 14.2 m from discontinued activities.

FINANCIAL INDICATORS

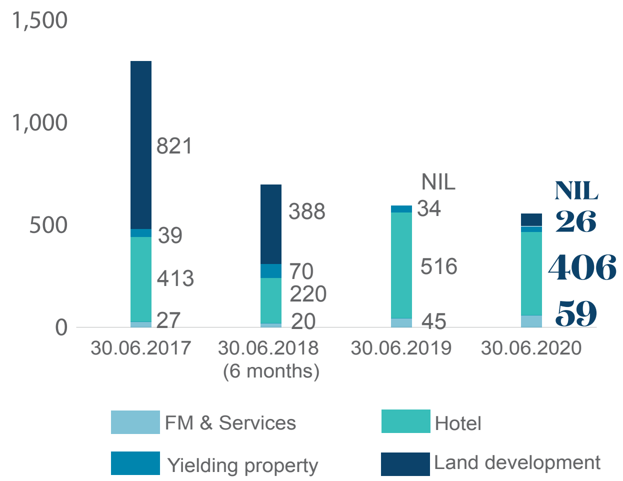
ASSET UNDER MANAGEMENT (RS'M)



The land development segment reflects the value of the 403 arpents of freehold land available for future development, the carried cost for lots available for sales as well as the preliminary project planning and design expenses relating to on-going projects. The decrease in 2020 relates only to fair value adjustments and reclassification of some preliminary expenses previously capitalised in inventory properties (work-in-progress) to the Income Statement. No sales took place in the 2019-2020 financial year.

The yielding property under management has been reduced in the financial year ending June 30, 2020 as we sold the HomeScene building in Circle Square Retail Park in August 2019 and the Harbour Front 8th floor offices in December 2019. It will be further reduced as we are completing the sale of the Circle Square property after the year end.

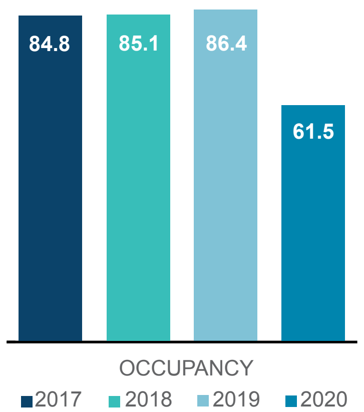
TURNOVER PER ASSET SEGMENT (RS'M)



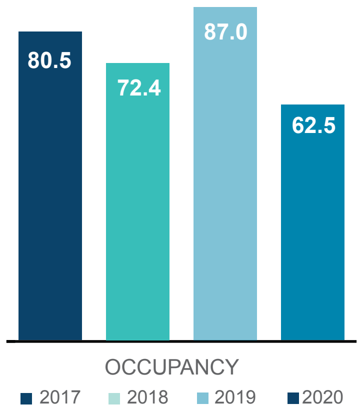
In the property development segment, revenues are determined by the sale of units in residential real estate projects. Hence, the cyclical nature of revenue recognition... For the second consecutive year, we have not been able to start the construction of our projects and thus to recognise revenue to the income statement as a percentage of completion. Delays, as a result of planning, obtaining permits and non-reaching pre-sales levels, impacted our financial performance for the second year where no single revenue could be generated on the land development segment.

The revenues generated from our facilities management and other services segment continue to grow and outpaced the revenue from yielding property. We consider these services as essential to favour the stress-free ownerships, lifestyle in Azuri and as a positive contribution to faster sales boost.

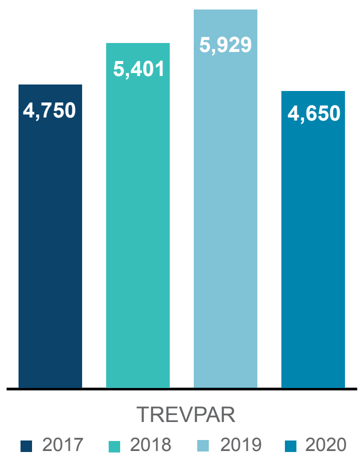
RADISSON BLU POSTE LAFAYETTE



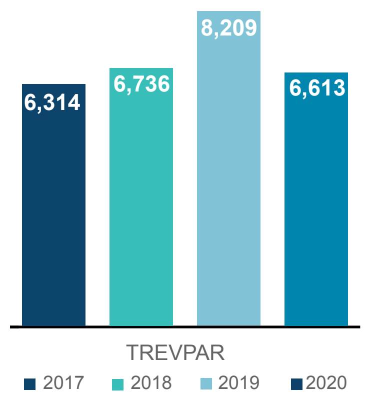
RADISSON BLU AZURI



RADISSON BLU POSTE LAFAYETTE



RADISSON BLU AZURI



The reduction in the turnover of our hotel segment is clearly a consequence of the Covid-19 outbreak. The pre-Covid trend was showing increase in key hotel metrics compared to the year ending June 30, 2019. Occupancy rate from July 2019 to February 2020 kept on the 86% registered in the previous year, TREVPAR increased by 10% and GOPPAR of the 2 hotels increased by 17% resulting from the continuous effort on revenue and cost control. As a consequence of the hotels' closure from March 19, 2020 to June 30, 2020 due to the Covid, the hotel metrics stated an occupancy rate of 62% for the financial year 2019-2020, TREVPAR AND GOPPAR down by 20% and 35%, respectively.

We are maintaining our strategy to sell assets to reduce the Group indebtedness and generate cash to support working capital needs with the sale of Harbour Front offices and HomeScene retail buildings in the course 2019-2020 financial year and the sale of MotorCity retail buildings in the 2020-2021 financial year. As a result, revenue from yielding properties will reduce to a marginal amount in the Group revenue for the coming years until further investment in retail, commercial and office type properties mainly in the Azuri Ocean and Golf Village.

#2

Board of Directors
Management Team

BOARD
OF DIRECTORS

01

KISHORE SUNIL BANYMANDHUB
CHAIRMAN

02

JAN BOULLE
NON-EXECUTIVE DIRECTOR

03

MICHELE ANNE ESPITALIER NOEL
EXECUTIVE DIRECTOR

04

ARNAUD LAGESSE
NON-EXECUTIVE DIRECTOR

05

RAVI PRAKASH HARDIN
NON-EXECUTIVE DIRECTOR

06

HUGUES LAGESSE
EXECUTIVE DIRECTOR

07

THIERRY LABAT
NON-EXECUTIVE DIRECTOR

08

ROSHAN RAMOLY
NON-EXECUTIVE DIRECTOR

09

THIERRY SAUZIER
INDEPENDENT NON-EXECUTIVE DIRECTOR

BOARD OF **DIRECTORS**

01

KISHORE SUNIL BANYMANDHUB

Chairman

Citizen and resident of Mauritius

Appointed:
05/09/2016 (Board)
06/10/2017 (Chairman)
09/11/2016 (Member: Corporate Governance Committee)

Skills & experience
- Occupied senior positions in the private sector in Mauritius.
- In 1990, launched a transport company which he controls.
- Between 2001 and 2008, was CEO of CIM Group, engaged in financial and international services.

Qualifications & professional development
- Associate of the Institute of Chartered Accountants of England and Wales.
- Master's Degree in Business Studies, London Business School.
- B.Sc. Honours First Class in Civil Engineering, UK.

Core competencies
- Strategic development, business and finance.

External appointments
- Is a member of the Board of Directors of several major listed and non-listed companies.

02

JAN BOULLE

Non-Executive Director

Citizen and resident of Mauritius

Appointed:
23/02/2018 (Board)

Skills and experience
Jan Boullé worked for The Constance Group from 1984 to 2016 and occupied various executive positions and directorships. He has a particular expertise in hospitality and real estate development.

Qualifications
- "Ingénieur Statisticien Économiste" France
- Post Graduate studies in Economics – Université Laval-Canada

Core competencies
- Strategic development, hospitality, real estate development.

External appointments
- IBL Ltd
- Alteo Limited
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The Bee Equity Partners Limited
- Camp Investment Company Limited
- The United Basalt Products Limited
- Manvest Limited

03

MICHELE ANNE ESPITALIER NOEL

Executive Director

Citizen and resident of Mauritius

Appointed:
11/02/2020 (Board)

Skills & experience
- Joined IOREC as Corporate Finance Executive to provide direction to the financial function of the company, including corporate finance, project finance, planning and administration.
- Appointed CFO of BlueLife Limited upon the amalgamation of IOREC with BlueLife.

Qualifications & professional development
- Graduated from École Supérieure de Commerce (E.S.C.A.E), Clermont-Ferrand, France with specialization in audit, accounting and finance management.
- Passed the Stockbrokers' Examination organised by the Stock Exchange Commission and the Mauritius Examination Syndicate.
- Completed the One-Year ESSEC General Management Program.

Core competencies
- Project and corporate finance, corporate structuring and planning, real estate development and operations

External appointments
- Council Member of the MCCI representing the Real Estate sector

04

ARNAUD LAGESSE

Non-Executive Director

Resident and citizen of Mauritius

Appointed:
11/05/2015 (Board)

Skills and experience
Arnaud Lagesse is the Group CEO of IBL Ltd. He is one of the Mauritian private sector's most prominent leaders and is known to drive IBL Group with innovative and challenging undertakings. In 2016, he initiated the merger of GML Investissement Ltée and Ireland Blyth Limited and created the new entity IBL Ltd which thus became the n°1 group in Mauritius and 2nd largest group in the region excluding South Africa.

Qualifications
- Breakthrough Executive Program – Egon Zehnder-Mobius, Portugal
- Advanced Management Program (AMP180) – Harvard Business School, United States
- Executive Education Program – INSEAD, France
- Graduated from the Institut Supérieur de Gestion – Paris, France
- Masters in Management – Université d'Aix-Marseille II, France

Core competencies
- Business & finance, deal structuring, strategic business development.

External appointments
- External appointments in both listed and non-listed companies

Chairman
- Alteo Limited
- Bloomage Ltd
- Camp Investment Limited
- Fondation Joseph Lagesse
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The Lux Collective Limited

Member of the Board of Directors
- AfrAsia Bank Limited
- BlueLife Limited
- IBL Ltd
- Seafood Hub Limited
- Pick and Buy Limited
- Other non-listed Mauritian Companies

05

RAVI PRAKASH HARDIN

Non-Executive Director

Citizen and resident of Mauritius

Appointed:
- 23/02/2018 (Board)
- 23/03/2018 (Member: Audit and Risk Committee)

Skills & experience
- Is the current Chief Executive Officer of Bloomage Ltd, a property fund fully owned by IBL Ltd.
- Has more than 15 years' experience at senior level in multiple geographies, working for Shell, Rogers and ENL.
- Has spent the last 10 years focusing on the real estate sector.

Qualifications & professional development
- B-Tech in Chemical Engineering, Indian Institute of Technology
- MBA, University of Surrey

Core competencies
- Strategic business development, real estate asset management and real estate development

06

HUGUES LAGESSE

Executive Director

Citizen and resident of Mauritius

Appointed:
29/07/2020 (Board)

Skills & experience
Hugues Lagesse currently acting CEO of Bluelife Limited (BLL), was formerly Head of Projects and Strategic Property Development at BLL, a real estate company that develops property in Mauritius. He has acquired considerable experience and competence in high-end residential and mixed-use real estate.

Qualifications & professional development
- Diploma in Administration and Finance – École Supérieure de Gestion – Paris
- Management Program INSEAD - France
- Real Estate Program – Harvard Business School – United States
- General Management Program for Mauritius and South East Africa – ESSEC

Core competencies
- Real estate, property development, management.

External appointments
- IBL Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- Camp Investment Company Limited

07

THIERRY LABAT

Non-Executive Director

Citizen and resident of Mauritius

Appointed:
01/07/2020 (Board)

Skills & experience
- Was appointed Company Secretary of GML in 2001, then Group Company Secretary & Head of the Corporate Secretarial teams of IBL Ltd in 2016.
- Played a role in the successful closing of significant mergers and acquisitions of listed companies.
- Was appointed Group Head of Corporate Services of IBL Ltd in 2017, now leading the following Group functions: Corporate Secretarial, Legal Affairs, Human Capital, Communications, Risk Management & Compliance, Internal Audit and Trademarks & Consulates.

Qualifications & professional development
- Chartered Secretary and Fellow of the Institute of Chartered Secretaries and Administrators (ICSA), South Africa and United Kingdom, respectively.
- Executive Management Programme – ESSEC Business School

Core competencies
- Governance, compliance, management

External appointments
- Is a member of the Board of Directors of several non-listed companies

08

ROSHAN RAMOLY

Non-Executive Director

Citizen and resident of Mauritius

Appointed:
04/10/2018 (Board)
04/10/2018 (Member: Audit and Risk Committee)

Skills & experience
- Over 15 years of experience at management level in the financial services industry including being the Managing Director of Cim Stockbrokers and the Head of Strategy of Barclays Mauritius
- In 2015, launched a company providing corporate training and Blue Ocean Strategy consultancy

Qualifications & professional development
- BSc. Honours in Management Studies
- MBA, Durham University Business School

Core competencies
- Strategic development, business improvement, customer experience and financial markets

External appointments
- Is a member of the Board of Directors of several non-listed companies.

09

THIERRY SAUZIER

Independent Non-Executive Director

Citizen and resident of Mauritius

Appointed:
01/07/2020 (Board)

Skills and experience
- Over 25 years experience in the financial services industry, property, education, leisure and agriculture as Manager of MCB Stockbrokers Ltd, Managing Director of Medine Property, Deputy CEO and CEO of the Medine Group from 2004 to 2020.
- He has strong expertise in master planned community development and smart cities.

Qualifications
- Maîtrise d'Économie Appliquée University of Paris Dauphine

Core competencies
- Finance and strategy, real estate development, education

External appointments
- None

CHAIRMAN'S
MESSAGE

KISHORE SUNIL BANYMANDHUB

I am presenting BlueLife's Annual Report for the year to June 2020 in the midst of the very challenging times facing not only this country but the whole world.

The impact of the Covid-19 pandemic worldwide has been most severe in our Company's two main sectors of activity, hospitality and real estate development. The challenge is enormous, given our limited domestic market, which makes us heavily reliant on overseas clients. That has been accentuated by our key feeder markets, from which we draw our hotel guests and property clients, spending much of the second half of the financial year in full or partial lockdowns. Even when their own lockdowns were at least partially lifted, our own country's borders remained closed.

The one consolation is that Mauritius has been a relatively Covid-safe zone after the timely action taken by the government to close the airport and introduce effective quarantine and testing/tracing measures. Although air traffic remains highly controlled, once regular flights resume, the country may well be seen as a safe and attractive destination to many travellers in our key markets. All those who had planned a long-haul vacation in 2020 may be ready to catch up on lost time once borders are opened.

So far as our hospitality holdings are concerned, the first half of the financial year showed considerable promise with room-occupancy rates well above the national average at more than 85%. The two hotels were heading for outright profitability in one case, and better than cash break-even in the other. However, when Mauritius entered into lockdown, this income stream inevitably collapsed. The hotels have recently opened their doors to locals and are generating sufficient margins to cover direct costs, plus a portion of their overheads.

The same trend applied to the property segment as potential buyers were unable to travel to come and view our products available for sale.

We have not been idly waiting for life to return to something like normal. In essence, we have reworked our financial model as we were generating little revenue in a very unpredictable landscape. We have little visibility on how long this situation will last and what adjustments we shall need to make for as long as the virus is circulating in its current virulent form in our main markets.

One of our first priorities was to create and maintain a safe environment in line with the rules and regulations set by government. We spent the latter part of the financial year reviewing our strategies and plans, and continue to do so, in order to provide a more agile framework for our future development projects. This led us to work on a 10 to 15-year masterplan and, in parallel, to apply for Smart City Certification. We have reworked Rive Droite in order to provide a project offering us greater flexibility to meet the needs of the market. . We are maintaining contact with our intermediaries, animating our website with updates, and putting in place all the pieces so that we are ready to press the button as soon as travel becomes unrestricted. We remain cautious in our endeavours as the full effects of the pandemic on our business activities will certainly take some time to overcome.

Meanwhile, we wish to express our thanks to Christine Marot, who was our CEO for five years and has moved on to a senior post with IBL, our largest shareholder. We subsequently appointed Hugues Lagesse as Acting CEO. Hugues, known for his energy and dynamism, has many years' experience in the property development field and has been at BlueLife since its early beginnings.

Finally, I would like to express my appreciation to all my fellow Board members, and particularly Isabelle de Gaalon Decaillot, Christophe Barge and Jean-Luc Wilain for their precious contributions. Following the latters' resignations, we welcomed two new Board members, Thierry Sauzier and Thierry Labat.

In these difficult times, the support of all our staff members, clients and partners has been a constant source of encouragement, just what we need as we move forward towards a full recovery.

Kishore Sunil Banymandhub
Chairman

> "We spent the latter part of the financial year reviewing our strategies and plans, and continue to do so, in order to provide a more agile framework for our future development projects.

CEO'S REPORT

HUGUES LAGESSE

BlueLife's portfolio of assets includes offices, retail units, hotels and land for mixed-used developments, mainly in Azuri Ocean & Golf Village. Like all companies engaged in the hospitality and development sectors, not just in Mauritius but around the world, our financial results have been adversely affected by the Covid-19 pandemic.

When the 2019-2020 financial year began, we had little idea of the trading conditions that lay ahead of us, nor, in my case, that I would be writing this report.

Azuri Ocean & Golf Village has become a tight-knit community over the years and it was with pleasure that we observed how everyone came together in these difficult times to support those needing assistance and help each other to get through the lockdown and the post-lockdown with reasonable serenity. We are particularly grateful to our Azuri team members, who showed incredible commitment and remained onsite during the entire lockdown to ensure essential services were maintained. The difficult times have enabled us to appreciate the character of the people in our organisation and the strength of their values. Our property owners were just as fantastic, showing real community spirit and demonstrating our joint success in creating a new style of seaside village life.

For our two resorts, Radisson Blu Azuri and Radisson Blu Poste Lafayette, the first half of the year were very promising, as highlighted in our financial indicators. Total revenue per available room (TRevPAR) increased by 10% and gross operating profit per available room (GOPPAR) by 17%. As a consequence of the hotels' closure from 19 March to 30 June 2020, the results for the financial year were affected with a combined TrevPAR that declined by 20% and a GOPPAR that fell by 35%.

In the changed circumstances, we adjusted our strategy for a situation where our hotels' main sources of revenue would be from the local market. Our hotel management agreement with Radisson Blu, a leading global hotel brand, should enable us to bounce back more rapidly than would otherwise be possible once the country's borders re-open, even if takes time to achieve the kind of results we saw in 2018-2019.

So far as property development is concerned, Covid-19 meant we were unable to break ground on the Rive Droite development, initially planned for early 2020. The construction of the golf course was due to start in March 2020; we have provisionally rescheduled that for the first quarter of 2021. Furthermore, as property sales rely greatly on the physical presence of prospective buyers in Mauritius, the pandemic meant that we did not reach pre-sales levels, hence we did not generate revenue on the land development segment. However, even during lockdown, we experienced greater interest in our property portfolio than expected. That has continued and bodes well for the future.

Revenue generated from our facilities management and other services segment continued to grow and outpaced the revenue from yielding property. We consider these services as essential in providing a stress-free ownership lifestyle in Azuri and as a positive advantage for further sales in due course.

During this period, when we needed to urgently manage the corporate finance aspect of our activities, we interacted with all our partners to ensure that we were able to agree on more flexible financial terms. We have also applied for the financial assistance that was made available from institutions and other financial actors.

We maintained our strategy of selling assets to reduce Group debt and generate cash to support working capital. The Harbour Front offices in Port Louis and HomeScene retail buildings in Forbach were sold in the course of the 2019-2020 financial year. The sale of our MotorCity retail buildings is for the 2020-2021 financial year. It was also decided to locate BlueLife's head office in the heart of Azuri to be closer to operations and our community. The financial indicators' pages give full details of our results.

There is a lot that we still don't know about the virus or how long it will affect us, let alone what the post-pandemic business world will look like, but we have started adapting for the future in ways that will make us resilient and agile. We have had to rethink our organisation and ensure we have the right staff in the right place. There were unfortunately some job losses but they were few.

Over the past few years, new property schemes and initiatives have been promoted by government and these have been taken into account. We began re-engineering our residential property offerings to target the local market on the one hand, with a soon-to-be-launched morcellement project, whilst in parallel we have reworked our Golf View Villas project making it more flexible and adapted to market demands. Mid-market residential units are also planned in the close future.

Our responsibility as developers is to be in the forefront of what property development will mean in the years to come, hence a focus on anticipating the lifestyle patterns of tomorrow and master-planning for the next 10 to 15 years. Post-Covid-19, there is going to be a change in how people think and live. Many people have been working from home and that trend will continue for office workers even if there may be occasions when there is a need to meet in the flesh, whether in the country where they live or abroad. The commuter rat-race will seem increasingly unattractive and unnecessary. With the advances in technology, there may be some for whom remote working is not only possible but appears highly desirable, especially if the setting is an attractive and increasingly digitally-connected tropical island.

The importance of digital activities has become increasingly clear and our sales tools are now fully online. We also feature virtual reality tours on our website to give a sense of place to our overseas buyers. Social distancing has led to a push for developing more and more contactless technology, so business models will now be backed by high-tech offerings which are tailor-made for customers. The world has now stepped into a zone of digital-irreversibility.

With work from home becoming suddenly so acceptable, developers will now look to capitalise on this trend. New home decors will incorporate specially designed WFH spaces. Commercial real estate is set to undergo an ever bigger transformation. It will not just be a matter of location and value proposition; the industry is now focusing on finer details such as transparency and customer experience.

Much of this reflection was crystallised in the preparation of our application for Smart City Certification. Central to our concept is well-being. There will be greater emphasis on lifestyle, community and the quality of the social and physical environment. We are looking to enhance Azuri as a beachside garden city that exists in a symbiotic relationship with Nature. Our aim is to offer our residents an exceptional quality of life, with local parks, entertainment, recreational facilities, and commercial and business areas nearby. With its 200 acres, Azuri has the means to become a modern island mecca for both work and leisure, growing an ever-stronger community feel.

There is a slight irony in my presenting this report as I was in fact appointed Acting CEO just after the financial year ended. However, I have been with BlueLife for some thirteen years and am well acquainted with most aspects of its operations. My intention in the coming months is to promote, encourage and facilitate advancement in the areas in which we have already demonstrated success, thanks to the support of a very dedicated team that, over the years, has proven to be extremely resilient to change.

I am honoured by the trust placed in me and, in the coming months, I look forward to working closely with our Board and my colleagues – at all levels and in all parts of our organisation – in the interests of our company, our guests and clients, and our various stakeholders and partners.

Hugues Lagesse
Acting Chief Executive Officer

MANAGEMENT
TEAM

01

HUGUES LAGESSE
ACTING CEO AND EXECUTIVE DIRECTOR

02

MICHELE ANNE ESPITALIER NOEL
CHIEF FINANCE OFFICER AND EXECUTIVE DIRECTOR

03

GUY REGIS FANCHETTE
AZURI ESTATE MANAGER

04

ISABELLE JACQUES
HR & IT MANAGER

05

NICOLAS REY
ASSET & OPERATIONS MANAGER

06

NICOLAS DE ROSNAY
HEAD OF CONSTRUCTION

01
HUGUES LAGESSE
Acting Chief Executive Officer and Executive Director

Hugues holds a diploma in administration and finance from "Ecole Supérieure de Gestion et Finance" in Paris, France. In September 2007, he followed a course on Management at INSEAD in Fointainebleau, France and a course in Real Estate development in Paris and at Harvard Business School in Boston, USA. He completed the One-Year ESSEC General Management Program designed for GML Executives. He participates in the strategy and planning processes and is responsible for identifying potential development and area for growth. He is also in charge of the follow up of a project's life cycle from conceptualisation and design through to project management and closure.

02
MICHELE ANNE ESPITALIER NOEL
Chief Finance Officer and Executive Director

Michele Anne is presently the Chief Finance Officer of BlueLife Limited. She joined IOREC in January 2010 as Corporate Finance Executive to provide direction to the financial function of the company, including corporate finance, planning and administration and became CFO upon amalgamation of IOREC with BlueLife. She is a graduate from Ecole Supérieure de Commerce (E.S.C.A.E) of Clermont Ferrand, France with specialization in audit, accounting and finance management and passed the Mauritius Stockbrokers Examination organised by the Stock Exchange Commission and the Mauritius Examination Syndicate. She completed the One-Year ESSEC General Management Program designed for GML Executives.

03
GUY REGIS FANCHETTE
Azuri Estate Manager

After graduating from the University of Mauritius in Physics, Guy-Regis started his working career as a secondary school teacher. During this time he completed an MSC in Environmental Engineering. Moving into the business environment, he joined a young technico-commercial company and was instrumental to its development. Building up his skills he completed an MBA from the University of Surrey. He then joined ENATT, an ENL group company, managing retail and commercial assets. In March 2016, Guy-Regis joined BlueLife as the Manager of Azuri Estate Management Ltd, set up as the "private municipality" of Azuri, and as the General Manager of Ocean Edge Property Management Ltd, the syndic management company of BlueLife.

04
ISABELLE JACQUES
Office and ICT Manager

Isabelle joined BlueLife Limited in July 2015 as Office and ICT Manager. Isabelle studied economics at the University of Cape Town and worked in the IT sector in South Africa and the UK. In 2002 she moved back to Mauritius where she worked in the insurance sector as an IT / HR / Admin Manager. She is now responsible for BlueLife's IT infrastructure, software and support. She also heads up the Group's HR function and its office management.

05
NICOLAS REY
Asset & Operations Manager

Nicolas holds a BCom (double major in accounting and finance) from Curtin University in Australia and qualified with the Association of Chartered Certified Accountants (ACCA) in 2014. He started his career at Ernst & Young in the audit department before moving into the offshore sector in Mauritius. Nicolas joined Bluelife Limited in 2013 as a financial analyst, then as a Financial Controller. Nicolas has recently moved to Azuri where he is notably responsible for the managements of Azuri Services Ltd, a company that offers property management services to the homeowners from contracting and maintenance services to lifestyle and events services.

06
NICOLAS DE ROSNAY
Head of construction

BlueLife Limited welcomed Nicolas De Rosnay as the new Head of Construction in February 2019. Nicolas obtained his Baccalaureate from the lycée Labourdonnais and holds an MSc in civil engineering from the École Supérieure d'Ingénieurs des Travaux de la Construction (ESITC) in Caen, France, as well as an MSc in construction management from Reading University in the UK. His career of 15 years in the construction industry evolved between different operational and executive functions. Only working for the best names of the industry, Nicolas was also Cogir's Executive Director for three years before the company's merger with BCE.

ORGANISATIONAL CHART &
STATEMENT OF ACCOUNTABILITY

ACTING CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR
HUGUES LAGESSE

CHIEF FINANCE OFFICER & EXECUTIVE DIRECTOR
Michele Anne Espitalier Noel

HEAD OF CONSTRUCTION
Nicolas de Rosnay

HR & IT MANAGER
Isabelle Jacques

ASSET & OPERATIONS MANAGER
Nicolas Rey

AZURI ESTATE MANAGER
Guy Regis Franchette

#3
Shaping our future

SETTING THE SCENE

DEDICATED TO SHAPING A SMARTER URBAN FUTURE.

Azuri Ocean & Golf Village pursues its journey to deliver a more resource-efficient life, that will captivate residents and visitors for generations, where businesses, community life and a sustainable mindset are intertwined, to a common and paramount goal, that is to ensure that our people feel well, safe and happy.

At a time when many of the world's great cities are facing chronic environmental and health problems, we need inspirational examples showing what cities can do to deal with them. This is where we come into play. Our revolutionary destination experience emerged 6 years ago in the Northern part of the island of Mauritius, along the Roches Noires lagoon coastline. Azuri Ocean & Golf Village has metamorphosed today into a vibrant community. This vibrant village, which unifies golf and ocean, is defining what it means to live simply and truly in a progressive, multicultural urban beachside destination. Encompassing 200 acres, Azuri has the means to become, in the years to come, a modern beachside mecca for wellbeing, innovation, and community life.

Contemporary smart cities have mirrored the sustainable development agenda by embracing an ecological modernisation approach to urban development. There is a strong focus on stimulating economic activity and environmental protection with insufficient emphasis on social equity and the human experience. As an organisation dedicated to shaping a better future, by designing the lifestyle patterns of tomorrow, we believe that if we want to improve the quality of life of our people, we have to stop seeing it as an afterthought.

We have embarked on an exploration of how the pursuit of greater health and well-being has stretched smart city activities beyond technological innovation and economic development to directly impacting resident lifestyles and becoming more socially relevant. Well-being is the experience of health, happiness and prosperity. It includes having good mental health, high life satisfaction, a sense of meaning or purpose, and ability to manage stress. More generally, well-being is just feeling well.

In more recent times, the link between health and the urban environment has taken on a renewed light due to the actual COVID pandemic that has demonstrated that cities more than ever will need to review their design and planning to ensure that health protection is at the heart of their development. The process of urban development represents an important opportunity to pursue the social dimensions of city life such as health and well-being.

Today, we face the challenge of 7.5 billion people living on one planet. The speed and scale of urban growth is astonishing. The rise of technology, digital prowess, market savvy consumers and a shift from the rat race to the path to happiness has led to a paradigm shift in the way we humans conceive cities from scratch. As we embark on the journey to pursue our development of a new beachside urban destination, we believe that it is key to align our strategies to those outlined by the Sustainable Development Goals (SDG).

A health-specific goal (Goal 3) is included in the current proposed SDG framework, and indeed such a goal is essential. Moreover, an increased focus on the SDGs throughout our development cycle, should be embedded in our process framework, and particularly in the context of urban dynamics. This will be to the benefit of sustainable development and of people in the communities we serve.

Health and well-being: more than just a strategic intent, a real way of life.

Community-led initiatives promote alternative approaches to health and well-being that tend to take a more holistic approach than conventional healthcare. We will achieve this through identifying priorities in the forthcoming planning and strategic thinking such as:

- **To craft lifestyles that reconcile high levels of individual and community well-being with low levels of material consumption by promoting:** residential design and public spaces based on increased levels of social interaction, including playgrounds and recreational facilities in settlement design, participation in collective activities and services (such as maintenance of collective spaces, resource consumption and horticulture), holding social events, rituals and ceremonies, work parties, communal meals, decision-making based on consensus and/or consent, social democracy and equality, and the existence of shared spaces such as community centres and public gathering halls.
- **To use holistic strategies for living close to nature.** Evidence suggests this can help increase well-being (reduced mental stress and longer life expectancy) as well as decrease air pollution and help alleviate noise. We will seek to enhance methods within the community development, sustainability and regeneration projects in order to promote increased individual and community well-being through healthy lifestyles, social cohesion (including meaningful and trustworthy relationships) and environmental health.
- **To design a more efficient and virtuous urban development by the sea, dedicated to improving environmental quality and increased health.** The goal is to forge sustainable pathways that create a city that is energy and resource-efficient and increasingly reliant on renewable energies. Simultaneously, land, water and energy will be managed in harmony with the natural surroundings; consumed resources are replenished by recycling and reusing waste.
- **To promote active lifestyle as the cornerstone of well-being, seamlessly integrating physical activity into daily routines.** An increasing number of citizens seek healthy features in the city that they choose to live in. With this in mind, our smart city provides plenty of opportunities for people to remain active through a smart urban design: bicycling (with a bicycle sharing station), walking in the park or using any recreational facilities will help people get most of the physical activity required to remain in good health. In addition to the health benefits, it is the least polluting and most reliable mode of transportation. With sidewalks and paths designated for bicycles, citizens have easy and safe access to nature and green spaces. Proximity and privileged access to the island's coastlines also allow for enjoyable trails and hikes.
- **To encourage walking and cycling, community cafés and food growing projects that help enable healthy diets;** operating Wellness and Care Farms and similar outdoor projects that create environments and activities conducive to mental and physical health. When urban mobility systems work — cleanly, collaboratively, efficiently — the entire city benefits as a result. Smart transportation is one of the main ways smart cities are improving the daily lives of citizens and improving sustainability.
- **To create a metropolitan center in which fully digitalised communication and connectivity systems are integrated, new and effective ways to coordinate mobility, social relationships and improve health and well-being.** A territory that intelligently reinvents itself by putting in place all the tools that allow citizens to be more involved in the administration of the territory, through social networks, applications, forums or other messaging services, citizens create, use and manage data at their own level.
- **To stimulate economic growth.** Our city will be people rich, culture rich, entertainment rich, in order to attract open-minded and astute individuals. These are some of the initiatives that are already under discussion for our future development: a health hub, an Agritech project, and educational node, a series of activities that aim to focus on the unique diversity of our land, amongst others.

We believe in promoting the essential role of the city as a human habitat.

The way urban settlements are planned, designed, developed and managed affect human health, well-being, safety, security and opportunity developments.

In every design intent, creative concept, innovative partnership we undertake, we must always make sure it ticks the box of: will it make our city more livable, by safeguarding human health and well-being?

HUMAN RESOURCES

Human capital is very often that asset which is not shown on the company's balance sheet but without which the value of other assets cannot be unlocked. We believe that our employees are the most important resource for value creation; we endeavour to bring together people with various backgrounds and experiences, and through strong corporate culture encourage them to mutually support and challenge each other to achieve excellence.

Our employees and executives have proven to be a key asset in the advent of the Covid-19.

Covid-19 impact on HR

The dramatic spread of COVID-19 has disrupted lives, livelihoods and businesses. Government in affected countries including Mauritius, have imposed, as emergency safety measures, curfews, travel bans, quarantine and border controls. This has severely affected our operations in our hotels first but also in all our operations.

BlueLife HR teams have been pro-active in organising timely the following:

- Readiness to work from home for non-essential services,
- Work permits for essential workers,
- Termination of casual contracts, leaves without pay, salary cuts,
- Safety measures in place in our offices and in the Azuri Estate at large.

On the day the lockdown was announced, BlueLife had already put in place immediate control measures with staff working from home. However, some of our dedicated staff from Azuri Estate Management Ltd and Ocean Edge Property Management Services Ltd volunteered to live at Azuri Ocean and Golf village as from March 20th and throughout the confinement, which allowed them to ensure continuity of essential services to residents with round-the-clock security, maintenance and gardening assistance for those staying in the village. An initiative which has brought a lot of gratitude from Azuri residents.

We are very grateful for the dedication of our staff who have re-adjusted their lives and ways of working to cope with the complicated issues caused by the pandemic.

Shortly after the end of the lockdown, our head office moved from Forbach to Azuri. This move has enabled us to strengthen the ties between the head office and operational staff at Azuri and has brought the team closer. We have also extended our work from home policy to allow more flexibility to staff, reduce transport costs and have a lesser impact on the environment.

Leavers and newcomers

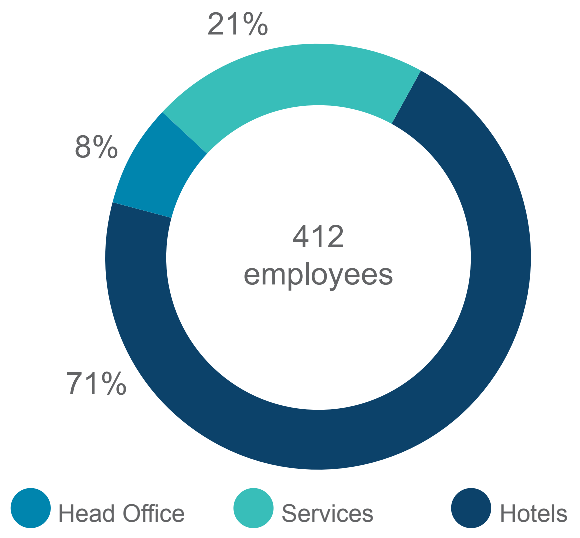
The major changes that arose since our last report are as follows:

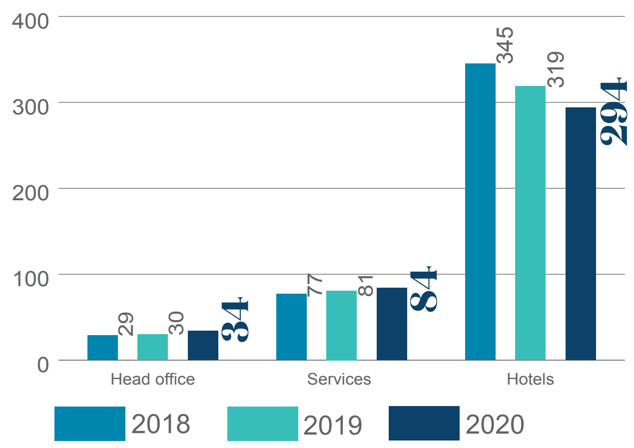
After nearly 5 years as Chief Executive Officer of BlueLife, Mrs Christine Marot left in April 2020 to take on new challenges within the IBL Group as Group Head of Technology and Sustainability. She was replaced by Mr Jean-Francois de Comarmond who stepped down on 17 July 2020, further to a mutual agreement with the Board. Mr Hugues Lagesse, the Head of Projects and Strategic Property Development, has been appointed as Acting CEO.

Mrs Yudhishi Ragoonanan joined the Company in March 2020 as Finance Manager – Corporate & Accounting to lead the accounting department replacing Mrs Christelle Tonta who left the Company after 7 years of service to take on new personal challenges. Mrs Ragoonanan was internally promoted as she was the Finance Manager of Haute Rive Azuri Hotel Ltd in charge of our two hotels.

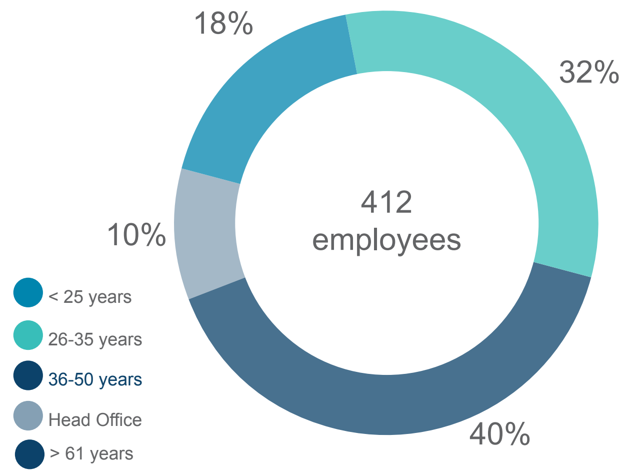
HR at a glance…

NUMBER OF EMPLOYEES 2020 AT JUNE 30, 2020

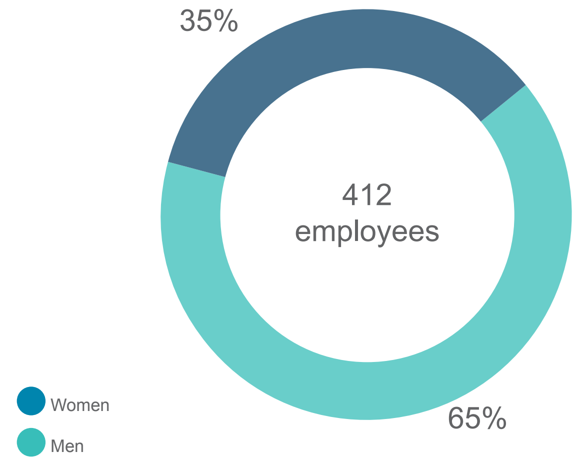




EMPLOYEES PROFILE AGE
NUMBER OF PEOPLE



EMPLOYEE PROFILE GENDER DIVERSITY
NUMBER OF PEOPLE



Female empowerment is an important social issue. Our policy remains that selection should be based on the best person for the role, although we also recognise the benefits to the business of having a gender-diverse workforce. With the departure of a number of women in 2019-2020, the women's gender ratio reduced by 2% as at June 30, 2020 to stand at 35% of our workforce.

Our workforce demographics has not changed a lot from last year with 50% of our staff being less than 35. We value the dynamics of a young workforce in bringing new ideas and perspective.

We are committed to allowing our staff to grow within the group and provide training and mentoring at various levels to promote job and self-satisfaction.

Moving forward, we plan to increase this ratio to 40% by 2023 despite the particular nature of our activities which favours the gender gap: hotels and services employ 7 men out of 10 employees, including management levels.

RISK MANAGEMENT

OUR APPROACH TO RISK

BlueLife faces the risks and uncertainties inherent to the property development sector as well as those associated with the economic situation and the financial world.

The successful management of risk is critical for the Group to deliver its strategic priorities. Whilst the ultimate responsibility for risk management rests with the board, the effective day to day management of risk is integral in the way we do business and the culture of our team. We consider that risk management and mitigation is of collective responsibility within our organisation and we promote the risk awareness culture within the team.

Our risk culture and our management of risks

The conduct of our businesses and activities inherently exposes our organisation to risks. This is why it is essential that the whole organisation is made aware of the risks involved, and of the need to install a proper Risk Management System to identify, monitor, and control risk. We:

- Ensure that the Management Team in all divisions develop a risk awareness culture and that all procedures are in place to identify, assess, report and monitor the major risks in our day-to-day operations.
- Structure the reporting and decision-making processes, adopting collegial decision making with respect to some critical areas.
- Promote increased exchange of relevant information between the various clusters in the Group, particularly with formalised structured meetings where risks can be anticipated at early stages and mitigating actions taken

Setting up and monitoring our risk appetite

Context:

- We are focusing more and more only on Azuri development in the short to medium term;
- We operate only in Mauritius although a major part of our on-going development projects is focussing on attracting foreigners to acquire a property in Azuri;
- We manage our operational risk, in particular with respect to our property development, in tune with market conditions;
- We are always looking to restore low financial risk through conservative financial leverage.

How the Board monitors the Group's principal risks

The Group's principal risks and the processes through which we aim to manage these risks are outlined in the following pages. We favour regular overseeing by the relevant Committees and the board. On-going monitoring of our principal risks and controls by the Board is undertaken by:

- The CEO reporting on the market conditions dashboards, operational parameters and people as appropriate at each of the scheduled Board or Board Committee Meetings;
- The CEO, as Executive Director, communicate with the Board on any significant market and operational matters between Board meetings;
- The CFO reporting on the Group's results, forecasts, cash-flows and gearing ratios;
- The CEO and CFO attending the Audit and Risk Committee to present a comprehensive review of the risk framework and risk management plan once a year and at every meeting a follow up on risks highlighted and actions enforced;
- Senior executives attending, on request, the Audit and Risk Committee and/or the Property Development Committee and/or the Digital and Sustainable Committee as appropriate to discuss specific risks either across the business such as project development risks, construction and health & safety risks etc.;
- Internal auditors attending the Audit and Risk Committee meeting, as appropriate, for comprehensive presentation of the conducted reviews and discuss the earmarked issues as well as agreeing on planning and receiving comfort that the management has taken on board recommendations.

Risk management framework

Risk is managed at various levels in our organisation and our risk framework is being set on the 3 lines of defence approach moving up to the Board of Directors acting as overseeing body. The Board establishes a governance structure as defined in the table below, identifying any desirable changes to the risk culture into the organisation and ensuring that management takes all steps required to address those changes. The framework is illustrated below:

BOARD

- Establish a governance structure (board sub-committees, executives responsibilities and risk management and assurance functions)
- Is ultimately responsible for the risk management framework and overseas its operations by the management
- Sets the risk appetite within which it expects management to operate and approves the risk appetite statement
- Approves the Group's risk management strategy
- Forms a view of the risk culture in the Group and the extent to which that culture supports the ability of the Group to operate consistently within its risk appetite, identifies any desirable changes to risk culture and ensures the Group takes steps to address those changes

AUDIT & RISK COMMITEE

1ST LINE OF DEFENCE RISK OWNERS

BUSINESS MANAGEMENT

Implementation, ongoing maintenance and enhancement of the risk management framework, including:

- identification and effective management / mitigation of risks; and
- issues identification, recording, escalation and management.

Include executives and management committees (Property Development Committee and Digital & Sustainability).

2ND LINE OF DEFENCE RISK OWNERS

RISK MANAGEMENT AND COMPLIANCE FUNCTIONS

Independant oversight of the risk profile and risk management framework, including:

- effective challenge to activities and decisions that materially affect the Group's risk profile;
- assistance in developing, maintaining and enhancing the risk management framework;
- independent reporting lines to appropriately escalate issues.

3RD LINE OF DEFENCE RISK OWNERS

INTERNAL AUDIT FUNCTION / OTHER ASSURANCE PROVIDERS

At least annually, independent assurance that the risk management framework has been complied with and is operating effectively.

At least every three years, a comprehensive review of the appropriateness, effectiveness and adequacy of the risk management framework.

BUSINESS RISKS

RISK MANAGEMENT

Our focus during the year

Promoting the selling of residential properties in Azuri. One of our strategic priorities during the previous financial year was to achieve pre-sales (*Contrat de Réservation Préliminaire*) on our new development program of 88 residences and a 9 holes golf course named Rive Droite. The Covid-19 outbreak rendered this objective rather complex to achieve. Although we continue to receive leads, thanks to our marketing strategy and actions, significant efforts in the digital marketing and dedicated sales team, the inability of our prospects to travel to Mauritius is further delaying the signature of reservation agreements. The current challenging market conditions have led us to review all aspects of our development in Azuri: we have worked on a Smart City certification and will shortly come to the market with a number of residential offerings for the local market.

Promote sale of earmarked assets for cash generation. Sale of earmarked assets being key to the ungearing of the group, we have pursued the process of disinvestment with assets sold in 2020 with the sale of properties in Circle Square, Forbach and Harbour Front, Port Louis while others should be sold in the coming financial year;

Covid-19 protocols in offices and in Azuri. BLL believes in providing and maintaining a safe and healthy work environment for all its employees. The Group through its established policies encourages the enhancement of safety and health standards in the workplace. We were swift in putting in place control measures and procedures following the Covid 19 pandemic.

Immediate measures were put in place on day 1 of the confinement as per below:

- All staff worked from home except a skeleton team at Azuri to ensure continuity of essential services with work permits
- Procedures were put in place for strict measures for staff working on site.
- Procedures were put in place to protect Azuri residents
- Procedures were put in place in the case of a Covid 19 case was discovered on Azuri site or among BLL staff

After the confinement we maintained and managed a number of measures and protocols to protect the Azuri residents and our staff:

- Work resumed on site for all Azuri based employees with measures as per government guidelines and strict sanitary procedures
- A work from home policy has been put in place and is encouraged for office based staff, allowing a rotation of staff in the office at all times
- Procedures are in place at Azuri gate, in public areas and in the offices to ensure sanitary protocols are followed.

Continuous assessment and management of the financial impact of Covid-19 outbreak in our businesses. Managing the threats posed by a pandemic is critical for business survival, more so that we operate in the property and hotel segments, heavily hit by the Covid-19 pandemic. Govern is to anticipate and we can all agree it is a very difficult task in the current situation.

Since the occurrence of the pandemic, we have, at first, managed its immediate impacts on our daily operations (urgent measures for the hotels' closure, for the continuity of essential services, on-site or work-from-home staffing arrangement, health and safety measures for employees and Azuri residents).

We were rapidly urged to tackle the financial side of the threat: our Company was already facing cash flow issues; it was critical to ensure the working capital required to continue our activities: we negotiated with lenders for immediate deferral payment for loans and interests, we applied for the available support programmes offered by the Authorities (wage assistance schemes, support programmes and funding options), we entered in cost cutting exercise with amongst other measures head office relocation, we prompted new project developments permitting a quicker cash pay-back.

Budget and cash flow projections were and are regularly adjusted to adapt to the situation and remain the constant focus of the management. The unpredictable recovery for the tourism sector renders the budgeting for our hotel segment relatively complex and uncertain, the inability of buyers to visit Mauritius and confirm their buying decision of residential units may cause further delay to the construction programmes, reducing revenue and profits. Looking ahead, we need to be prepared for and prepare the New Normal, whatever unpredictable could be this new normal today.

Implementation under Real Estate Agent Authority Bill and Financial Intelligence Anti-Money Laundering Act. The object of this Bill is to provide for the establishment of the Real Estate Agent Authority in order to regulate and control the business activities of real estate agents, including real estate agency related activities of land promoters and property developers. Additionally the Financial Intelligence Unit developed a comprehensive risk base supervisory framework to supervise the sector. Property developers will need to identify, assess and report money laundering and terrorism financing

Thus, BlueLife Limited, as Land Promoter / Property Developers / Agent in Land or Building, was required to take such measures that are necessary to ensure that our services are not being misused to commit a money laundering or financing of terrorism offence (Section 3(2) of FIAMLA). These measures are to be executed through three stages: Risk Assessment, Risk Mitigation, and Risk Monitoring.

Since the implementation of the Bill, BlueLife Limited has appointed an MLRO (Money Laundering Reporting Officer) and registered the Company as a 'Reporting Entity' with the FIU (Financial Intelligence Unit), which will allow us to report and file an STR (Suspicious Transaction Report) with the FIU should we have any doubt on a transaction or client.

Our policies and procedures are currently being prepared in line with the "Guidelines on the measures for the prevention of money laundering and countering the financing of terrorism for the real estate sector" issued pursuant to Section 10(2)(ba) of the Financial Intelligence and Anti Money Laundering Act 2002.

RISK MANAGEMENT

How we manage risk

Risks relating to Residential development & Sales as the potential events or conditions that result in the failure to meet a sales objective or goal.

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Competition Competition is a risk at the business opportunity, account and product levels. We face competition from other residential development projects (locally & abroad)	• Any oversupply of residential development in the same market segment may adversely affect our sales program, price targets and sales revenue. • The development of the resale market with an increased inventory has generated new competition. • Discounted prices and special offers as a consequence of reduced demand in a Covid-19 current situation	HIGH	↑	→	• Ensuring a robust development project screening process is in place • Adopting competitive pricing strategies • Ensuring the permanent adequacy of our offerings to customers' needs. • Favour the proper diversification of the Group's activities by having a blend of property, office and retail development. • Ensuring that there is inventory of completed projects at all time
Macro-Economic An economic downturn or recession that results in customers freezing new spending. Financial market turmoil leading to continued low occupier demand and pricing correction.	• Political changes in local or key markets • Competition from other markets on the residential segment (For example: Portugal, Spain, Malta, Cyprus Italy, etc…) • Travel ban / quarantine as a result of the Covid-19 outbreak reduce the ability of Buyers to visit our properties. • Change in regulations in respect of pricing minimums causing a shift in demand	HIGH	↑	↑	• Build attractive residences on prime sites to enhance demand • Look at new markets [Africa, Far East] • Favour agility in our product offerings at various pricing levels.
Customer Needs **Conception issue** Shifting customer needs and perceptions so that developed projects are out of market price ranges or do not match to market demand. This would result in less demand for our products.	• Time lag in achieving break even sales upon launching of project • Negative comments from the market on concept and design • Oversized compared to market demand	HIGH	↑	↑	• Implement a Project Development Committee to centralise all ideas, opportunities and concepts for new projects development, to think ahead, communicate and evaluate portfolio of projects • Review, confirm maximum input received from market researcher • Sales team brought at early stage of design to ensure product and pricing in line with market • Ensure a robust development project screening process in place • Ensure the permanent adequacy of our offerings to customers' needs. • Test the market of end-users before entering into the commitment to actual starting of construction of a project while ensuring a certain rate of pre-letting or pre-selling before starting construction. • Launch smaller phases in order to promote agility and product adjustment for increased market alignment
Sales Channels Sales channels not properly defined Representatives in the various channels not managed efficiently Conflicts with representatives in the sales channels. Example : sales channel representatives consider promoter's sales team as a competitor or is not satisfied with commissioning structure The best local sales channels representatives working on exclusivity with competing promoters	• Reduction in leads registered through a specific sales channel	MEDIUM	→	→	• Research new channels for qualifying lead generation • Implement digital marketing strategy to obtain direct lead generation • Implement CRM to collect and store market information in order to constitute a client database favouring B2C business • Improve the sales efficiency by formal lessons-learned at the end of each project
Lead Qualification **Negotiation** **Objection Handling** Poor handling of leads with failure to establish at early stages whether the sales leads qualifies with respect to the particular product and has ability to convert into sale. For example: leads which do not actually have financial ability to purchase the property. This includes clients who do not have the budget, ability to transfer the money as a result of exchange control in their country of origin, doubtful source of funds, etc..... A negotiation that fails to lead to closing a deal. For example: misreading customer motivation, poor objection handling resulting in failure to close the deal, etc....	• Delay in converting leads • Delay in signing Contrats de Reservation Préliminaire (CRPs) • Delay in funding deposit or calls of funds	MEDIUM	↓	→	• Review marketing strategies / targeted market segment / Engage further markets • Increase marketing activity and sales initiatives • Appoint additional sales force • Pursue [pre-let/pre-sale] & [tenant/buyer] demand driven development projects • Review the outcome from the commercialisation phase regularly • Increase incentives, reduce prices • Develop agility in order to set alternative plans

RISK MANAGEMENT

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Resources Losing top performing sales team members to a competitor who then attract your customers to competing products. An unpopular incentive plan that causes several top performers to leave your sales team. Lack of qualified sales team members	• No proper sales team in place at a critical selling point in project cycle • Recruitment unsuccessful with candidates refusing our employment proposals • Underperforming sales team	MEDIUM	→	→	• Succession planning and staff retention plans introduced across the group • Offering market-related salaries and benefits (commissions scheme clear and fair) • Keep database of interesting CVs & contacts

The current risk in respect of residential sales is on the high side since we are in an off-plan sales phase. All built units have been sold and the high risk is attributable to the need of reaching sales levels which allow the launching of the various Azuri residential components. At this stage, we rely largely on the ability of design and concepts to be attractive, the right range and pricing of products as well as performing sales team and channels. Property is amongst the hardest hit sector as a significant portion of our clientele is not able to travel and conclude their buying in Mauritius. This could further delay our PDS type products. We are working on increasing our product offerings to the local market.

Risks Relating to Sales in our Hospitality segment regarding the potential events or conditions that result in the failure to meet a sales objective or goal.

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Pandemic Diseases - Natural catastrophes Epidemics, viral outbreaks and natural catastrophes could have an adverse effect on our business, financial condition and results of operations. Public perception about the safety of travel and adverse publicity related to tourists, such as incidents of viral illnesses or other contagious diseases, may impact international tourism vacations and result in cancellations.	• Pandemic outbreak in our main source markets • Travel ban, closure of borders, quarantine measures	NEW HIGH	↑	↑	• Procedures in place for crisis management in case of incident • Ensure that all staff conversant with procedures in case of hazardous situations • Establish communication protocols which favour recovery after hazardous situations • Keep communication lines with TOs to facilitate the re-selling of rooms as soon as possible • Design new attractive accommodation offerings for local market
New ways of travelling and booking A decline in the traditional feeder channels with increased direct bookings The change in travelling habits with democratisation of the hospitality industry and increased demand for self-catering residential units such as AirBnB	• Declining booking from traditional tour operators and other booking agents • Increased number of tourists' arrivals with reduction in market share • Preference for pandemic-free destinations	HIGH	↑	↑	• Avoid over-reliance on business providers • Monitor market evolution and plan change in offering to tap into new market trends
Macro-Economic A decline in the attractiveness of Mauritius to international visitors, a depressed Hospitality Industry, increased cost of air tickets reduced air access which result in a reduction in tourists arrival and a shift in demand to hotels operating in other segments or for other types of residential offerings (3* / going to bungalows would have a material adverse effect on our hotel revenue levels.)	• Declining bookings and reduction in business on the book figures for previous comparative periods with pressure on prices.	MEDIUM	→	→	• Pricing strategy aligned on market demand • Develop strong relationship with TOs • Tackle various markets to position our hotel offers
Reputation Reputational risks such as a hotel that receives bad publicity due to a guest service incident. With reviews on the internet becoming the norm for rating guests' satisfaction, the high impact of trusted guests' reviews can rapidly and significantly affect the bookings	• Declining reviews, rankings and bookings. • Bad press	MEDIUM	→	→	• Reputation management at 2 levels - Understanding what's said about the hotels online - Actively working on improving the hotel's reputation • Social media monitoring to quickly address negative reviews and encourage happy guests to write positive reviews • Keep and test a Crisis Management procedure

The outbreak of the virus disrupted supply chains, closed hotels and resulted in quarantines across the globe. In Mauritius the country's borders remained closed for tourist's arrivals from 16 March to 1 October 2020 resulting in the total absence of tourists. Since re-opening with a forced 15 days quarantine, tourists do not yet rush at our borders. Tourism was one of the first sectors to be deeply impacted by the pandemic, the sector also risks being among one of the last to recover, with the ongoing travel restrictions and the looming global recession. The outlook for recovery is extraordinarily uncertain, as the coronavirus (COVID-19) pandemic continues to heavily hit the sector.

RISK MANAGEMENT

Risks Relating to Earnings/Profits in respect of the potential events or conditions that result in the failure to meet revenue objectives, to generate cash flows to support operating, investing and financing needs of the organisation

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Budget and cash flow forecasts The budget should provide an accurate forecast of anticipated revenues and a roadmap for appropriate spending. Budgets in cyclical industries lead to difficulties in establishing revenue targets while expenses must be as precise as possible to ensure that cash needs are fulfilled	• Variances between Budget and Actual figures • Unpredictable recovery for the tourism sector renders the budgeting for our hotel segment relatively complex and uncertain • Inability of buyers to visit Mauritius and confirm their buying decision of residential units may cause further delay to the construction programmes, reducing revenue and profits	HIGH	↑	↑	• Efficient budget control procedures to ensure monthly monitoring of realised vs budget as well as rolling budgets and business plans • Close monitoring of budgets and focus on room pricing for our hospitality segment and costs savings • Local sales team more dynamic towards yield management • Operating and financial costs control and savings strategies implemented
Low inventory and low market offering of residential projects Low inventory and lack of residential projects lead to the reduced funds to ensure funding of working capital as well as no contribution to Group Results (profit on development in 2016 & 2017 had been on the high side with drop in 2018 and barely no revenue in 2019)	• Low inventory of completed low • Long lead time in bringing residential projects to market	HIGH	→	→	• Reduce lead time to develop new projects without compromising on milestones procedures to ensure that risks are contained • Ensure full adequacy to market demand • Optimise phasing of projects to promote flexibility in product adjustments/ customisation as well as possibility of launching construction of individual project components. • Construction of demo unit to test design and quality as well as tool to promote sales
Exchange Rate Risk The value of foreign sales can decline due to exchange rate fluctuations. Such fluctuations can also affect the competitiveness of products on foreign markets.	• Significant currency fluctuations in major currencies	HIGH	↑	↑	• Develop markets which rely on different base currencies for sale of properties, hotel operations and for sourcing of materials
Unexpected increases in material costs during construction Management of variation orders in projects Construction cost is a key factor in property development and is more critical for projects sold off plans with sales price already fixed. Any increase in construction cost when construction start several months after sales will affect profitability. In addition, the mismanagement of variation orders may lead to significant increase in cost, delay in the delivery and dispute with clients	• Increase in world price of fuel and key construction products • Increase in labour cost	HIGH	↑	↑	• Favour a detailed design - Built methodology to ensure costing are made on detailed designs • Treat the general contractor as a trusted adviser or partner, leverage to ensure proper costing at start • Use controlled pricing mechanisms when entering into construction contracts • Ensure a Construction Change Order process is in place from Day 1 of the construction • For Buyers initiated Change Orders, ensure proper costing, approval prior to give orders
Accounts Receivable **Owners, Tenants and clients payment default** Difficulty in collecting revenue may impact the Group revenue and lead to losses	• Tenants' insolvency/bankruptcy • Growing defaulting tenants in paying of rent and other charges due	HIGH	↑	→	• Credit control to assess and regularly monitor tenants' risk profile and engagement • Systematic risk assessment profile of tenants' prior lease agreement signature • Owners'/Tenants' arrears closely monitored and termination of non-performing tenants' leases • Credit control measures to curb bad debt

Attempt to forecast the likely impact of the pandemic on the earnings of our hotel segment is a rather complex exercise. For the property segment, although the Earnings/Profits Risks relates to unexpected increases in cost or managing change orders during construction are currently reduced, they will raise again at the time of our forthcoming development will be on ground.

Risks Relating to Financing & Investing in respect of the potential that operating losses and cash shortages can result in our inability to finance, service and invest and ultimately to our insolvency

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Exceeded facilities limits **Cash flow shortages** The risk that the company's available cash will not be sufficient will impact the ability to make full and timely payments. There is a need for operating capital to keep the company in business and to avoid disruption of operations. It is also essential that the company meets its financial obligations to avoid any case of insolvency and bankruptcy.	• Unavailability of cash to fund the business and meet our obligations • OD limits reached • Reduction in revenues – Increasing Accounts Receivable • Increasing Accounts Payable	HIGH	↑	↑	• Maintaining a sufficiently large liquidity buffer • Manage cash position and available funding headroom • Work on immediate solutions to raise cash particularly through the sale of assets • Increase revenue and cut off expenses
Debt servicing & debt covenants The bank facilities are subject to some restrictions and covenants that may limit our flexibility in business operations.	• Limitation in our ability to access, engage into transactions or projects • Deterioration of the covenant ratios • Financial institutions exposure to real estate or to the majority shareholder's group, limiting lending capacity of some institutions	HIGH	↑	↑	• Maintaining conservative loan to value ratios • Manage cash position and available funding headroom • Diversification of funding providers • Spread the maturity profile of debt evenly • Maintain a sufficiently large liquidity buffer • Regular liquidity stress testing and scenario analysis • Maintain adequate contingency funding plans

The sale of assets performed in 2019 and in 2020 have been used essentially towards the reduction of the Group's indebtedness as well as working capital needs. Further reduction of gearing is planned through realisation of some Group assets. Managing the threats posed by the Covid-19 pandemic is critical for our hotels' survival and imposed to negotiate with our lenders for moratoriums and deferrals as well as to envisage and apply for all support options as proposed by the Authorities.

RISK MANAGEMENT

Risks Relating to Project Development and Construction as the potential for a project to fail. More broadly, it is the potential for a project to cause business losses.

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Planning & permits Failure to gain viable planning consents A longer than expect delay in obtaining permits	• Failure or delay to gain relevant permits or application rejected	HIGH	→	→	• Keep abreast with changes in legislation in relation to planning and development • Select competent professionals to ensure that all planning guidelines are followed in project development • Submit complete files to relevant authorities in order to avoid delays which are linked to incomplete files • Early engagement with planning authorities to ease the process as well as nurturing of strong ongoing relationships throughout the process
Reliable business partners Professionals, contractors & sub-contractors as well as service providers are partners on which success of a project relies. Unless due care is applied in their selection there is a risk that a project does not progress smoothly and it may lead to delays, budgeting errors, cost overruns and resulting shortfall in benefit.	• Contractual terms not in our favour • Unavailability of Grade A contractors oblige to appoint Grade B • Default of main or key Sub-contractors during construction stage • Insolvency	HIGH	→	→	• Establish the criteria and process to shortlist reliable contractors, sub-contractors, suppliers and service providers. Selection criteria to include but not limited to financial stability, capacity and references from previous employers. • Establish and monitor a database of contractors, sub-contractors, suppliers and service providers • Due diligence undertaken of the financial stability of main contractors and material sub-contractors prior to awarding of contracts • Ensure that selection of contractors, sub-contractors, suppliers and service providers is undertaken by a panel/committee • Keep abreast of capacity and availability of the key players on the market (industry forum, newspapers, etc…)
Project Estimates **Budget** **Commercial Appraisal** Projections of costs, task completion schedule and resource needed for a project are the basis for plans, decisions and schedules and their accuracy is critical. Inaccuracy of assumptions and estimates built into a budget results in budget control issues such as cost overruns.	• Inability to sign contracts at terms and prices used for estimates • Additional unseen costs to projects	HIGH	→	→	• Ensure the designs are detailed enough for proper estimates • Make necessary provision in the Commercial Appraisals for costs subject to increases • Use experience to assess risks of increases and refine Commercial Appraisal modelling accordingly • Add this point in the checklist and agenda of the Project Development Committee • Rigorous Progress and PM meetings to ensure the construction costs are contained.
Poorly written contracts Contracts or guarantees not properly drafted may lead to disputes and losses	• Disputes arising with resolution process not properly included in contracts • Losses incurred due to non-recoverable costs as per contracts • Guarantees not being honoured due to unclear clauses	MEDIUM	→	→	• Proper process in place for vetting of contracts by lawyers • Set of standard clauses to be established for various contract types for applicable legislation, termination and arbitration clauses, controlled pricing mechanisms, etc…
Regulations Failure to comply to laws and regulations can result in significant costs and penalties. Compliance to laws and regulation must be ensured at all times. Changes in laws and regulations must be monitored and impact assessed on past and future projects. Failures may lead to costs being incurred for of changing the product, revocation of licence or Stop Orders / suspension of operations	• Health and safety or environmental issues found by authorities on a project • Being made aware of failures to comply with the law/regulations through Criminal / Civil prosecution	MEDIUM	→	→	• Assess, on a regular basis, the legal and regulatory framework in relation to the industry • Keep abreast with changes in the legal framework though relationships with other industry players (forum, formal or informal meetings) • Establish internal procedures and controls to comply with prevalent legislations
Architecture & Technical Designs While a proper project brief is required, architects, engineers and other professionals must provide quality and detailed designs to ensure that construction is feasible, efficient and up to expected client standards. Poor design may manifest itself as functional defects or hurdles to development that impede project progress.	• Brief not delivered in time at project inception • Architects, engineers and other professionals producing design not in line with the brief • Initial cost plans not in line with usual construction prices and ratios	LOW	→	↓	• Project brief clearly setting the required product and standards • Meticulous selection of professionals • Internal Project Review Committee, including executives from operations departments, review concept and detailed plans to reduce possible issues • Clear framework checklist to ensure steps followed • Review of projects by Project Development Committee constituted

At the current stage of development of Rive Droite and other new offers, where the sales are carried out at off plans per set designs, there is a risk linked to the alignment of the product to the market and potential need to review the product in case of slow sales process. In addition, while contracts must still be negotiated with contractors/suppliers and selling prices are fixed based on cost plans, there is a risk of construction costs increasing beyond contingencies. Those two risks associated with property development could impact our capacity to meet targets in terms of sales, breakeven, start of construction and our ability to generate cash for our businesses and profits for our shareholders

RISK MANAGEMENT

Risks Relating to Assets in respect of the potential for loss, damage or destruction of an asset (people, property and information) as a result of a threat exploiting a vulnerability, intentionally or accidentally.

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Business disruption and systems failures Inability to be back in operations in the event of unexpected disruptions and disasters as well as loss of critical management information and delays in billing and collection of revenues	• Natural disaster impacting our sites, buildings and operations • Theft, destruction of information and breaching the system security like hacking • Server breakdown • Lockdowns, staff absenteeism	MEDIUM	→	↑	• Cloud based solutions hosted by reliable service providers for key databases and mails • Daily backups of information • Virtualised server environment • Guaranteed uptime in terms of service level agreements • Insurance cover • Contingency and recovery plans for core services, key systems and priority business processes have been developed and are revisited as part of existing management processes to ensure that continuity strategies and plans remain relevant • Protocol for WFH for business continuity / Key staff available for essential services
Internal fraud Acts of fraud committed internally against the interests of the company. Losses can result from intent to defraud, tax non-compliance, misappropriation of assets, forgery, bribes, deliberate mismarking of positions and theft.	• Whistle blowing with respect to unethical behaviours by employees involved in bribery, misrepresentation, side businesses, etc… • Internal or external audits detecting fraud • Internal dysfunctional behaviours of employees such as, withholding information, under delivering and overpromising, misrepresenting results, use of company data for personal use, etc.	MEDIUM	↑	→	• Establish a Group's Code of Ethics and ensure all employees from top to bottom levels are made aware of the corporate culture • Ensure the strict adherence to the Code of Ethics embracing the Group's values, ethical considerations and principles • Create procurement norms and rules and ensure controls are in place and signatories of authority established
Reputation damage Reputation being one of the company's biggest assets, it must be preserved in order to maintain confidence of the stakeholders and general public in the company.	• Bad press • Negative campaigns in social media • Compliance and Health & Safety issues • Declining reviews, rankings and bookings in the hospitality cluster	MEDIUM	→	→	• Behave in an ethical and fair manner with all stakeholders • Observe high standards • Reputation management at 2 levels - Understanding what's said about the hotels online - Actively working on improving the hotel's reputation • Social media monitoring to quickly address negative reviews and encourage happy guests to write positive reviews • Develop strong relationship and permanent communication lines • Keep and test a Communication Crisis Management procedure with support of PR agency
Insurance The insurance cover might not be adequate resulting in net replacement cost in case of breakdown or destruction of assets.	• Losses suffered as a result of events due to absence of or inadequacy of insurance cover	MEDIUM	↓	→	• Ensure that insurance policies cover both our assets, employees and loss of revenue, as far as possible • Permanent control of policy specifications and insured limits • Undertake annual detailed and full review of risks and insurance cover to adjust policies and sums insured accordingly
People resource Risk of losing key skills in case of employee resignation will impact the smooth running of operations and could lead to reduction in results	• Resignation of Employees • Difficulty in recruiting new talents	MEDIUM	↓	→	• Succession planning and staff retention plans introduced across the group • Offering market-related salaries and benefits • Keep database of interesting CVs & contacts
Damage to physical asset Losses could be incurred upon damages caused to physical assets as a result of natural disasters or other events like terrorism and vandalism. Property including critical infrastructure could also be damaged due to lack of assets' supervision & maintenance, leading to business interruptions, financial loss etc..	• Deterioration in the buildings quality as a result of incidents or due to construction defects	LOW	↓	→	• Maintain an up-to-date list of all equipment, including serial numbers and cost. This should also be duplicated and backed up, as it will prove very useful if it becomes necessary to make an insurance claim. • Regular monitoring and adequate insurance cover • CCTV cameras monitoring and security protocols implemented • Regular interaction between owners and facilities managers with tenants • Regular site visits and inspection • Maintenance contracts with service providers on expiry of guarantee period • Backup plans for utilities and engagement with local authorities

As a property developer, we own a certain number of physical assets and we need to ensure that they are properly built and maintained. Any damages or deterioration will lead to business interruptions, operating losses and impairment of the assets' value. Access as well as readiness of information and data are key for the running of operations and we have enforced security and backup procedures. Our people are a key asset and we permanently invest in the training of our staff, in the recognition of their individual and collective talents, ensuring to develop a safe, pleasant and inspiring work environment.

RISK MANAGEMENT

Risks relating to Health & Safety in respect of potential that our business activities will have a negative effect on human health or wellbeing.

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Emergence of pandemic diseases Extensive outbreaks, such as Covid-19, can disrupt significantly your workforce and your operations, with increased panic and distresses, higher absenteeism, delaying orderly return to normal operations	• Notification and enforcement confinement by the Authorities • Infected workplace and /or workers	NEW HIGH	↑	↑	• Ensuring compliance with all legal requirements and measures enacted by the Authorities • Providing staff with training and equipment to work safely • Staffing arrangements may include telecommuting (working remotely from the workplace) • Equipment, technology and technical support need to be in place and in working order.
Unguarded machinery & Use of equipment **Working at heights** Unguarded machinery can cause serious injuries from serious cuts, crushing of limbs, fractures and amputations. Machinery not locked out that starts up unexpectedly, especially during clean up or maintenance, can cause serious injuries. If not properly secured employees could fall upon working on heights for maintenance or other interventions. Falling could lead to serious injuries, incapacity or death.	• Accident / Fatal Accident on Site • Injuries	HIGH	→	→	• Occupational health and safety regulations • Set up safe work procedures on how work is to be carried out safely. • Ensure that workers receive H&S education, training and adequate supervision. • Set aside time for regular workplace safety inspections. • Incident investigations to ensure that the same incident will not happen again.
Security / injury In the Azuri village, risk of safety, minor, serious, or fatal injuries on site, burglary in residences in case of lack of security may lead to the following consequences: • Damage to reputation impacts long-term growth and sustainability • Legal prosecutions, claims.	• Injuries / accidents on site • Burglary	MEDIUM	→	→	• CCTV cameras monitoring and security protocols in place • Ensure full compliance from 3rd parties (Operators / Bars & Resto / Hotel etc…) • Zero tolerance for non-compliance to safety rules • Insurance cover • Regular Staff training for First Aid • Implement Crisis management protocols / Inform Communication agency
Chemical exposure Many chemicals used in workplaces may cause, by inhalation, ingestion, and skin contact, irritation or even serious injury or disease	• Injuries, poisoning on site • Unexpected dissemination or contamination in specific areas • Enforced health checks resulting in non-compliance to regulations levels.	MEDIUM	↑	→	• Follow safe work procedures. • Read the labels and the safety data sheets (SDSs) that accompany chemicals. • When handling chemicals, use personal protective equipment as recommended by the manufacturers and required by the employer. • Store chemicals in a properly ventilated, locked area and post warning signs.
Staff / Client Transportation Each one of our carriers creates the possibility of a supply chain disruption or worse, unwanted liability and damage to our reputation if they are involved in an accident or fail to perform as promised.	• Accident on site • Accident off site	MEDIUM	→	→	• Select trustworthy companies to ensure transport of staff/clients • Control and monitor performance and adherence to safety measures

We are committed to provide a healthy and safe environment to our staff and throughout the developments we undertake. Our Health and Safety Policy's aim is to ensure a safe and healthy working environment, system of work and equipment for employees. We ensure that adequate resources are provided to achieve the health and safety objectives for our people

#4 Corporate Governance Report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that period and the external auditors are responsible for reporting on whether the financial statements are fairly presented. In preparing these financial statements, the Directors confirm that they have:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and accounting estimates that are reasonable and prudent;
- Stated that International Financial Reporting Standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements;
- Prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- Ensured application of the Code of Corporate Governance and provided reasons in case of non-application with the Code.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy at any time, the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. The Directors have the duty to safeguard the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for maintaining an effective system of internal control and risk management.

The Directors hereby confirm that they have complied with the above requirements.

Approved by the Board of Directors on October 23, 2020 and signed on its behalf by

Sunil Banymandhub
Chairman

Hugues Lagesse
Executive Director

CORPORATE GOVERNANCE REPORT

INTRODUCTION

BlueLife Limited (BLL), a public interest entity as defined by the Financial Reporting Act 2004, has applied the principles of the National Code of Corporate Governance (2016). This corporate governance report sets out how the Code's principles have been applied and reflected throughout BLL. The Board of BlueLife Limited ("BLL") is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of BLL's business. The key corporate governance practices and activities during the year ended June 30, 2020 are highlighted in this report, as well as in other sections of the Annual Report which is available on the website of the Company on **www.bluelife.mu**.

BLL has applied the principles of the National Code of Corporate Governance to its corporate governance structure and practices in the manner as described in this report.

GOVERNANCE STRUCTURE

Corporate governance framework

The Board is collectively responsible for the long-term success of the Company and for its leadership, strategy, values, standards, control and management. Through sound leadership, the Board seeks to promote a culture of openness and innovation, relying upon a framework of corporate governance and internal controls which are designed to protect the Company's assets.

A Board Charter setting out the governance structure has been adopted by the Board in October 2018. This Charter may be amended at the Board's sole discretion as and when required. A copy of this Charter is available on the website of the Company on **www.bluelife.mu**.

The Board functions independently of management, with a clear division of responsibilities between the Chairman and the Chief Executive Officer. The day-to-day management of the business is delegated to the Chief Executive Officer and Senior Management. The Board has also specific matters reserved to it for decision, such as strategic long-term objectives and it delegates some of its duties to Committees, each of which has clearly written terms of reference. The relevant Committee Charters, which have been approved by the Board in October 2018, may be amended at the Board's discretion as and when required. A copy of each Charter is available on BLL's website.

Constitution

The Constitution of BLL complies with the provisions of the Mauritian Companies Act 2001 and the Listing Rules of the SEM. There are no clauses of the Constitution deemed material enough and which require special disclosure. A copy of BLL's Constitution is available on its website.

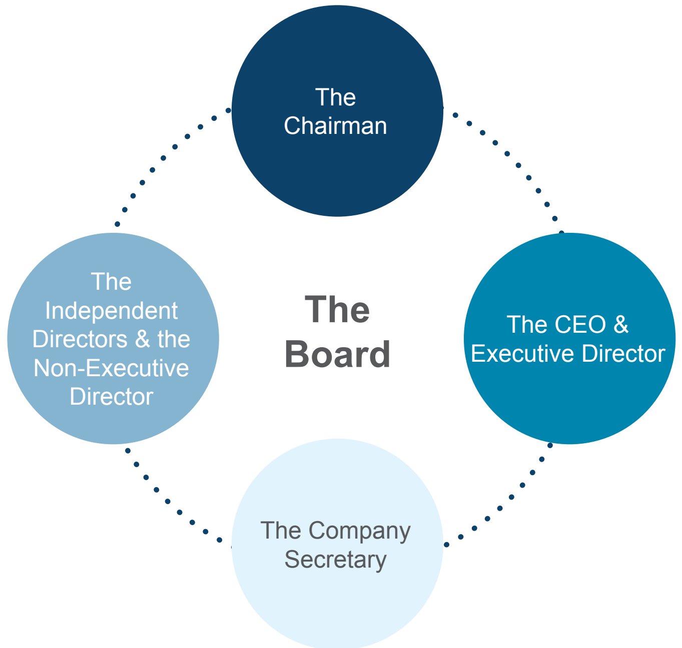
Organisational chart and accountability statement

The organisational chart for BLL setting out the key senior positions and the reporting lines within the Group is set out in the section "MANAGEMENT TEAM" of the Annual Report.

THE STRUCTURE OF THE BOARD

The Board of BLL is managed by a unitary Board of nine Directors, comprising the Chairman who is a Non-Executive Director, two Executive Directors, one Independent Non-Executive Director and five Non-Executive Directors. At the date of signature of this report, there was only one Independent Non-Executive Director. In light of the impact of Covid-19 pandemic on its business operations, the Board has decided to delay the appointment of a second Independent Director.

Out of the 9 Directors, 5 are executives and/or Directors of IBL Ltd and/or its subsidiary companies. IBL Ltd is a related party and the major shareholder of the Company.



The Board's mandate

Defining Governance Roles

- Role of the Board
- Board structure
- Role of the Chairman
- Role of the CEO
- Role of the Directors
- Role of the Company Secretary

Key Board Functions

- Definition of strategy
- Monitoring compliance
- Risk management
- Decision-making
- Policy framework
- Stakeholder communication

Board Effectiveness

- Director selection
- Director induction
- Director development
- Director remuneration
- Board evaluation

Improving Board Processes

- Board meetings
- Board meeting agenda
- Board papers
- Board minutes
- Board calendar
- Board sub-committees

Key roles and responsibilities of the Board

Chairman (Sunil Banymandhub)	**Executive Directors (Michele Anne Espitalier Noel & Hugues Lagesse)**
Key responsibilities (i) Providing leadership to the Board (ii) Ensuring its effectiveness (iii) Setting its agenda (iv) Ensuring effective links between shareholders, the Board and management	Key responsibilities (i) Developing the Company's strategic direction (ii) Implementing policies and strategies as decided by the Board (iii) Managing the Company's business
Independent Director (Thierry Sauzier) & Non-Executive Directors (Jan Boullé, Ravi Prakash Hardin, Arnaud Lagesse, Roshan Ramoly & Thierry Labat)	**Company Secretary (IBL Management Ltd)**
Key responsibilities (i) Constructively challenge the Executive Director and the Senior Management. (ii) Monitor the delivery of the agreed strategy within the risk and control framework set by the Board.	Key responsibilities (i) Guiding the Board as regards their duties and responsibilities. (ii) Advising the Board on matters of corporate governance. (iii) Ensuring good information flows with the Board and its Committees. (iv) Ensuring that Board procedures are followed, and that applicable laws and regulations are complied with. (v) Primary channel of communication between the Company and its shareholders and interacts also with the relevant regulatory authorities.

Balance and Gender Diversity

Given the size and the sector of activities of the Company, the Directors consider that the current Board is of a reasonable size and possesses the right mix of skills and experience to provide leadership, integrity and judgement in managing the affairs of the Company.

Board meeting process

Start of the year	• Yearly planning is prepared by the Company Secretary.
Setting of agenda	• Draft agendas for the Board are sent to the CEO and Chairman prior each meeting. • Agendas are finalised at least one week before the scheduled meeting.
Papers compiled and distributed	• Board packs are sent to all Directors one week in advance of the meeting to ensure sufficient time to review matters which shall be subject to discussions/approval.
Before the meeting	• Committee meetings are held prior to Board meetings. The respective Chairmen then report matters discussed at Committee level to the Board. • Necessary arrangements (video conferencing, etc.) are made for those Directors who are not able to be physically present.
Board meeting	• Regular agenda items such as reports from the Committee Chairmen and CEO are discussed. Any other additional items requiring Board endorsements are also discussed/approved.
After the meeting	• Minutes are drafted and sent to the CEO and Chairman for review prior to circularising to the Board. • Follow-up of certain Board decisions (update of bank signatories, for e.g.) are ensured by the Company Secretary.

Board meetings in 2019/2020

Board meetings are scheduled by all Directors in advance and are held on a quarterly basis to devise, implement, review and monitor strategies, procedures and controls for the smooth running of operations and to ensure compliance with various legislations and regulatory requirements.

For the year under review, there were five Board meetings. Decisions were also taken by way of written resolutions signed by all the Directors.

Below are the key focus areas as discussed by the Board during the year.

Financial Matters
- 2019-2020 Budget
- Quarterly financial statements
- Half-year results
- Year-end results

Corporate Governance Matters
- Review and approval of the Corporate Governance Report
- Review of the performance management system
- Review Board composition
- Review Board appraisal questionnaire

Regular Agenda Items
- CEO's report
- Committee Chairmen's report
- Risk report

Strategic Matters
- Review of Rive Droite Project
- Approve the sale of earmarked assets
- Validate contingency measures and actions in respect of Covid-19 impact on assets and operations

Risk Management Matters
- Review of internal control systems
- Review of IT processes and operations
- Review of the risk register

Board Changes in 2019-2020

Name of Director	Date of Appointment during the financial year 2019-2020	Date of Resignation during the financial year 2019-2020
Christine Marot		30/04/2020
Jean-François de Comarmond	01/05/2020	17/07/2020*
Michele Anne Espitalier Noel	11/02/2020	
Hugues Lagesse	29/07/2020*	
Thierry Labat	01/07/2020*	
Thierry Sauzier	01/07/2020*	
Jean-Luc Wilain		01/07/2020*
Isabelle de Gaalon Decaillot		08/05/2020
Christophe Barge		08/05/2020

** Note: The resignations and appointments of the above-mentioned Directors took place after the financial year ended June 30, 2020. At the date of signature of this Corporate Governance Report, the said resignations and appointments were already effective.*

The Board's attendance in 2019/2020

	26/09/2019	25/11/2019	11/02/2020	23/03/2020	04/06/2020	Total number of meetings attended
Chairman						
Sunil Banymandhub	•	•	•	•	•	5
Executive Directors						
Christine Marot[2]	•	•	•	•	-	4
Michele Anne Espitalier Noel[1]	-	-	•	•	•	3
Jean-François de Comarmond[1,3]	-	-	-	•	•	2
Non-Executive Directors						
Jan Boullé	•	x	•	•	•	4
Ravi Prakash Hardin	•	•	•	•	•	5
Arnaud Lagesse	•	•	•	•	x	3
Roshan Ramoly	•	•	•	•	•	5
Jean-Luc Wilain	•	•	•	•	•	5
Independent Non-Executive Directors						
Christophe Barge[4]	•	•	•	•	-	4
Isabelle de Gaalon Decaillot[4]	•	•	•	•	-	4

Notes:
1. *Michele Anne Espitalier Noel and Jean-François de Comarmond were appointed Directors on 11 February and 1 May 2020, respectively.*
2. *Christine Marot resigned as Director on 5 March 2020 but was in attendance as CEO at the Board meeting held on 23 March 2020.*
3. *Jean-François de Comarmond was in attendance at the Board meeting held on 23 March 2020.*
4. *Isabelle de Gaalon Decaillot and Christophe Barge resigned as Directors on 8 May 2020 and 30 May 2020, respectively.*

THE STRUCTURE OF THE BOARD'S COMMITTEES

The Board is assisted in its functions by two main sub-Committees: (a) an Audit & Risk Committee, and (b) a Corporate Governance Committee, which also acts as the Remuneration and Nomination Committee. These two Committees operate within defined terms of reference and may not exceed the authority delegated by the Board. The two sub-Committees are chaired by Independent Non-Executive Directors. These experienced Chairmen then report to the Board on the issues discussed at each of their meetings. The Secretary of the Board acts also as the Secretary of these Board Committees. Each member of the Board has access to the minutes of the Committees regardless of whether the Director is a member of the Committee or not.

Two additional committees, namely the Property Development Committee and the Digital and Sustainable Committee provide further assistance to the Board. These two committees operate with a defined mandate and appropriate terms of reference. Any referred Administrative Officer within the Company nominated at the outset of each meeting may act as Secretary of the Committee.

The Audit & Risk Committee in 2019-2020

Committee purpose & responsibilities	• The main purpose and responsibilities of the Committe are: to review the financial reporting process, the system of internal control and management of financial risks and other risks linked to the operations of the business, the audit process and the ethical behaviour of the Company, its executives and senior officials.
Committee composition	• Isabelle de Gaalon Decaillot - Chairman (Independent Non-Executive Director) • Ravi Prakash Hardin - Member (Non-Executive Director) • Roshan Ramoly - Member (Non-Executive Director)

The Committee's attendance in 2019/2020

	18/09/2019	25/09/2019	06/11/2019	10/02/2020	Total number of meetings attended
Chairman					
Isabelle de Gaalon Decaillot	•	•	•	•	4
Members					
Ravi Prakash Hardin	•	•	•	•	4
Roshan Ramoly	•	•	•	•	4
In attendance					
Christine Marot	•	•	•	•	4
Michele Anne Espitalier Noel	•	•	•	•	4

** Note: Mrs Isabelle de Gaalon Decaillot resigned on 08/05/2020. At the date of signature of this Corporate Governance Report, Mr Thierry Sauzier has been appointed Chairman of the Audit & Risk Committee.*

Key focus areas in 2019/2020

The Committee met four times during the year under review and the following main issues were discussed:

Regular Financial Matters	• Abridged audited annual financial statements and full audited financial statements • Abridged financial statements for the first, second and third quarters
Internal Audit Matters	• BLL Head Office: HR Processes
Other Matters	• Approval of the Internal Audit Plan for the year 2019/2020 • Follow-up on internal audit reports & implementation of recommendations • Review of the Risk register

The Corporate Governance, Remuneration & Nomination Committee in 2019-2020

Committee purpose & responsibilities	• In relation to Corporate Governance: to ensure that the reporting requirements of corporate governance are in accordance with the Code. • In relation to Remuneration: determine, agree and develop the Company's general policy on executive and senior management remuneration; recommend to the Board the level of fees of Non-Executive and Independent Non-Executive Directors to be recommended to the Shareholders at the Meeting of Shareholders. • In relation to Nomination: identify and nominate candidates for the approval of the Board to fill board vacancies as and when they arise.
Committee composition	• Christophe Barge - Chairman (Independent Non-Executive Director) • Sunil Banymandhub - Member (Non-Executive Director) • Arnaud Lagesse - Member (Non-Executive Director)

The Committee's attendance in 2019/2020

	26/09/2019	11/02/2020	Total number of meetings attended
Chairman			
Christophe Barge	•	•	2
Members			
Sunil Banymandhub	•	•	2
Arnaud Lagesse	•	•	2
In attendance			
Christine Marot	•	•	2

** Note: Mr Christophe Barge resigned on 08/05/2020. The Board of BLL is currently reviewing its Board composition and at the date of signature of this Corporate Governance Report, there is no Independent Director to chair this Committee.*

Key focus areas in 2019/2020

The Corporate Governance Committee members met twice during the year 2019/2020 and matters discussed included:

Corporate Governance Matters	• Reviewed and recommended to the Board for approval, the Corporate Governance Report.
Remuneration Matters	• This Committee also acts as Remuneration and Nomination Committee. Salary increases and performance bonuses were discussed. However, due to the impact of Covid-19 on the operations of the Company, voluntary salary reductions have been proposed to employees not covered by the wage assistance scheme.
Nomination Matters	• Took note of the resignation of Mrs Christine Marot as Chief Executive Officer, in January 2020 and effective on 30th April 2020. • Identified and recommended to the Board the appointment of Mr Jean François de Comarmond as Chief Executive Officer as from 1st May 2020. • Took note of the resignation of Mr Jean François de Comarmond as Chief Executive Officer, effective on 17th July 2020. • Took note of the resignations of: Mrs Isabelle de Gaalon Decaillot, Messrs Christophe Barge and Jean Luc Wilain as Directors. • Considered and recommended to the Board for approval, the appointment of Mr Thierry Labat as Non-Executive Director and Mr Thierry Sauzier as Independent Non-Executive Director.

The Property Development Committee in 2019-2020

Committee purpose & responsibilities	• To assist the management and the Board of Directors in its oversight of the Company's real estate development programs. • To provide oversight, guidance and strategic input to the management primarily for development.
Committee composition	• Jan Boullé - Chairman (Non-Executive Director) • Sunil Banymandhub - Member (Non-Executive Director) • Isabelle de Gaalon Decaillot - Member (Non-Executive Director)

The Committee's attendance in 2019/2020

	10/02/2020	Total number of meetings attended
Chairman		
Jan Boullé	•	1
Members		
Sunil Banymandhub	•	1
Isabelle de Gaalon Decaillot	•	1
In attendance		
Michele Anne Espitalier Noel	•	1
Hugues Lagesse	•	1
Christine Marot	•	1
Jean-François de Comarmond	•	1

Key focus areas in 2019/2020

The Committee met only once for the year under review and the main issue discussed related to the Rive Droite Project.

The Digital and Sustainable Committee in 2019-2020

Committee purpose & responsibilities	• To assist the management and the Board in fulfilling its responsibilities in relation to the digitalisation and sustainability strategy, policy and practices of the Group.
Committee composition	• Christophe Barge - Chairman (Independent Non-Executive Director) • Jean-Luc Wilain - Member (Non-Executive Director)

The Committee's attendance in 2019/2020

	24/09/2019	25/11/2019	Total number of meetings attended
Chairman			
Christophe Barge	•	•	2
Members			
Jean-Luc Wilain	•	•	2
Marie Laurence Dupont	x	•	1
Delphine Lagesse	•	x	1
In attendance			
Christine Marot	•	•	2
Michele Anne Espitalier Noel	•	•	2
Guy Regis Fanchette	•	•	2
Hugues Lagesse	•	•	2

Key focus areas in 2019/2020

The Committee met twice during the year under review to examine the digital and sustainable strategy. Focus continues to be on the digitalisation strategy to improve the project and construction process, property sales and operations in Azuri. Due to strategy implementation lead time required coupled with the Covid-19 crisis, the implementation of the digital strategy, except minor actions already implemented, is being generally delayed and will be launched again in the 2020-2021 financial year.

DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election

Potential candidates are identified and selected by the Nomination Committee

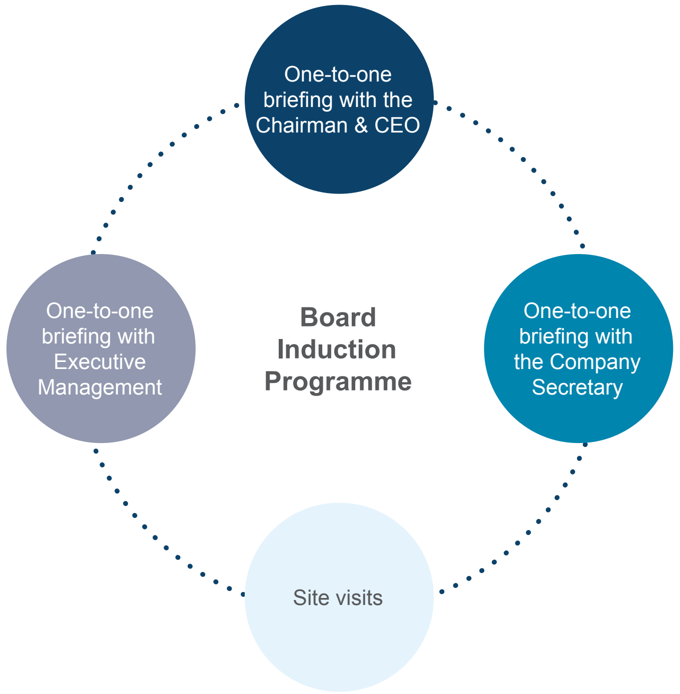
Recommendation by the Nomination Committee to the Board

Appointment of new Director approved by the Board

Newly appointed Director is then subject to election in the first year of appointment at the Annual Meeting

At the Annual Meeting of Shareholders scheduled on 10 December 2020, Thierry Labat and Thierry Sauzier who have been appointed by the Board shall offer themselves for election.

Board induction



Professional development and training

Directors are encouraged to keep themselves up to date with latest professional practices. They are also encouraged to participate in various workshops organised by the holding Company, IBL Ltd.

Time Commitments

Directors are expected to dedicate such time as is necessary for them to effectively discharge their duties. Each Board member has a duty to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of BLL.

Succession plan

One of the responsibilities of the Board is to ensure that there exists a succession plan for appointments to the Board and senior management positions within the Company.

In order to avoid the risk of a company suffering from an unplanned vacancy in leadership, processes are in place to ensure the best mix of directors and executive officers so as to address the company's goals which are subject to a changing environment. Processes have also been established to ensure that there is business continuity with respect to key aspects dealt by key management personnel.

Directors' Duties

Directors are aware of their legal duties. Once appointed on the Board, a leaflet detailing the duties and responsibilities is provided to the Director. In addition, a newly appointed Director receives the following documents:

a) The Board Charter

b) The Board sub-committees' Charters

c) BLL's Constitution

d) Salient features of the Listing Rules and the Securities Act

Interests' Register, conflicts of interest and related party transactions policy

The Directors of BLL have the obligation to disclose any potential conflict of interest in accordance with the law in the event that companies in which they are Directors are engaged or may become engaged in real estate developments substantially of the same nature as the Company. Such disclosure is recorded in an interests' register maintained by the Company Secretary. The interests' register is available for inspection by any shareholder of the Company upon written request made to the Company Secretary.

A document setting out the salient points of what is a conflict of interest and how to identify and disclose any potential conflict of interest has been made available to the Directors of BLL. The proper procedure for declaring a conflict of interest is set out in the document and in the Board Charter. As per the procedures, when a Director is conflicted, the latter does not participate in Board discussions and does not vote on the matter. Any declaration of interest is formally minuted.

The Directors confirm that there exists no conflict between their duty to act in the best interests of the Company and their own personal interest.

The Directors also confirm that they have followed the principles of the Model Code for Securities Transactions as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules. For the financial year under review, the Directors did not deal in the shares of the Company.

Directors are aware of situations which may trigger related party transactions. A document identifying related parties and related party transactions has been made available to the Directors.

Code of Ethics

BLL has no specific Code of Ethics other than the one integrated into the Employee Handbook. BLL is committed to the highest standards of integrity and ethical conduct when dealing with all its stakeholders. The value system presently in place dictates that all employees maintain high standards of integrity and ethics when dealing with suppliers, tenants, business partners, government, other stakeholders and society at large.

Procedures relevant to Ethics are set out in the Employee Handbook.

Information, information technology and information security governance

The Board is responsible for information governance within BLL. The management of information technology and information security governance falls under the responsibility of the Office and ICT Manager.

Information monitoring

Financial and other company data is an asset of the BLL Group. As such the asset is preserved through policies and procedures to ensure that the information is properly updated, monitored and safeguarded.

Board information

Board information is sent to the Directors at least one week before each Board meeting. Information is sent by the Management who remains at the disposal of the Board members should they wish to obtain further clarification. The Company Secretary acts as a liaison between the Management and the Board.

Information to Shareholders and Investors

Information to external parties is communicated regularly on BLL's website, which contains news and press releases. Quarterly interim reports are published in the press and are supplemented by investor meetings attended by the Group Executive Management. In addition, there is an established agenda for communicating information to shareholders/investors.

Information Technology and Information Security Governance

Use and storage of information rely substantially on information and communication technology ('ICT'). In some specific cases, expenditures and investment in IT, falling under the scope of work of the Digital and Sustainable Committee shall be discussed and put to the Board for approval.

ICT Policies and Procedures are handled by the management and overseen by the Audit and Risk Committee.

Through policies, including internet and computer usage policy as well as social media policy included in the staff handbook, principles are established for the management of information technology.

BLL has designed a policy to ensure that its operations can run smoothly. The policy document is designed to create employee awareness of aspects which impact the smooth running of ICT operations to promote easy adherence by its employees. It includes:

- Computer and Internet Usage Policy
- Mobile Usage Policy
- BYOD Policy
- Social Media & Data Privacy Policy

Information Security Governance has the objective to minimize the risk of damage by preventing security incidents whether internal or external, deliberate or accidental and to enable BLL to recover as quickly and as efficiently possible. Information security governance lies in:

- the obligations set on employees for usage and access,
- the determination of access rights and relevant login and passwords,
- the Password Protection Enforcement Policy,
- internal IT procedures for backups,
- an IT Business Continuity Policy.

The internal audit plan for 2019/2020 provided for a full review of existing ICT and Information Security Policies as well as on the control procedures and adherence to the relevant policies and procedures; kindly refer to the section on Internal Audit for further details.

A plan is being developed in view of establishing alignment of ICT with the business as well as its ability to maximize benefits while being properly managed.

Remuneration policy

The Board has entrusted the Corporate Governance Committee which also acts as Remuneration Committee with the responsibility of determining the remuneration of the Directors, Senior Management and employees whilst taking into consideration prevailing market conditions, benchmarking within the industry and the Company's results.

No pre-determined criteria have been set up for remunerating the Executive Director approaching retirement. This will be determined by the Board as and when required.

The schedule of fees paid to the Directors remains unchanged. At the forthcoming Annual Meeting of shareholders, the following fees shall be submitted to the shareholders for approval.

Directors	Board Fees (MUR)		Audit & Risk Committee Fees (MUR)	Corporate Governance Fees (MUR)	Property Development Committee Fees (MUR)	Digital and Sustainable Committee Fees (MUR)	Total Fees (MUR)
	Fixed	Variable	Fixed only	Fixed only	Variable only	Variable only	
Sunil Banymandhub[2]	375,000	87,500	NIL	25,000	10,000	NIL	497,500
Christophe Barge	300,000	100,000	NIL	50,000	NIL	€ 7,500	650,000
Jan Boullé[3]	112,500	62,500	NIL	NIL	10,000	NIL	185,000
Isabelle de Gaalon Decaillot	300,000	100,000	50,000	NIL	€ 2,500	NIL	550,000
Ravi Prakash Hardin[3]	112,500	87,500	25,000	NIL	NIL	NIL	225,000
Arnaud Lagesse[3]	112,500	75,000	NIL	25,000	NIL	NIL	212,500
Christine Marot							
Roshan Ramoly	112,500	87,500	25,000	NIL	NIL	NIL	225,000
Jean-Luc Wilain	112,500	87,500	NIL	NIL	NIL	10,000	210,000

Note:
1. *Fixed fees refer to annual fees and variable fees to attendance fees.*
2. *Fees paid to ACTIS.*
3. *Fees paid to IBL Ltd.*

Attendance fees are not paid to the Chairman and the members of the Audit and Risk Committee and the Corporate Governance Committee.

The Non-Executive Directors have not received remuneration in the form of share option or bonuses associated with the organisational performance.

Remuneration and benefits paid to the Executive Director under employment contract

	Total Fees (MUR)
Christine Marot	10,973,137
Jean François de Comarmond	1,446,148
Michele Anne Espitalier Noel	5,732,795

Long term incentive plan

BLL does not have a long-term incentive plan. However, the implementation of such a plan is being considered by the Board.

Board evaluation

The Corporate Governance Committee of BLL is reviewing the Board evaluation questionnaire which shall be then recommended to the Board for approval. Once approved, the performance evaluation exercise shall then be initiated.

RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of internal control and risk management (including financial and compliance risk). Whilst these two functions are delegated to the Audit and Risk Committee, the governance of risk, the nature and risk appetite of the Company remain the ultimate responsibility of the Board. The Directors are also responsible in ensuring that:

- Adequate accounting records are kept, and effective internal control systems are maintained.
- Accounts are prepared in order to fairly present the state of affairs of the Company and the results of its operations and that those accounts comply with International Financial Reporting Standards (IFRS).
- Appropriate accounting policies are applied, supported by reasonable and prudent judgements.
- Appropriate whistle-blowing rules and procedures are in place.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Company has an established risk management process to manage and mitigate those key risks which it believes could have an impact on its activities. The Company's process for identifying and managing risks is set by the Board and delegated to the Audit and Risk Committee. Risks are managed and reviewed on a quarterly basis by the members of the Audit and Risk Committee and reported accordingly to the Board.

A detailed report on the key risks facing the Company, the potential impact of these risks and the mitigating actions and controls in place are set out under the Section "Risk Management" of the Annual Report.

Internal controls and procedures are in place to mitigate the risks in relation to the various operations in which we are involved.

Whistleblowing

BLL is committed to the highest possible standards of openness, probity, accountability and ethics. In line with that commitment, employees and business partners, who have serious concerns about any aspect of the Company's affairs, are strongly recommended to report any suspected or presumed incidents of illegal behaviour in the activities of the Company or of serious misconduct or serious infringement of the rules, policies or guidelines to which the Company must adhere, or any action that is or could be harmful to the mission or reputation of the Company.

Procedures relevant to whistleblowing are set out in the Employee Handbook. A copy of the whistleblowing procedures is available on the website of the Company.

REPORTING WITH INTEGRITY

Financial and operational performance

The financial and operational performance of the Company is detailed in the sections "Financial Indicators" and "Operations" of the Annual Report.

Environment

BLL is committed to sustainability and protecting the environment for future generations. As such, the Company ensures that it adheres to environmental regulations regarding emissions into the atmosphere as well as the quality of liquid industrial effluents disposed of through water courses.

Social Responsibility

BLL believes that the Company should provide an effective leadership based on ethical foundations and taking into account its stakeholders and the society as a whole. As such, it conducts its business activities in a responsible manner with due consideration to all its stakeholders including but not limited to its shareholders, employees, contractors, suppliers and the local community so as ensure the sustainability of the environment for the future. The section "Smart Initiatives" details further the steps taken by BLL for a more liveable future.

Health and Safety

BLL believes in providing and maintaining a safe and healthy work environment for all its employees. The Group through its established policies encourages the enhancement of safety and health standards in the workplace. Accordingly, a Health and Safety Officer has been employed on a part-time basis. A copy of these policies is available on the website of the Company.

Following the Covid-19 pandemic, BLL put in place control measures during and after the confinement:

During the confinement:

- All staff worked from home except a skeleton team at Azuri to ensure continuity of essential services with work permits.
- Procedures were put in place for strict measures for staff working on site.
- Procedures were put in place to protect Azuri residents and regular communications were issued to Azuri stakeholders with useful information.
- Procedures were put in place in the case of a Covid 19 case was discovered on Azuri site or among BLL staff.

After the confinement:

- Work resumed on site for all Azuri based employees with measures as per government guidelines and strict sanitary procedures.
- A work from home policy is in force and encouraged for office based staff, allowing a rotation of staff in the office at all times.
- Procedures are in place at Azuri gate, in public areas and in the offices to ensure sanitary protocols are followed.

BLL is committed to ensuring a safe environment for its employees and for Azuri residents and will adapt its protocols following the evolution of the pandemic and government guidelines.

AUDIT

Internal audit

The Board recognizes its ultimate responsibility for the Group's system of internal control, which is designed to provide reasonable assurance against material misstatement and loss. The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. It also ensures compliance with internal procedures, statutory guidelines and regulations, accounting and financial reporting standards.

The internal audit function has been outsourced to Messrs PwC and the audit plan covers the areas of risks that may arise in the business activities of the Group. An internal audit plan for the financial year 2019/2020 has been approved by the Audit and Risk Committee in the first quarter. Audit reports submitted by Messrs. PwC are circulated to the management and members of the Audit and Risk Committee. These reports are thereafter submitted to the Board for analysis and discussions.

No restrictions have been placed on the right of access to the records, management and employees. The audit activities have been designed in accordance with International Standards of Auditing and the audit process involves the following:

- A pre-audit phase, which comprises the audit notification and the audit preparation;
- Fieldwork where audit tests target risk areas; and
- Reporting phase.

It must however be highlighted that the internal audit plan 2019/2020 has not been completed as initially planned and was compromised by the absence of one key officer on overseas medical treatment and by the Covid-19 curfew and post-curfew periods.

External Auditors

The Audit and Risk Committee is responsible for reviewing, with the external auditors, before the audit commences, the auditors' letter of engagement, the terms, nature and audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope. At least once a year, the external auditors meet the members of the Committee and have direct access to the members should they wish to discuss any matters privately.

With regard to external audit, the Audit and Risk Committee is responsible for, inter-alia:

- reviewing the auditors' letter of engagement;
- reviewing the terms, nature and scope of the audit; and its approach;
- ensuring that no unjustified restrictions or limitations have been placed on its scope;
- assessing the effectiveness of the audit process.

The Committee is also responsible for monitoring the auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements and also for maintaining control over the provision of non-audit services, where applicable. The external auditors are prohibited from providing non-audit services where their independence might be compromised by later auditing their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit and Risk Committee.

Messrs BDO were the previous external auditors of BLL. Following the amendment of the Finance Act 2016 and subsequent regulation regarding the rotation of auditors, Messrs Ernst & Young had been appointed as external auditors at the last Annual Meeting of Shareholders.

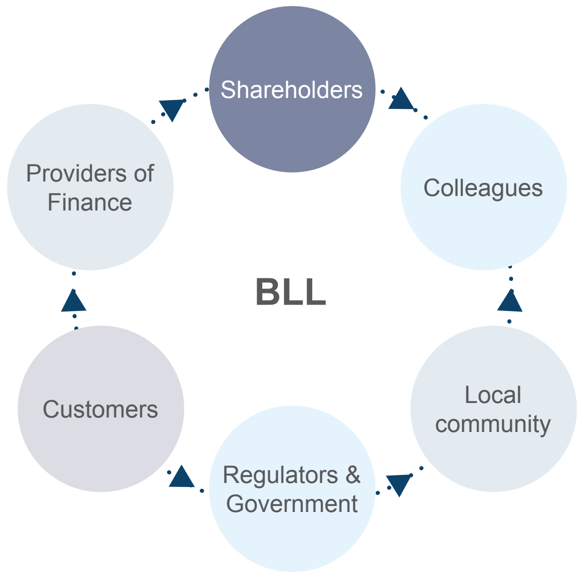
Auditors' Independence

The Board is responsible for the appointment and the removal of the external auditors, whilst the Audit and Risk Committee is responsible for monitoring the auditors' independence and objectivity. Audit fees are set in a manner that enables an effective external audit on behalf of shareholders. Auditors should ensure that they observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board recognises and values greatly the need to deliver a programme of engagement that offers all shareholders the opportunity to receive Company communications and to share their views with the Board. The Group has a diverse range of shareholders and investors and its website enables access to documents and communications as soon as they are published.

BLL's key stakeholders



Reflecting our engagement towards our stakeholders

BLL views its stakeholders as fundamental in the way it conducts its business. It firmly believes that engaging with its stakeholders through regular communication is vital in ensuring the long-term success of the Group. The table below outlines BLL's principal stakeholders and how the Company interact with them.

Colleagues	Shareholders	Local Community
BLL believes in the welfare of its employees. The Company strives to maintain a high standard of professionalism and its employees are thus encouraged to attend regular training and refresher courses. Further details are set out in the section "Human Capital" of the Annual Report.	The Company Secretary is the focal point of communication between the Company and its shareholders. Views of retail shareholders when received are communicated to the management/Board.	Our focus since Mid-2019 is on the environment with our #Prankont campaigns. We have engaged into several sites cleaning, installed dedicated bins for PET in the Roches Noires region and promote waste sorting and recycling. These actions are meant to encourage the local community to take the right steps to protect the environment.
	Any major announcement relating to the activities of the Company are disclosed in a timely manner and posted on the website of the Company.	The social contribution from the IRS projects has been used to improve life in the community.
	The Annual Meeting of shareholders provides the opportunity to the shareholders to be apprised of the Group's performance and strategic direction. Shareholders are also encouraged to attend this meeting and to question the Directors thereon.	Funds and time of the CSR coordinator were devoted to the welfare of senior citizens, disabled and social organisations in the region.

Regulators & Government	Customers	Providers of Finance
Meetings as and when required are held with the relevant regulatory authorities.	In the challenging times that the world is going through, our strategy of always putting our customers at the heart of our actions and priorities has differentiated us from our competitors. The privileged and close relation we maintain with every one of the communities we manage allows us to meet their long-term needs that we have promised to deliver against, by inspiring happiness and security.	We regularly interact with banks who are also invited to visit our operations for increased transparency and understanding of the businesses we are in.
BLL conducts its business ethically and in accordance with national regulations.	We are promoting interactions between team members and customers to ensure increased satisfaction with product and services as well as the general customer journey.	

Main shareholders

As at June 30, 2020, there were 2,892 shareholders recorded in the share register of the Company and the main shareholders were:

Name of Shareholder	Percentage Held (%)
IBL Ltd	48.9914
Actis Paradise Jersey Limited	21.0605
GML Ineo Ltée	7.4523

Shareholders' agreement

There exists no Shareholders' Agreement to the knowledge of the Company.

Dividend Policy

The Company does not have any predetermined dividend policy and the dividend payout is subject to the performance of the Company. BLL did not declare any dividend for the year under review.

Calendar of forthcoming shareholders' events

One of the most important shareholders' related events of the year is the Annual Meeting. This meeting allows the Board of Directors to communicate to the shareholders up-to-date and detailed information on the activities of the Company for the year under review and future projects or developments for the year ahead. The shareholders are therefore encouraged to attend the Annual Meeting and discuss with the Directors.

The external auditors also attend the Annual Meeting and are available to respond to queries which the shareholders may have with regard to their scope of work.

The Annual Meeting of shareholders has been scheduled for December 10, 2020 and shareholders entitled to receive notice of the meeting are those registered at close of business on November 13, 2020.

November 2020	December 2020	February 2021	May 2021
Publication of Q1 results	Annual Meeting of Shareholders	Publication of Q2 results	Publication of Q3 results

Approved by the Board of Directors on October 23, 2020 and signed on its behalf by

Sunil Banymandhub
Chairman

Hugues Lagesse
Executive Director

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity ("PIE"): BlueLife Limited

Reporting Period: June 30, 2020

Throughout the year ended June 30, 2020 to the best of the Board's knowledge, BlueLife Limited has not applied Principle 2 of the Corporate Governance Code for Mauritius (2016). Reasons for non-application are set out below:

Areas of non-application of the Code		Explanation for non-application
Principle 2	The Board should normally have at least 2 Independent Directors.	There is only one Independent Director on the Board of BlueLife Limited. The Board is currently reviewing its composition. In light of the impact of Covid-19 pandemic on its business operations, the Board has decided to delay the appointment of a second Independent Director.

Sunil Banymandhub
Chairman

Hugues Lagesse
Executive Director

October 23, 2020

SECRETARY'S CERTIFICATE

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 under the Companies Act 2001.

Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

STATUTORY DISCLOSURES

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

Principal Activities

The principal activities of BlueLife Limited are land promotion, property development and hotel and leisure.

Directors

The name of the Directors of the Company and its subsidiaries as at June 30, 2020 were as follows:

Name of Company	Name of Director	Date of Appointment during the period under review	Date of Resignation during the period under review
BlueLife Limited	Sunil Banymandhub		
	Christophe Barge		30/05/2020
	Jan Boullé		
	Jean-François de Comarmond	01/05/2020	
	Michele Anne Espitalier Noel	11/02/2020	
	Isabelle de Gaalon Decaillot		08/05/2020
	Ravi Prakash Hardin		
	Arnaud Lagesse		
	Christine Marot		05/03/2020
	Roshan Ramoly		
	Jean-Luc Wilain		

Name of Subsidiary	Name of Director	Date of Appointment during the period under review	Date of Resignation during the period under review
Azuri Golf Management Ltd	Christine Marot		30/04/2020
	Jean-François de Comarmond	01/05/2020	
	Sunil Banymandhub		
	Jan Boullé		
Azuri Estate Management Ltd	Michele Anne Espitalier Noel		
	Jean-François de Comarmond	01/05/2020	
	Christine Marot		30/04/2020
	Sunil Banymandhub		
Azuri Services Ltd	Michele Anne Espitalier Noel		
	Jean-François de Comarmond	01/05/2020	
	Christine Marot		
	Sunil Banymandhub		
Azuri Watch Ltd	Michele Anne Espitalier Noel		
	Jean-François de Comarmond	01/05/2020	
	Christine Marot		30/04/2020
Azuri Suites Ltd	Michele Anne Espitalier Noel		
	Jean-François de Comarmond	01/05/2020	
	Christine Marot		30/04/2020
	Sunil Banymandhub		

STATUTORY DISCLOSURES

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

Name of Subsidiary	Name of Director	Date of Appointment during the period under review	Date of Resignation during the period under review
Circle Square Holding Company Ltd	Michele Anne Espitalier Noel		
	Jean-François de Comarmond	01/05/2020	
	Christine Marot		30/04/2020
Haute Rive Azuri Hotel Ltd	Sunil Banymandhub		
	Olivier Fayolle		
	Arnaud Lagesse		02/10/2019
	Jean-Luc Wilain	02/10/2019	
	Christine Marot		30/04/2020
	Kevin Teeroovengadum		
	Jean-François de Comarmond	01/05/2020	
Haute Rive Holdings Ltd	Sunil Banymandhub		
	Christophe Barge		30/05/2020
	Jan Boullé		
	Isabelle de Gaalon Decaillot		08/05/2020
	Ravi Prakash Hardin		
	Arnaud Lagesse		
	Roshan Ramoly	26/09/2019	
	Christine Marot		30/04/2020
	Jean-Luc Wilain		
	Jean-François de Comarmond	01/05/2020	
	Michele Anne Espitalier Noel	01/05/2020	
Haute Rive IRS Company Limited	Sunil Banymandhub		
	Jan Boullé		
	Christine Marot		30/04/2020
	Jean-François de Comarmond	01/05/2020	
Haute Rive Ocean Front Living Ltd	Sunil Banymandhub		
	Jan Boullé		
	Christine Marot		30/04/2020
	Jean-François de Comarmond	01/05/2020	
Haute Rive PDS Company Ltd	Sunil Banymandhub		
	Jan Boullé		
	Jean-François de Comarmond	01/05/2020	
	Michele Anne Espitalier Noel		
	Christine Marot		30/04/2020
HR Golf Holding Ltd	Sunil Banymandhub		
	Jean-François de Comarmond	01/05/2020	
	Jan Boullé		
	Christine Marot		30/04/2020

Name of Subsidiary	Name of Director	Date of Appointment during the period under review	Date of Resignation during the period under review
Les Hauts Champs 2 Ltd	Michele Anne Espitalier Noel		
	Jean-François de Comarmond	01/05/2020	
	Christine Marot		30/04/2020
Life in Blue Limited	Michele Anne Espitalier Noel		
	Jean-François de Comarmond	01/05/2020	
	Christine Marot		30/04/2020
	Nicolas Rey		
	Sebastien Bax de Keating		
	Gregory Mayer		
	Harold Mayer		
Ocean Edge Property Management Company Ltd	Sunil Banymandhub		
	Jean-François de Comarmond	01/05/2020	
	Michele Anne Espitalier Noel		
	Christine Marot		30/04/2020
PL Resort Ltd	Sunil Banymandhub		
	Olivier Fayolle		
	Arnaud Lagesse		02/10/2019
	Jean-Luc Wilain	02/10/2019	
	Christine Marot		30/04/2020
	Kevin Teeroovengadum		
	Jean-François de Comarmond	01/05/2020	

Directors' and Senior Officers' Interests in Shares

The direct and indirect interests of the Directors and the Senior Officers in the equity securities of the Company as at June 30, 2020 were as follows:

	Direct Interest	Indirect Interest
Directors	**%**	**%**
Sunil Banymandhub	-	-
Jan Boullé	-	0.015
Jean-François de Comarmond		
Michele Anne Espitalier Noel	0.0001	0.0002
Ravi Prakash Hardin	-	-
Arnaud Lagesse	-	0.251
Roshan Ramoly	-	-
Jean-Luc Wilain	-	-
Senior Officers	**%**	**%**
IBL Management Ltd	-	-
Hugues Lagesse	-	0.254

STATUTORY DISCLOSURES

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

Directors' Remuneration and Benefits

Total remuneration and benefits received by the Directors from the Company and its subsidiaries were:

	From the Company		From Subsidiaries	
	2020	2019	2020	2019
	Rs	Rs	Rs	Rs
Christine Marot	10,973,137	9,222,848	-	-
Jean-François de Comarmond	1,446,148	-	-	-
Michele Anne Espitalier Noel	5,732,795	-	-	-
Non-Executive	2,755,000	3,146,250	1,750,000	1,387,500

Directors' service contracts

None of the Directors of the Company and of its subsidiary companies have service contracts that need to be disclosed under section 221 of the Companies Act.

Contract of significance

There exists no contract of significance, save as disclosed above, between the Company and its Directors.

Directors' Insurance

The Directors benefit from an indemnity insurance to cover the liabilities which may be incurred while performing their duties to the extent permitted by law.

Political and Charitable Donations

BLL did not make any political or charitable donations during the year under review.

Auditors' remuneration

For the year under review, the fees paid to the Auditors for audit services and non-audit services were as follows:

	2020	2019
	Rs	Rs
Ernst & Young (2019 BDO & Co) The Company	1,900,000	800,000
Subsidiaries of the Company		
• PL Resort Ltd	400,000	240,000
• Circle Square Holding Company Ltd	150,000	45,000
• Haute Rive Holdings Ltd	250,000	110,000
• Haute Rive Azuri Hotel Ltd	400,000	240,000
• Haute Rive IRS Company Limited	135,000	90,000
• Haute Rive Ocean Front Living Ltd	-	90,000
• Haute Rive PDS Ltd	135,000	50,000
• Ocean Edge Property Management Company Ltd	-	80,000
• Azuri Services Ltd	-	80,000
• Azuri Estate Management Ltd	100,000	80,000
• Azuri Suites Ltd	-	50,000
Subsidiaries of the Company (Cont.)		
Azuri Watch Ltd	-	25,000
HR Golf Holding Ltd	-	25,000
Les Hauts Champs 2 Ltd	-	25,000

	Non-Audit Services			
	Details of Services	Audit Firm	2020	2019
			Rs	Rs
The Company	Internal audit	PwC	670,000	660,000
	Review of Consolidation	BDO&Co	380,000	-
	Transaction Adviser for Mandatory Takeover by IBL	BDO&Co	-	300,000
	Vendors due diligence for PL Resort Ltd	KPMG	-	680,000
	Review of IFRS 9/15/16	Deloitte	-	105,000
Subsidiaries of the Company	Review of IFRS 9/15/16	Deloitte	-	850,000

Approved by the Board on October 23, 2020 and signed on its behalf by

Sunil Banymandhub
Chairman

Hugues Lagesse
Executive Director

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BlueLife Limited (the "Company") and its subsidiaries (altogether, the "Group") set out on pages 33 to 123 which comprise the statements of financial position as at June 30, 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at June 30, 2020, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial statements, which indicates that the Group and the Company incurred a loss of Rs 274,159,638 and Rs. 195,879,892 respectively for the year ended June 30, 2020 and as at that date, their current liabilities exceeded their current assets by Rs 737,426,740 and Rs 91,428,649 respectively.

As stated in Note 3 of this financial statements, these conditions along with liquidity challenges in conjunction with, and exacerbated by external factors in the economic environment in which the Company operates as a result of the COVID-19 pandemic impacting the entity's core business of marketing, building and selling developments, indicate the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (Continued)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Fair valuation of investment properties	
The Group has investment properties of Rs 1,628 million at June 30, 2020. As detailed in note 2.5 to the financial statements, these are measured at fair value, with movements in the fair value included in profit or loss. The investment properties have been fair valued by an independent valuer as detailed in note 6 to the financial statements. Significant judgement has been used by the valuer in determining the fair value of investment properties. Accordingly, the valuation of properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole and the level of judgment involved.	We have obtained, read and understood the 2020 report from the independent valuation specialist. We have tested the mathematical accuracy of the report and evaluated the valuation methodology used by the external property valuer. Assessed the competence, capabilities and objectivity of management's independent valuer, and verified the qualifications of the valuer. Reviewed the scope of work with management to ensure that there were no matters affecting the valuer's objectivity and scope of work. Evaluated management's/the independent valuer' s judgements, in particular: • The models used by management/the independent valuer and its appropriateness; and • The significant assumptions used, including discount rates and capitalisation rates. • Tested a selection of data inputs against supporting documentation to ensure it is accurate, reliable and reasonable. • Ensured proper disclosures have been made in respect of valuation of investment properties. • We discussed the valuations with the external property valuer, challenging key assumptions adopted in the valuations, including available market selling prices, market rents and by comparing them with historical rates and other available market data. We performed a sensitivity analysis using the key assumptions used. • We ensured the reasonableness of the inputs and assumptions used in the context of the COVID-19 pandemic.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
	Verified the size of the properties against title deeds and quantity surveyor's report. We reviewed the disclosures about significant estimates and critical judgments made by management in the financial statements in respect of valuation of investment properties. We have also ensured adequate disclosures as per IAS 40 Investment Property and other sensitivity disclosures in respect of the effects on fair value to changes in the assumptions and valuation techniques under IFRS 13 Fair Value Measurements have been made in the consolidated financial statements.
Impairment of investment in subsidiaries	
In the Company's separate financial statements, investment in subsidiaries are carried at cost less impairment. As set out in note 10 to the financial statements, the Company has an investment of Rs 2,069m in its subsidiaries. Management makes an impairment assessment on the investment in subsidiaries when an indication of impairment is noted and at the end of each reporting date. Various models are used for testing of impairment of investment in subsidiaries, including the discounted cash flow (DCF) models and revalued net asset value (NAV) of the investees, and involve complex judgments and estimates. Accordingly, it has been considered as a key audit matter.	Assessed and tested the design and operating effectiveness of selected key controls over management's process to assess impairment of investment in subsidiaries. Performed the following substantive procedures: • Assessed appropriateness of the valuation methodology. • Tested the design and integrity of the Company's discounted cash flow model in order to evaluate the methodology applied in the Company's annual impairment assessment. • Compared previous forecasts to actual results to assess management's ability to make reliable projections of future income. • Involved our internal valuation experts to assist in evaluating the methodology and key assumptions used, including the weighted average cost of capital. • Challenged management forecast in light with uncertainties around COVID-19. • Where the recoverable amount is based on revalued NAV, ensured that the NAV agrees to the audited financial statements of the investee entity.

Key Audit Matters (Continued)

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Recoverability of intercompany receivables	
The Company has short-term receivables from its investee companies of Rs 560 million as at June 30, 2020, representing 20% of the total assets. These receivables have been assessed as credit impaired for the purpose of assessment of expected credit losses. The related expected credit loss amounts to Rs 29 million as at the end of the reporting period. The Company exercises significant judgement using subjective assumptions over both when and how much to record as impairment and estimation of the amount of credit loss relating to these receivables. Because these receivables form a major portion of the Company's assets and due to the significance of the judgements used in determining the related impairment loss requirements, this audit area is considered a key audit matter. The impact of COVID-19 may vary depending on an entity's specific situation and its methodology in assessing ECL. Management has considered that there is reasonable and supportable consideration of past events, current conditions and forecast of future economic conditions when making that assessment.	Reviewed and assessed the design of the controls over the identification of facilities that are credit impaired and the related calculations of expected credit losses, including the quality of underlying data and systems. For impairment of receivables assessed as credit impaired, judgement is required to determine the amount of the credit loss suffered. For receivables that are credit impaired, we independently assessed the appropriateness of provisioning methodologies and policies and formed an independent view on the levels of provisions booked based on the counterparty information. Re-performed calculations of discounted cash flow models and assessed the reasonableness of assumptions used to support the timing and extent of the cash flows. We involved our internal valuation experts to verify the accuracy of the discount rate used. Where the borrowers' cash flow forecasts are used to determine recoverable amounts, we ensured that these are supported by objective and unbiassed evidence. Challenged management assumptions with respect to uncertainties due to COVID-19.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Adoption of IFRS 16 Leases	
IFRS 16 has been adopted for the first time in the financial year June 30, 2020. The Group is required to recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. As set out in Note 8 to the financial statements, the carrying value of the Group's leasehold land and buildings at reporting date recognised as right-of use assets amounted to Rs 89 million. The right-of-use assets and lease liability are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The impact of this new standard is significant to our audit since: 1. the amounts recorded are material, 2. the update of the accounting policy required policy elections, 3. the implementation process to identify and record all relevant data associated with the leases is complex and; 4. the measurement of the right-of-use asset and lease liability are based on assumptions such as the lease terms and discount rate where the incremental borrowing rate (''IBR'') method has been adopted and where the implicit rate of interest in a lease is not readily determinable. The significance of the rights-of-use assets on the financial position resulted in them being identified as a key audit matter.	The audit procedures performed include the following: • an evaluation of management implementation process, including the review of the updated accounting policy and policy elections, ensuring the completeness and accuracy of the lease contract identified; • We ensured completeness of the right of use asset to be recognised through: - o discussions with the management; - o our review of the board minutes; - o our knowledge of the business operations - o our review of prior year expenses to identify any rental-like expenses. • We performed the independent testing of the accuracy of the inputs of the right of use asset and lease liability calculations against the lease contracts. • We challenged management assumptions, specifically on the determination of the discount rate used; • Involve our technical team on verifying the incremental borrowing rate used by management. • We recalculated the right-of-use asset and lease liability for the lease contract; • We assessed the adequacy of the Group's disclosures of the impact of the new standard in note 8 to the financial statements.
Material uncertainty relating to going concern	
As described under the "Material Uncertainty Related to Going Concern" paragraph above and under Note 3 to the financial statements, there is a material uncertainty relating to going concern faced by the Company.	

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, Statement of Directors' Responsibilities, Statutory disclosures and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information 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 the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and 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 intends to liquidate the Group and or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the Group and Company 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 the directors 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 the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated 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.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacities as auditors and tax advisors and dealings in the ordinary course of business.

We have obtained all the 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.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and whether the disclosure is consistent with the requirement of the Code.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

ERNST & YOUNG (S.A)
Ebène, Mauritius

DARYL CSIZMADIA, C.A.
Licensed by FRC

Date: 29.10.2020

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020

	Notes	THE GROUP June 30, 2020	THE GROUP Restated June 30, 2019	THE GROUP Restated July 01, 2018	THE COMPANY June 30, 2020	THE COMPANY Restated June 30, 2019	THE COMPANY Restated July 01, 2018
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
Non-current assets							
Property, plant and equipment	5	1,236,186,085	1,253,033,037	1,267,948,767	882,342	1,003,659	1,841,991
Investment properties	6	1,627,735,827	1,830,563,135	1,814,987,948	100,500,000	102,848,792	93,316,140
Intangible assets	7	2,088,060	54,051,514	107,003,542	40,546	24,643	11,710,574
Right of use assets	8	84,998,921	-	-	711,171	-	-
Investment in subsidiaries	10	-	-	-	2,068,738,188	1,831,441,846	1,963,092,959
Deferred tax assets	17	32,270,225	26,262,673	41,880,125	1,228,150	1,124,999	543,211
		2,983,279,118	3,163,910,359	3,231,820,382	2,172,100,397	1,936,443,939	2,070,504,875
Current assets							
Inventories	9	234,247,915	108,943,852	94,540,359	25,866,350	37,891,627	36,122,387
Trade and other receivables	12	53,682,336	139,838,374	139,336,891	4,661,556	6,121,797	365,348,794
Other financial assets at amortised cost	13	-	-	-	559,890,616	471,200,122	-
Cash and cash equivalents	29(b)	41,764,386	62,901,160	140,255,691	1,348,460	26,243,908	4,685,505
		329,694,637	311,683,386	374,132,941	591,766,982	541,457,454	406,156,686
Assets classified as held for sale	11	384,294,174	575,311,872	583,925,520	-	342,889,068	342,940,818
Total assets		3,697,267,929	4,050,905,617	4,189,878,843	2,763,867,379	2,820,790,461	2,819,602,379
EQUITY AND LIABILITIES							
Equity (attributable to owners of the parent)							
Stated capital	15	3,472,320,310	3,472,320,310	3,472,320,310	3,472,320,310	3,472,320,310	3,472,320,310
Actuarial reserves		(4,029,952)	(3,438,916)	206,740	272,192	78,997	1,325,893
Accumulated losses		(1,617,262,795)	(1,377,478,212)	(1,167,372,763)	(1,395,698,409)	(1,199,818,517)	(985,399,523)
Owners' interests		1,851,027,563	2,091,403,182	2,305,154,287	2,076,894,093	2,272,580,790	2,488,246,680
Non-controlling interests	10	(17,965,012)	16,983,397	19,592,997	-	-	-
Total equity		1,833,062,551	2,108,386,579	2,324,747,284	2,076,894,093	2,272,580,790	2,488,246,680
LIABILITIES							
Non-current liabilities							
Interest bearing loans and borrowings	16	565,813,143	606,586,800	623,398,431	176,690	214,647	293,216
Employee benefits liability	14	18,348,344	14,520,477	6,287,388	3,600,965	3,473,669	1,354,133
Deferred tax liabilities	17	2,526,986	-	-	-	-	-
		586,688,473	621,107,277	629,685,819	3,777,655	3,688,316	1,647,349
Current liabilities							
Trade and other payables	18	217,946,267	174,074,165	256,433,954	191,561,204	41,731,598	67,037,227
Current tax liabilities	26	-	-	5,699,324	-	-	-
Interest bearing loans and borrowings	16	849,175,110	721,489,127	666,466,838	491,634,427	368,103,622	256,169,816
		1,067,121,377	895,563,292	928,600,116	683,195,631	409,835,220	323,207,043
Liabilities directly associated with assets classified as held for sale	11	210,395,528	425,848,469	306,845,624	-	134,686,135	6,501,307
Total liabilities		1,864,205,378	1,942,519,038	1,865,131,559	686,973,286	548,209,671	331,355,699
Total equity and liabilities		3,697,267,929	4,050,905,617	4,189,878,843	2,763,867,379	2,820,790,461	2,819,602,379

These financial statements have been approved for issue by the Board of Directors on 23.10.2020

Sunil Banymandhub

Hugues Lagesse

Name and signature of director

The notes on pages 80 to 137 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	Notes	THE GROUP Year ended June 30, 2020	THE GROUP Restated Year ended June 30, 2019	THE COMPANY Year ended June 30, 2020	THE COMPANY Restated Year ended June 30, 2019
		Rs.	Rs.	Rs.	Rs.
Continuing operations					
Revenue	19	470,872,534	575,803,081	6,223,891	9,548,160
Cost of sales	20	(190,704,702)	(215,728,524)	-	-
Gross profit		280,167,832	360,074,557	6,223,891	9,548,160
Other income	21	3,024,717	18,112,494	39,867,025	28,811,561
Interest income at EIR	21	-	1,279,735	11,588,010	9,541,454
Other gains/(losses) - net	23	31,765,599	(3,553,072)	-	-
Selling and marketing expenses	20	(45,407,954)	(55,153,620)	-	-
Administrative expenses	20	(355,357,066)	(364,412,108)	(91,978,463)	(87,869,044)
Expected credit losses	20	(51,765,905)	(3,455,185)	(8,943,498)	11,887
Other operating expenses	20	(18,599,150)	(7,683,452)	(1,835,943)	(810,725)
		(156,171,927)	(54,790,651)	(45,078,978)	(40,766,707)
Net (decrease)/increase in fair value of investment properties	6(i)	(10,797,476)	(238,685)	(2,348,792)	9,532,652
Impairment charges	25	-	(51,235,990)	(119,592,826)	(143,114,927)
Finance costs	22	(88,284,269)	(84,951,336)	(29,002,023)	(19,360,105)
Loss before taxation	24	(255,253,672)	(191,216,662)	(196,022,619)	(193,709,087)
Income tax credit/(charge)	26	3,218,085	(15,038,146)	142,727	326,400
Loss for the year from continuing operations		(252,035,587)	(206,254,808)	(195,879,892)	(193,382,687)
Discontinued operations					
Loss from discontinued operations, net of tax	11	(22,124,051)	(5,216,309)	-	-
Loss for the year		(274,159,638)	(211,471,117)	(195,879,892)	(193,382,687)
Other comprehensive (loss)/ income for the year, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of employee benefits liability, net of deferred tax	27	(1,164,390)	(4,889,588)	193,195	(1,246,896)
Total comprehensive loss for the year		(275,324,028)	(216,360,705)	(195,686,697)	(194,629,583)
Loss attributable to:					
Owners of the parent		(239,784,583)	(210,105,449)	(195,879,892)	(193,382,687)
Non-controlling interests		(34,375,055)	(1,365,668)	-	-
		(274,159,638)	(211,471,117)	(195,879,892)	(193,382,687)
Total comprehensive loss attributable to:					
Owners of the parent		(240,375,623)	(213,751,105)	(195,686,697)	(194,629,583)
Non-controlling interests		(34,948,405)	(2,609,600)	-	-
		(275,324,028)	(216,360,705)	(195,686,697)	(194,629,583)
Loss per share (Rs/cs)					
- From continuing and discontinued operations	28	(0.366)	(0.321)	(0.299)	(0.295)
- From continuing operations	28	(0.332)	(0.313)	(0.299)	(0.295)

The notes on pages 80 to 137 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

THE GROUP

	Notes	Attributable to owners of the parent					Non-controlling interests	Total Equity
		Stated capital	Other reserves	Actuarial reserves	Accumulated losses	Total		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2019		3,472,320,310	26,080,000	(3,438,916)	(1,333,152,181)	2,161,809,213	(15,552,889)	2,146,256,324
- Effect of prior year adjustments	34	-	(26,080,000)	-	(44,326,031)	(70,406,031)	32,536,286	(37,869,745)
- as restated		3,472,320,310	-	(3,438,916)	(1,377,478,212)	2,091,403,182	16,983,397	2,108,386,579
Loss for the year		-	-	-	(239,784,583)	(239,784,583)	(34,375,055)	(274,159,638)
Other comprehensive loss for the year	27	-	-	(591,036)	-	(591,036)	(573,354)	(1,164,390)
Total comprehensive loss for the year		-	-	(591,036)	(239,784,583)	(240,375,619)	(34,948,409)	(275,324,028)
At June 30, 2020		**3,472,320,310**	**-**	**(4,029,952)**	**(1,617,262,795)**	**1,851,027,563**	**(17,965,012)**	**1,833,062,551**
At July 1, 2018		3,472,320,310	26,080,000	206,740	(1,148,598,027)	2,350,009,023	(9,781,967)	2,340,227,056
- Effect of prior year adjustments	34		(26,080,000)		(18,774,736)	(44,854,736)	29,374,964	(15,479,772)
- as restated		3,472,320,310	-	206,740	(1,167,372,763)	2,305,154,287	19,592,997	2,324,747,284
Loss for the year		-	-	-	(210,105,449)	(210,105,449)	(1,365,668)	(211,471,117)
Other comprehensive loss for the year	27	-	-	(3,645,656)	-	(3,645,656)	(1,243,932)	(4,889,588)
Total comprehensive loss for the year		-	-	(3,645,656)	(210,105,449)	(213,751,105)	(2,609,600)	(216,360,705)
At June 30, 2019		**3,472,320,310**	**-**	**(3,438,916)**	**(1,377,478,212)**	**2,091,403,182**	**16,983,397**	**2,108,386,579**

THE COMPANY

	Note	Stated capital	Actuarial reserves	Accumulated losses	Total
		Rs.	Rs.	Rs.	Rs.
At July 1, 2019		3,472,320,310	78,997	(1,199,818,517)	2,272,580,790
Loss for the year		-	-	(195,879,892)	(195,879,892)
Other comprehensive income for the year	27	-	193,195	-	193,195
Total comprehensive loss for the year		-	193,195	(195,879,892)	(195,686,697)
At June 30, 2020		**3,472,320,310**	**272,192**	**(1,395,698,409)**	**2,076,894,093**
At July 1, 2018		3,472,320,310	1,325,893	(1,006,435,830)	2,467,210,373
Loss for the year		-	-	(193,382,687)	(193,382,687)
Other comprehensive loss for the year	27	-	(1,246,896)	-	(1,246,896)
Total comprehensive loss for the year		-	(1,246,896)	(193,382,687)	(194,629,583)
At June 30, 2019		**3,472,320,310**	**78,997**	**(1,199,818,517)**	**2,272,580,790**

The notes on pages 80 to 137 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Notes	THE GROUP		THE COMPANY	
		Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
		Rs.	Rs.	Rs.	Rs.
Operating activities					
Cash (used in)/generated from operations	29(a)	**29,917,023**	(88,101,986)	**37,181,806**	(194,776,234)
Tax paid		**(23,992)**	(4,118,357)	**-**	-
Interest received		**-**	1,117,246	**-**	-
Interest paid		**(85,686,923)**	(109,337,952)	**-**	(15,161,476)
Cash (used in)/generated from operating activities		**(55,793,892)**	(200,441,049)	**37,181,806**	(209,937,710)
Investing activities					
Purchase of property, plant and equipment		**(21,370,264)**	(24,463,279)	**(2,475,616)**	(359,124)
Purchase of right of use assets		**(77,934)**	-	**-**	-
Purchase of intangible assets		**(1,479,337)**	(1,147,700)	**(48,275)**	-
Expenditure incurred on investment properties		**(2,895,681)**	(11,214,050)	**-**	-
Proceeds from disposal of property,		**-**	-	**-**	
plant and equipment		**-**	340,000	**-**	-
Proceeds from sale of investment properties		**162,000,000**	-	**-**	-
Additions of investment in subsidiaries		**-**	-	**(14,000,100)**	-
Deposit received from sale of investment properties		**-**	120,000,000	**-**	-
Cash generated from/(used in) investing activities		**136,176,784**	83,514,971	**(16,523,991)**	(359,124)
Financing activities					
Repayment on borrowings	16(i)	**(192,707,936)**	(72,626,624)	**(134,686,135)**	(108,000,000)
Proceeds from borrowings	16(i)	**80,000,000**	120,000,000	**81,881,939**	348,000,000
Finance lease capital repayment		**(3,364,672)**	(919,417)	**(1,450,198)**	(74,036)
Cash (used in)/generated from financing activities		**(116,072,608)**	46,453,959	**(54,254,394)**	239,925,964
Net movement in cash and cash equivalents		**(35,689,716)**	(70,472,119)	**(33,596,579)**	29,629,130
Movement in cash and cash equivalents					
At July 1,		**(241,987,134)**	(173,228,223)	**(171,781,172)**	(201,410,302)
Effect of foreign exchange difference		**2,011,439**	1,713,208	**-**	-
(Decrease)/increase		**(35,689,716)**	(70,472,119)	**(33,596,579)**	29,629,130
At June 30,	29(b)	**(275,665,411)**	(241,987,134)	**(205,377,751)**	(171,781,172)

The notes on pages 80 to 137 form an integral part of these financial statements.

1. GENERAL INFORMATION

BlueLife Limited (the "Company") is a public company limited by shares, incorporated and domiciled in Mauritius. Its registered office is situated at Azuri Village, Haute Rive, Rivière du Rempart, Mauritius.

Bluelife Limited is a property investment and development company. Its portfolio of assets includes offices, rental units, hotels and land for mixed-used developments, mainly in Azuri Ocean & Golf Village, where there is ongoing development.

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

2. 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.

2.1 Basis of preparation

The financial statements of BlueLife Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Where necessary, comparative figures have been amended to conform with changes in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) investment properties are stated at fair value; and

(ii) relevant financial assets and liabilities are carried at amortised cost.

The Board of Directors are confident that the Group would continue as a going concern in the foreseeable future and they consider it appropriate to prepare the financial statements on a going concern basis (refer to Note 3.1 for note on Going Concern).

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at June 30 each year. The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The Company 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.2 Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other of the Group.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.3 Changes in accounting policies and disclosures

Amendments to published Standards effective in the reporting period

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after July 1, 2019. Only where the adoption of the standards or amendments or improvements is deemed to have an impact on the financial statements of the Group, is described below.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

2. ACCOUNTING POLICIES (CONTINUED)

Therefore, IFRS 16 does not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of July 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

IFRS 16 Leases (Continued)

The effect of adopting IFRS 16 is, as follows:

Impact on the statements of financial position (increase/(decrease)):

	THE GROUP	THE COMPANY
Assets	**Rs**	Rs
Operating lease commitments as at June 30,2019	**100,879,002**	1,979,000
Weighted average incremental borrowing rate as at July 1, 2019	**7.28%**	7.63%
Discounted operating lease commitments as at July 1, 2019	**34,584,796**	1,881,938
Less:		
Commitments relating to short-term leases	**-**	-
Commitments relating to leases of low-value asset	**-**	-
Add:		
Lease payments relating to renewal periods not included in operating lease commitments as at June 30, 2019	**-**	-
Lease liabilities as at July 1, 2019	**34,584,796**	1,881,938

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As at July 1, 2019:

- 'Right-of-use assets' were recognised and presented separately in the statement of financial position. Lease assets recognised previously under finance leases, which were included under 'Property, plant and equipment', were derecognised.
- Additional lease liabilities were recognised and included under 'Interest bearing loans and borrowings'.
- 'Prepayments' and 'Trade and other payables' related to previous operating leases were derecognised.
- 'Retained earnings' and 'Non-controlling interests'- no impact.

For the year ended June 30, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets, net of the decrease in 'Property, plant and equipment'). This resulted in increases in 'Administrative expenses' of MUR 2,079,244 (2019: NIL).
- Rent expense included in 'Administrative expenses', relating to previous operating leases, decreased by MUR 4,606,782 (2019: NIL).
- 'Finance costs' increased by MUR 2,199,604 (2019: NIL) relating to the interest expense on additional lease liabilities recognised.
- 'Income tax expense' decreased by NIL (2019: Nil) as the Group has accumulated tax losses.
- Cash outflows from operating activities decreased by MUR 737,049 (2019: Nil) and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Group.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the year.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements as the Group does not have long-term interests in its associate and joint venture.

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the financial statements of the Group as there is no transaction where joint control is obtained.

IFRS 11 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3.

The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group's current practice is in line with these amendments, they had no impact on the financial statements of the Group.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the financial statements of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The directors are still assessing the impact of this new standard on the Group's financial statements.

Amendments to IFRS 16 COVID-19 Related Rent Concessions

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Group as it has not given or received any rent concessions.

2.5 Summary of significant accounting policies

(a) Property, plant and equipment

Plant and equipment is stated at 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. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholder's equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Each year, the depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings.

Properties in the course of construction for production or administrative purposes or purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs are capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives at the following rates:

- Buildings	2%
- Plant and equipment	10% - 30%
- Furniture, Fixtures and equipment	20% - 25%
- Motor vehicles	20% - 25%

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

(b) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (Continued)

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their 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. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the 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.

(c) Intangible assets

(i) Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(ii) Other Intangible Assets include both the Leasehold rights and Computer software

Leasehold rights

Leasehold rights represent the amount paid to acquire the rights to the lease of land and is amortised over the period of the lease, that is, 60 years.

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using straight line method over their estimated useful lives of 3 to 4 years.

Costs associated with developing and maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

(iii) Impairment of non-financial assets excluding goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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 for publicly traded subsidiaries or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(d) Investment in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiaries are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (Continued)

(d) Investment in subsidiaries (Continued)

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess, of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entities or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Assets classified as held for sale

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

(f) Financial instruments

(i) Financial assets

Initial recognition and measurement

On initial recognition, financial assets are classified as measured at amortised cost, fair value through profit or loss ("FVTPL"), and fair value through other comprehensive income (''OCI'').

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

<u>Business model assessment</u>

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

<u>The solely payments of principal and interest (SPPI) test</u>

As a second step of its classification process the Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

2. ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

(i) Financial assets (Continued)

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

The initial recognition of financial assets is disclosed on notes 12,13 and 29 (c).

Derecognition

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

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Further disclosures relating to impairment of financial assets are also provided in Notes 12 and 13.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortised cost, fair value through profit or loss when they are held for trading, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest bearing loans and borrowings, retirement savings scheme and other liabilities classified as loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, 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. The difference in the respective carrying amounts is recognised in profit or loss.

(g) 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (Continued)

(h) Current and deferred income tax

The tax expense for the period 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.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodies in the investment property over time, rather than through sale.

(i) Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Mauritian rupees, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other gains and losses - net'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (Continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(k) Employee benefits liability

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution retirement benefit plan for all qualifying employees. Payments to defined contribution retirement plans are charged as an expense as they fall due.

(ii) 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 statements 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 comprise 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 a subsequent period.

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 profit or loss.

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

(iii) Retirement gratuity

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated and provided for. The obligations arising under this item are not funded.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal,or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(l) Inventories

Inventories - Hotel Operations

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first out (FIFO) method. The cost of consumables comprises of purchase cost and other direct costs but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV). Principally, this is residential property that the Group develops and intends to sell before, or on completion of development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold land
- Amounts paid to contractors for development

For contracts that meet the over time revenue recognition criteria, the Group's performance is measured using an input method, by reference to cost incurred to the satisfaction of a performance obligation relative to the total expected inputs to the completion of the property. Costs incurred with respect to developing the property are capitalised. Development expenditure incurred with respect to work in progress dealt under with the percentage of completion method is recognised in profit or loss in the period incurred.

(m) Revenue recognition

(i) Revenue derived from hotel operations

The Group has a right to payment once the performance obligation related to the services has been satisfied. Revenue is recognised at a point in time when invoices are issued to the customer, at a point when performance obligation is deemed to have been satisfied and the point at which the Group has an enforceable right to payment from the customer.

(ii) Other revenues earned by the Group are recognised on the following bases:

- Rental income from investment property - recognised in profit or loss on an accrual basis in accordance with the rental agreement.
- Interest income - recognised on a time proportion basis using the effective interest method.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (Continued)

- Dividend income - when the shareholder's right to receive payment is established.

(iii) Sale of completed property

A sale of a completed property is generally a single performance obligation and the Group has determined that it is satisfied at a point in time when control transfers.

(iv) Sale of property under development

The Group has determined that revenue from sales of property under development is to be recognised over time under IFRS 15. Control is deemed to be transferred over time as:

(i) The Group's performance does not create an asset with an alternative use to the Group and;

(ii) The Group has at all times an enforceable right to payment for performance completed to date.

(iv) Sale of property under development (Continued)

The Group has determined that the input method is the best method for measuring progress of these contracts because there is a direct relationship between the assets incurred by the Group and the transfer of goods and services to the customer.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

(o) Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

(r) Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

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

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (Continued)

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

The Management determines the policies and procedures for both recurring fair value measurement, such as land, investment properties and unquoted financial assets at fair value through OCI, and for non-recurring measurement, such as assets held for sale in discontinued operations. Management is comprised of the Chief Finance Executive and chief and finance officers.

External valuers are involved for valuation of significant assets, such as properties and land conversion rights. Involvement of external valuers is determined annually by Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

(s) Assets held for sale and discontinued operations

The Group classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 14. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

(t) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(u) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal annual amounts over the expected useful life of the related asset.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

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

Other disclosures relating to the Group's exposure to risks and uncertainties includes risk management.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the 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 described below. The Group based its 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 that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.1 Critical accounting estimates and assumptions (Continued)

a) Estimated impairment of goodwill

The Group tests annually whether Goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.4. For details, please refer to note 7.

(b) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to confirm the fair value of some of its investment properties as at June 30, 2020. For these investment properties, the valuer used a valuation technique based on capitalisation of net operating income. Other investment properties comprise of bare land held for capital appreciation whose fair values have been determined based on director's valuations on an open market basis.

The determined fair value of the investment properties, with regards to rental properties, is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 6.

(c) Employee benefits liability

The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

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.

The Group determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. For further details, please refer to Note 14.

(d) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits or losses on the disposal of similar assets.

(e) Impairment of assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques. The key assumptions used to determine the recoverable amount for the CGU, including a sensitivity analysis, as disclosed and further explained in Note 7.

(f) Impairment of investment in subsidiaries

The group follows the guidance of IAS 36 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. For details, please refer to Note 10.

In making this judgement, the group evaluates, amongst other factors, the duration and extent to which the fair value of an investment is less than cost, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Refer to note 10 for disclosure on the valuation and input used.

(g) Revenue recognition

The Group has evaluated the timing of recognition on the sale of property under development and has considered the facts contained in the contracts and concluded that control of the asset is transferred to the customer over time because:

(i) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(ii) The Group's performance does not create an asset with alternative use to the Group. Furthermore, the Group has an enforceable right to payment for performance completed to date.

(iii) The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

When the customer enters into a contract to buy a unit, the company is restricted to deliver to the customer the particular unit purchased. The customer is contracted to pay a deposit and settle the remainder of the contract price upon each stage of completion of the project as per the below table. When a customer default on payment, legal action are taken by the company.

Contract payment	
Signature of Deed of Sale	35%
Completion of the roof	35%
Completion of works	25%
Delivery	5%

There was no sale of property for the Group and the Company for the years ended June 30, 2020 and June 30, 2019, where control passes over time.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.1 Critical accounting estimates and assumptions (Continued)

(h) Deferred tax on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property, the directors reviewed the Group's investment property and concluded that some properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time and others are recovered through sale. Since the Company has a land promoter and property developer licence, the Group can recognise deferred taxes on changes in fair value of investment properties. However, no deferred tax assets has been recognised on the fair value losses arising from the investment property amounting to Rs 155.7m as at June 30, 2020 (2019: Rs 118.6m) for the Group and Rs 42.9m as at June 30, 2020 (2019: Rs 40.5m) for the Company as there is no certainty about when they will be realised.

(i) Going concern

The Group and the Company incurred losses of Rs 274,159,638 and Rs 195,879,892 respectively for the year ended June 30, 2020 and have net current liability positions of Rs 737,426,740 and Rs 91,428,649 respectively as at that date.

The Company is the holding company of multiple subsidiaries, all based in Mauritius, that comprise the BlueLife group (the "Group"). The Group's principal activity is that of Property Development, and the continued viability of this activity is predicated on the development and sale of investment properties, utilising development scheme initiatives made available to the private sector by the government. The key risks and dependencies of this activity are therefore the continued sale of properties to either foreign investors or on the local market. The Group has a considerable quantity of lots available, at varying stages of development, which has the potential to generate significant revenues and profit over the next 10-15 years.

As the branding and selling of investment properties is very much dependent on the physical presence of prospective investors in Mauritius, the advent of the COVID-19 pandemic has placed considerable pressure on the Group's ability to realise sales in the short term, and given the current trend, it is believed that this pressure will continue until 2023. Additional risks, exacerbated by the global pandemic, include downward pressure on property prices as the supply of properties under special schemes in Mauritius outweighs the current demand. Management believes that the Group brand offering provides the Group with an edge over its competitors. Current property developments forecast over the next three years will also realise sufficient cash flows to allow the Group to incur strategic capital expenditure, which is considered key in creating value to sell a particular part of their future property development, however this is dependent on the re-opening of the borders. Cash flows should also be sufficient to partially cover continued overheads of the Group but there are other initiatives which will be required to meet the liquidity needs of the entity operationally and to meet the obligations in the Group which materialise over the next year.

A secondary source of revenue of the Group is in the Hotel Operations sector. The Group currently operates two hotels, one of which is located at the heart of the property development, that is Azuri. The hotels have been particularly impacted by the global COVID-19 pandemic, and until the borders re-open, they will continue to make losses. It is noted that the hotels have associated themselves, through a hotel management agreement, with a leading global hotel brand name. This strategy has resulted in the hotels being able to take advantage of the leading hotel global customer network and, through significantly improved occupancy rates, the hotels have reflected improved financial results, up until the outbreak of COVID-19, indicating their ability to meet their obligations without further assistance or support from their shareholders or financial institutions. It is expected that this situation will bounce back rapidly once the border re-opens and tourism returns to normal levels.

The hotels are indebted with various banking institutions and the Company has provided corporate guarantees against these loans. Management has availed themselves of all possible forms of assistance in order to mitigate the risks associated with the loan liabilities, including: agreed loan moratoriums with the banks as detailed under Note 36(d), wage assistance schemes from the government available till October 2020, various austerity measures to keep costs to a minimum during the crisis, and the possibility of availing themselves of a government-devised economic stress relief fund.

Management consider that at least one of the hotels is strategically important to their core investment property strategy, as the integrated resort scheme village which has been created needs to offer a holistic service and facility offering to residents and tourists alike. Revenues therefore generated by hotel operations, whilst important in value annually, are not considered as core to the Group's strategy.

Other segmental sources of income to the Group are derived from commercial sales or rentals and from facilities and maintenance revenue from existing residents of the village. Amounts generated from these sources, whilst contributing to profitability, are not considered significant to the overall business of the Group.

Management have also undertaken to and are in the process of, as part of their strategy, disposing of non-core activities of the Group. Many of these are advanced with a higher probability of cash flow whilst others still require offers to be received. The majority shareholder has also provided a letter of support to the extent of its shareholder's loan of Rs 200 million plus accrued interest thereon, until such time as the Company realises certain strategic initiatives in the next 12 months. Management has also secured extensions on some facilities. In addition, management is considering other initiatives and possible capital raising measures to support the entity up to FY 2023 and in discharging the arising obligations relating to the hotels as discussed above.

Whilst management is confident that the various initiatives taken to mitigate the risk of a liquidity squeeze on the Group will be sufficient, these initiatives depend on a number of external factors, including finding willing buyers for some non-core assets, final market approvals for other board approved initiatives and in terms of receiving funding from customers, the re-opening of borders and the extent and duration of the global pandemic in investor-targeted countries.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt around the Company's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Company and certain subsidiaries therefore continue to rely on the continuing support of its shareholders and on the measures noted above.

(j) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The information on the assumptions and model used is detailed in note 12 and 13 to these financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

3.1 Critical accounting estimates and assumptions (Continued)

(k) Leases

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 8 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects the rate the Group 'would be subject to', which requires either estimation when no observable rates are available or adjustments to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs which has been derived from average yield rates from Treasury Bills and Government Bonds issued by the Central Bank of Mauritius with adjustments made such as risk premium/credit spread to reflect the IBR. The IBR is derived individually for each lease based on the remaining tenure as from the assessment date namely July 1, 2019.

Property lease classification - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Determining the lease term of contracts with renewal and termination options - the Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

4.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Currency risk

The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to the USD, EURO, ZAR and GBP. Foreign exchange risk arises from future currency exposures, commercial transactions and recognised assets and liabilities.

Management has set up a policy to require the Group to manage its foreign exchange risk exposure with treasury performed by IBL Treasury Management Ltd.

Currency profile

The currency profile of the Group and the Company's financial assets and liabilities are summarised below:

THE GROUP	June 30, 2020		June 30, 2019	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	63,573,305	1,574,201,626	83,823,166	1,443,443,760
USD	1,143,938	275,340	17,620,540	321,767
EURO	9,080,604	17,697,130	60,030,702	17,170,677
ZAR	3,379	-	88,292	49,600
GBP	1,731,946	33,621	16,396,868	120,675
	75,533,172	1,592,207,717	177,959,568	1,461,106,478

THE COMPANY	June 30, 2020		June 30, 2019	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	564,845,101	674,848,869	502,325,775	402,855,701
USD	68,394	-	63,424	-
EUR	112,528	-	327,778	-
	565,026,023	674,848,869	502,716,977	402,855,701

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.1 Financial Risk Factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

Currency profile (Continued)

Financial assets exclude prepayments amounting to Rs19.9m (2019: Rs 24.8m) for the Group and Rs 0.87m (2019: Rs 0.84m) for the Company.

Financial liabilities exclude provisions amounting to Rs 40.7m (2019: Rs 41m) for the Group and Rs 8.5m (2019: Rs 7.2m) for the Company.

Sensitivity analysis

At the end of reporting date, if the rupee had weakened/strengthened by 5% against the the above foreign currencies with all the variables remaining constant , the impact on post tax result for the year would have been as shown in the table 3.1(a)(i), mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial assets and liabilities as detailed above.

THE GROUP

	Year ended June 30, 2020		Year ended June 30, 2019	
Impact on post-tax results	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
	+/-	+/-	+/-	+/-
USD	57,197	13,767	881,027	16,088
EURO	454,030	884,857	3,007,480	858,534
ZAR	169	-	4,415	2,480
GBP	86,597	1,681	819,843	6,034

THE COMPANY

	Year ended June 30, 2020		Year ended June 30, 2019	
Impact on post-tax results	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
	+/-	+/-	+/-	+/-
USD	3,420	-	3,171	-
EUR	5,626	-	16,389	-

(ii) Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. The Group maintains its deposits held at bank and borrowings in variable rate instruments and its finance lease obligations at fixed rate.

Cash flow interest rate risk

Sensitivity analysis

At the end of the reporting period, if variable interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax result for the year would have changed as shown in the table below.

	THE GROUP		THE COMPANY	
Impact on post-tax results	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
	+/-	+/-	+/-	+/-
Liabilities				
Interest bearing loans and borrowings	5,848,100	6,573,926	1,456,504	1,840,125

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.1 Financial Risk Factors (Continued)

(b) Credit risk

Credit risk occurs from cash and cash equivalents as well as credit exposure to customers, including outstanding receivables. Credit risk is managed on a Group basis for banks and financial institutions, only independently rated parties are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management. There are no collaterals held against the financial assets of the Group and the Company.

Tenant's receivables

Tenants are assessed according to Group criteria prior to entering into lease agreements. Credit quality of tenant is assessed and outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major tenants.

Revenue from hotels

Sales to retail customers are required to be settled in cash, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to customers, specific industry sectors and/or regions.

THE GROUP

At June 30, 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets					
Trade and other receivables	17,727,965	1,406,059	1,186,349	13,448,413	33,768,786
Cash and cash equivalents	41,764,386	-	-	-	41,764,386
	59,492,351	1,406,059	1,186,349	13,448,413	75,533,172

At July 1, 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets					
Trade and other receivables	46,445,070	27,001,449	16,231,207	25,380,682	115,058,408
Cash and cash equivalents	62,901,160	-	-	-	62,901,160
	109,346,230	27,001,449	16,231,207	25,380,682	177,959,568

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The Group has not breached its covenants for the year ended June 30, 2020. The covenants are constantly monitored by management. The Group and the Company are in a net liability position at year end but, however, there are incoming cash flows expected with the sale of Investment Properties which will help the Group sustain until future projects are materialised.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.1 Financial Risk Factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities based on contractual undiscounted payments into relevant maturity groupings and based on the remaining period at the end of the reporting date to the contractual maturity date.

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At June 30, 2020				
Interest bearing loans and borrowings	918,445,076	112,526,134	351,749,301	256,539,140
Trade and other payables	177,219,465	-	-	-
At June 30, 2019				
Interest bearing loans and borrowings	807,488,256	140,091,239	362,004,038	242,377,603
Trade and other payables	174,074,165	-	-	-

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At June 30, 2020				
Interest bearing loans and borrowings	518,453,930	140,373	41,185	-
Corporate guarantees	-	304,200,000	-	-
Trade and other payables	183,037,753	-	-	-

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At June 30, 2019				
Interest bearing loans and borrowings	393,124,476	92,373	138,265	-
Corporate guarantees	433,800,000	-	-	-
Trade and other payables	41,731,598	-	-	-

4.2 Fair value estimation

The nominal value less estimated credit adjustments to trade receivables and payables are assumed to approximate their fair values.

4.3 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e, share capital, retained earnings/(revenue deficit) and non-controlling interests).

The debt-to-adjusted capital ratios at June 30, 2020 and June 30, 2019 were as follows:

	THE GROUP		THE COMPANY	
	June 30, 2020	June 30, 2019	**June 30, 2020**	June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Total debt	**1,414,988,253**	1,328,075,927	**491,811,117**	368,318,269
Less: cash and cash equivalents	**(41,764,386)**	(62,901,160)	**(1,348,460)**	(26,243,908)
Net debt	**1,373,223,867**	1,265,174,767	**490,462,657**	342,074,361
Total equity	**1,833,062,551**	2,108,386,579	**2,076,894,093**	2,272,580,790
Debt-to-adjusted capital ratio	**0.75:1**	0.60:1	**0.24:1**	0.15:1

5. PROPERTY, PLANT AND EQUIPMENT

(a)

THE GROUP - 2020	Freehold land and buildings Rs.	Plant and equipment Rs.	Motor vehicles Rs.	Furniture, Fixtures and equipment Rs.	Capital work in progress Rs.	Total Rs.
COST						
At July 1, 2019						
As previously stated	1,210,496,777	32,950,413	5,105,344	103,329,328	-	1,351,881,862
Effect of prior year adjustment (Notes 5, 34)	152,108,254	-	-	-	-	152,108,254
As restated	1,362,605,031	32,950,413	5,105,344	103,329,328	-	1,503,990,116
July 1, 2019, on adoption of IFRS 16 - transfer to right of use assets (Note 8) *	-	(3,218,723)	(1,575,000)	-	-	(4,793,723)
Additions	5,965,320	2,349,665	-	12,148,679	906,600	21,370,264
Disposal	-	-	(576,935)	-	-	(576,935)
At June 30, 2020	**1,368,570,351**	**32,081,355**	**2,953,409**	**115,478,007**	**906,600**	**1,519,989,722**
DEPRECIATION						
At July 1, 2019						
As previously stated	125,857,016	19,911,202	3,222,207	86,931,504	-	235,921,929
Effect of prior year adjustment (Note 34)	15,035,150	-	-	-	-	15,035,150
As restated	140,892,166	19,911,202	3,222,207	86,931,504	-	250,957,079
July 1, 2019, on adoption of IFRS 16 - transfer to right of use assets (Note 8) *	-	(1,019,262)	(1,031,500)			(2,050,762)
Charge for the year	24,556,572	1,045,166	717,346	9,155,171	-	35,474,255
Disposal adjustment	-	-	(576,935)	-	-	(576,935)
At June 30, 2020	**165,448,738**	**19,937,106**	**2,331,118**	**96,086,675**	**-**	**283,803,637**
NET BOOK VALUE						
At June 30, 2020	**1,203,121,613**	**12,144,249**	**622,291**	**19,391,332**	**906,600**	**1,236,186,085**

**Transfer to right of use assets is as per new IFRS 16 requirements*

(a)

THE GROUP - 2019	Freehold land and buildings Rs.	Plant and equipment Rs.	Motor vehicles Rs.	Furniture, Fixtures and equipment Rs.	Capital work in progress Rs.	Total Rs.
COST						
At July 1, 2018						
As previously stated	1,199,275,448	32,276,436	6,649,678	89,590,416	2,312,715	1,330,104,693
Effect of prior year adjustment (Note 34)	152,108,254	-	-	-	-	152,108,254
As restated	1,351,383,702	32,276,436	6,649,678	89,590,416	2,312,715	1,482,212,947
Transfer	2,312,715	-	-	-	(2,312,715)	-
Additions	8,908,614	673,977	833,463	14,106,880	-	24,522,934
Disposal	-	-	(2,377,797)	(367,968)	-	(2,745,765)
At June 30, 2019	**1,362,605,031**	**32,950,413**	**5,105,344**	**103,329,328**	**-**	**1,503,990,116**
DEPRECIATION						
At July 1, 2018						
As previously stated	104,595,437	18,493,375	4,864,749	74,282,499	-	202,236,060
Effect of prior year adjustment (Note 34)	12,028,120	-	-	-	-	12,028,120
As restated	116,623,557	18,493,375	4,864,749	74,282,499	-	214,264,180
Charge for the year	24,268,609	1,417,827	720,344	12,817,377	-	39,224,157
Disposal adjustment	-	-	(2,362,886)	(168,372)	-	(2,531,258)
At June 30, 2019	**140,892,166**	**19,911,202**	**3,222,207**	**86,931,504**	**-**	**250,957,079**
NET BOOK VALUE						
At June 30, 2019	**1,221,712,865**	**13,039,211**	**1,883,137**	**16,397,824**	**-**	**1,253,033,037**
At July 1, 2018	1,234,760,145	13,783,061	1,784,929	15,307,917	2,312,715	1,267,948,767

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b)

THE COMPANY - 2020	Plant and equipment Rs.	Motor vehicles Rs.	Furniture, Fixtures and equipment Rs.	Total Rs.
COST				
At July 01, 2019	3,044,758	620,000	9,938,094	13,602,852
July 1, 2019, on adoption of IFRS 16 - Transfer to right of use assets (Note 8) *	-	(620,000)	-	(620,000)
Additions	127,296	-	466,381	593,677
At June 30, 2020	**3,172,054**	**-**	**10,404,475**	**13,576,529**
DEPRECIATION				
At July 01, 2019	2,550,631	245,417	9,803,145	12,599,193
July 1, 2019, on adoption of IFRS 16 - Transfer to right of use assets (Note 8) *	-	(245,417)	-	(245,417)
Charge for the year	97,005	-	243,406	340,411
At June 30, 2020	**2,647,636**	**-**	**10,046,551**	**12,694,187**
NET BOOK VALUE				
At June 30, 2020	**524,418**	**-**	**357,924**	**882,342**
THE COMPANY - 2019				
COST				
At July 1, 2018	2,798,355	620,000	9,877,190	13,295,545
Additions	298,220	-	60,904	359,124
Disposal	(51,817)	-	-	(51,817)
At June 30, 2019	**3,044,758**	**620,000**	**9,938,094**	**13,602,852**
DEPRECIATION				
At July 1, 2018	2,322,819	90,417	9,040,318	11,453,554
Charge for the year	240,766	155,000	762,827	1,158,593
Disposal adjustment	(12,954)	-	-	(12,954)
At June 30, 2019	**2,550,631**	**245,417**	**9,803,145**	**12,599,193**
NET BOOK VALUE				
At June 30, 2019	**494,127**	**374,583**	**134,949**	**1,003,659**
At July 1, 2018	475,536	529,583	836,872	1,841,991

(c) Bank borrowings are secured by fixed and floating charges on the assets of the Group and the Company including property, plant and equipment.

(d) Depreciation expense for the year ended June 30, 2020 of Rs. 35,474,255 (2019: Rs. 39,224,157) for the Group and Rs. 495,411 (2019: Rs. 1,158,593) for the Company have been charged in administrative expenses.

6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	June 30, 2020	June 30, 2019	**June 30, 2020**	June 30, 2019
Fair value model	**Rs.**	Rs.	**Rs.**	Rs.
At July 1	**1,967,194,535**	1,954,566,723	**102,848,792**	93,316,140
As previously stated				
Effect of prior year adjustment * (Notes 5 & 34)	**(136,631,400)**	(139,578,775)	**-**	-
As restated	**1,830,563,135**	1,814,987,948	**102,848,792**	93,316,140
Additions	**2,895,681**	11,214,050	**-**	-
(Decrease)/increase in fair value (note 6(i))	**(10,797,476)**	(238,685)	**(2,348,792)**	9,532,652
Straight lining adjustments	**3,201,150**	4,599,822	**-**	-
Disposal	**(104,982,081)**	-	**-**	-
Transfer to inventories (Note 9)	**(93,144,582)**	-	**-**	-
At June 30,	**1,627,735,827**	1,830,563,135	**100,500,000**	102,848,792

**The amount transferred to Property, plant and equipment difers from note 5 due to reversals of fair value losses previously recognised amounting to Rs 15,476,854 (2019: 12,529,479).*

(i) (Decrease)/increase in fair value of investment properties have been attributable to continuing and discontinued operations as follows:

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Continuing operations	**(10,797,476)**	(238,685)	**(2,348,792)**	9,532,652
Discontinued operations	**-**	-	**-**	-
	(10,797,476)	(238,685)	**(2,348,792)**	9,532,652

(ii) The information about the fair value hierarchy of the investment properties as at June 30, 2020 and 2019 as follows:

	THE GROUP		
	Level 2	**Level 3**	**Total**
	Rs.	**Rs.**	**Rs.**
June 30, 2020			
Bare lands at Azuri, Haute Rive (Note 6 (vii))	-	1,477,403,932	1,477,403,932
Bare lands at Piton and Riviere du Rempart (note 6 (iii))	-	28,500,000	28,500,000
Industrial building, Riviere du Rempart (note 6 (iv))	-	72,000,000	72,000,000
Harbour Front Building, Port Louis (note 6 (v))	-	2,781,000	2,781,000
Commercial building - Retail (note 6 (vi))	-	47,050,895	47,050,895
	-	**1,627,735,827**	**1,627,735,827**

	THE GROUP		
	Level 2	**Level 3**	**Total**
	Rs.	**Rs.**	**Rs.**
June 30, 2019			
Bare lands at Azuri, Haute Rive (Note 6 (vii)	-	1,588,651,983	1,588,651,983
Bare lands at Piton and Riviere du Rempart (note 6 (iii))	-	28,500,000	28,500,000
Industrial building, Riviere du Rempart (note 6 (iv))	-	74,348,792	74,348,792
Harbour Front Building, Port Louis (note 6 (v))	-	104,867,399	104,867,399
Commercial building - Retail (note 6 (vi))	-	34,194,961	34,194,961
	-	1,830,563,135	1,830,563,135

6. INVESTMENT PROPERTIES (CONTINUED)

	THE COMPANY		
	Level 2	**Level 3**	**Total**
	Rs.	**Rs.**	**Rs.**
June 30, 2020			
Bare lands - Piton and Riviere du Rempart (note 6 (iii))	**-**	**28,500,000**	**28,500,000**
Industrial building, Riviere du Rempart (note 6 (iv))	**-**	**72,000,000**	**72,000,000**
	-	**100,500,000**	**100,500,000**
June 30, 2019			
Bare lands - Piton and Riviere du Rempart (note 6 (iii))	-	28,500,000	28,500,000
Industrial building, Riviere du Rempart (note 6 (iv))	-	74,348,792	74,348,792
	-	102,848,792	102,848,792

Reconciliation - Level 3 Investment Properties

	THE GROUP		THE COMPANY	
	June 30, 2020	June 30, 2019	**June 30, 2020**	June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
At July, 2019				
As previously reported	**1,967,194,535**	1,954,566,723	**102,848,792**	93,316,140
Effect of prior year adjustment (Note 34)	**(136,631,400)**	(139,578,775)	**-**	-
As restated	**1,830,563,135**	1,814,987,948	**102,848,792**	93,316,140
Additions	**2,895,681**	11,214,050	**-**	-
(Decrease)/increase in fair value	**(10,797,476)**	(238,685)	**(2,348,792)**	9,532,652
Straight lining adjustment	**3,201,150**	4,599,822	**-**	-
Disposal	**(104,982,081)**	-	**-**	-
Transfer to inventories (Note 9)	**(93,144,582)**	-	**-**	-
At June 30, 2020	**1,627,735,827**	1,830,563,135	**100,500,000**	102,848,792

(iii) Bare lands at Piton and Riviere Du Rempart have been fair valued in June 2020 by Ramiah-Isabel Consultancy Ltd, an independent professionally qualified valuer. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties.

The bare lands at Piton, Riviere du Rempart and Azuri, Haute Rive were incorrectly classified under Level 2 of the fair value hierarchy in 2019. These properties have been reclassified to Level 3 as their fair values are derived from unobservable inputs.

(iv) The industrial building has been fair valued by Ramiah-Isabel Consultancy Ltd on June 30, 2020, based on present day market value. The building was valued in 2019 based on capitalisation of net operating income approach but the valuation methodology was changed in 2020 to open market value as the building is currently unoccupied. The freehold interest in the land component is valued using the direct market comparison approach and the building improvement has been valued at its fair value using the depreciated replacement cost (DRC) approach.

(v) The 8th floor of the Harbour Front building has been sold during the financial year 2020. Only one Lot of 30 square metres in Harbour Front building has been valued by the Directors on June 30, 2020, based on capitalisation of net operating income.

(vi) Commercial buildings comprise of lots at Azuri and boatyard and sports facilities. The land pertaining to the lots were valued by Ramiah-Isabel Consultancy Ltd, an independent professionally qualified valuer on June 2020 using present day of market value approach. The freehold interest in the land component is valued using the direct market comparison approach and the building improvement has been valued at its fair value using the depreciated replacement cost (DRC) approach. The "Boat" yard and sports facilities were valued by Directors as at June 30, 2020, based on depreciated replacement cost.

(vii) Bare lands at Azuri, Haute Rive have been fair valued in June 30, 2020 by Ramiah-Isabel Consultancy Ltd, an independent professionally qualified valuer. The fair value was determined on a present day market value basis by reference to market evidence of transaction prices for similar properties.

Part of the bare land relating to short coming development of projects has been transferred to Inventory properties.

(viii) Bank borrowings are secured by fixed and floating charges on the assets of the Group and the Company including investment properties.

6. INVESTMENT PROPERTIES (CONTINUED)

(ix) The following have been recognised in profit or loss:

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Continuing and discontinued operations				
Rental income (Note 19(a))	**30,191,812**	55,999,764	**6,223,891**	9,548,160
Direct operating expenses arising from investment properties that generate rental income	**11,801,418**	8,165,187	**1,095,189**	84,005
Direct operating expenses arising from investment properties that do not generate rental income	**-**	-	**-**	-

6. INVESTMENT PROPERTIES (CONTINUED)

(x) The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are shown below:

	Valuation techniques and key inputs	Significant input used	Sensitivity	GROUP Effect on fair value 2020	GROUP Effect on fair value 2019	COMPANY Effect on fair value 2020	COMPANY Effect on fair value 2019
				Rs.	Rs.	Rs.	Rs.
Bare lands at Azuri, Haute Rive (Note 6 (vii)	Present day market value	20% discount rate has been used	1% increase in discount rate	**18,467,549**	19,858,150	**-**	-
			1% decrease in discount rate	**(18,467,549)**	(19,858,150)	**-**	-
		Price per square metre	1% increase in price per square metre	**14,774,039**	15,886,520	**-**	-
			1% decrease in price per square metre	**(14,774,039)**	(15,886,520)	**-**	-
Bare lands at Piton and Riviere du Rempart (note 6 (iii))	Open-market	20% discount rate has been used	1% increase in discount rate	**356,250**	356,250	**356,250**	356,250
			1% decrease in discount rate	**(356,250)**	(356,250)	**(356,250)**	(356,250)
		Price per square metre	1% increase in price per square metre	**285,000**	285,000	**285,000**	285,000
			1% decrease in price per square metre	**(285,000)**	(285,000)	**(285,000)**	(285,000)
Industrial building, Riviere du Rempart (note 6 (iv))	Present day market value	Price per square metre	1% increase in price per square metre	**720,000**	743,488	**720,000**	743,488
			1% decrease in price per square metre	**(720,000)**	(743,488)	**(720,000)**	(743,488)
		20% discount rate has been used	1% increase in discount rate	**(900,000)**	(929,360)	**(900,000)**	(929,360)
			1% decrease in discount rate	**900,000**	929,360	**900,000**	929,360
Harbour Front Building, Port Louis (note 6 (v))	Capitalisation of net income	Yield of 10%	1% increase in yield	**(252,818)**	(10,309,458)	**-**	-
			1% decrease in yield	**309,000**	13,059,800	**-**	-
Commercial building - Retail (note 6 (vi))	Present day market value	20%-30% discount rate has been used	1% increase in discount rate	**627,345**	455,933	**-**	-
			1% decrease in discount rate	**(627,345)**	(455,933)	**-**	-
		Price per square metre	1% increase in price per square metre	**470,509**	341,950	**-**	-
			1% decrease in price per square metre	**(470,509)**	(341,950)	**-**	-

7. INTANGIBLE ASSETS

(a) THE GROUP

	Goodwill	Leasehold rights	Computer software	Total
	Rs.	Rs.	Rs.	Rs.
2020				
COST				
At July 1, 2019	181,595,314	61,568,451	14,363,123	257,526,888
July 1, 2019, on adoption of IFRS 16 - transfer to Right of use assets (Note 8)	-	(61,568,451)	-	(61,568,451)
Additions	-	-	1,479,337	1,479,337
At June 30, 2020	**181,595,314**	**-**	**15,842,460**	**197,437,774**
AMORTISATION/IMPAIRMENT				
At July 1, 2019	181,595,314	8,839,421	13,040,639	203,475,374
July 1, 2019, on adoption of IFRS 16 - transfer to Right of use assets (Note 8)	-	(8,839,421)	-	(8,839,421)
Charge for the year	-	-	713,761	713,761
At June 30, 2020	**181,595,314**	**-**	**13,754,400**	**195,349,714**
NET BOOK VALUE				
At June 30, 2020	**-**	**-**	**2,088,060**	**2,088,060**

(a) THE GROUP

	Goodwill	Leasehold rights	Computer software	Total
	Rs.	Rs.	Rs.	Rs.
2019				
COST				
At July 1, 2018	232,831,304	61,568,451	13,957,823	308,357,578
Additions	-	-	1,147,700	1,147,700
Disposal	-	-	(742,400)	(742,400)
Impairment charges (Note 25)	(51,235,990)	-	-	(51,235,990)
At June 30, 2019	**181,595,314**	**61,568,451**	**14,363,123**	**257,526,888**
AMORTISATION/IMPAIRMENT				
At July 1, 2018	181,595,314	7,608,053	12,150,669	201,354,036
Charge for the year	-	1,231,368	1,412,546	2,643,914
Disposal adjustment	-	-	(522,576)	(522,576)
At June 30, 2019	**181,595,314**	**8,839,421**	**13,040,639**	**203,475,374**
NET BOOK VALUE				
At June 30, 2019	**-**	**52,729,030**	**1,322,484**	**54,051,514**
At July 1, 2018	51,235,990	53,960,398	1,807,154	107,003,542

(b) THE COMPANY

	Goodwill	Computer software	Total
	Rs.	Rs.	Rs.
COST			
At July 1, 2019	179,743,850	1,450,495	181,194,345
Additions	-	48,275	48,275
At June 30, 2020	**179,743,850**	**1,498,770**	**181,242,620**
AMORTISATION/IMPAIRMENT			
At July 1, 2019	179,743,850	1,425,852	181,169,702
Charge for the year	-	32,372	32,372
At June 30, 2020	**179,743,850**	**1,458,224**	**181,202,074**
NET BOOK VALUE			
At June 30, 2020	**-**	**40,546**	**40,546**

7. INTANGIBLE ASSETS (CONTINUED)

(b) THE COMPANY

	Goodwill	Computer software	Total
	Rs.	Rs.	Rs.
COST			
At July 1, 2018	191,207,664	2,057,895	193,265,559
Disposal	-	(607,400)	(607,400)
Impairment charges (Note 25)	(11,463,814)	-	(11,463,814)
At June 30, 2019	179,743,850	1,450,495	181,194,345
AMORTISATION/IMPAIRMENT			
At July 1, 2018	179,743,850	1,811,135	181,554,985
Charge for the year	-	83,855	83,855
Disposal adjustment	-	(469,138)	(469,138)
At June 30, 2019	179,743,850	1,425,852	181,169,702
NET BOOK VALUE			
At June 30, 2019	-	24,643	24,643
At July 1, 2018	11,463,814	246,760	11,710,574

(c) The goodwill for the Group and Company arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd in prior years. An assessment of impairment of goodwill was performed in previous years by management, further to which the goodwill was fully impaired last year (charge for year ended June 30, 2019: Rs. 51,235,990 for the Group and Rs. 11,463,814 for the Company).

The recoverable amount of each cash generating unit (CGU) has been determined based on their value-in-use. The pre-tax cash flow projection is based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between 11% to 12%. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The pre-tax discount rate ranges between 12% to 13%.

A terminal growth rate of 3% has been assumed in the calculation and is determined based on past growth rates of the business.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry.

Key assumptions used in value in use calculations and sensitivity to changes and assumptions

The calculation of value in use for the cash generating unit is most sensitive to the following assumptions:

- Discount rate

- Growth rate

There will be no impact on the impairment amount of goodwill due to fluctuations in the key assumptions, given that the goodwill was fully impaired in 2019.

(d) Amortisation charge for the year ended June 30, 2020 of Rs. 713,761 (2019: Rs. 2,643,914) for the Group and Rs. 32,372 (2019: Rs. 83,855) for the Company have been charged in administrative expenses.

8. RIGHT OF USE ASSETS

(a)

	Leasehold rights	Freehold land and buildings	Motor vehicles	Plant and equipment	Total
THE GROUP - 2020	Rs.	Rs.	Rs.	Rs.	Rs.
COST					
July 1, 2019, on adoption of IFRS 16:	-	-	-	-	-
- Initial recognition	-	30,264,782	1,145,477	2,539,537	33,949,796
- Transfer from Property, plant and equipment (Note 5)	-	-	1,575,000	3,218,723	4,793,723
- Transfer from Intangible assets (Note 7)	61,568,451	-	-	-	61,568,451
Additions	-	-	635,000	-	635,000
At June 30, 2020	**61,568,451**	**30,264,782**	**3,355,477**	**5,758,260**	**100,946,970**
DEPRECIATION					
July 1, 2019, on adoption of IFRS 16:	-	-	-	-	-
- Transfer from Property, plant and equipment (Note 5)	-	-	1,031,500	1,019,262	2,050,762
- Transfer from Intangible assets (Note 7)	8,839,421	-	-	-	8,839,421
Charge for the year	1,231,369	571,034	859,107	2,396,356	5,057,866
At June 30, 2020	**10,070,790**	**571,034**	**1,890,607**	**3,415,618**	**15,948,049**
NET BOOK VALUE					
At June 30, 2020	**51,497,661**	**29,693,748**	**1,464,870**	**2,342,642**	**84,998,921**
THE COMPANY - 2020					
COST					
July 1, 2019, on adoption of IFRS 16:	-	-	-	-	-
- Initial recognition	-	-	1,145,477	736,461	1,881,938
- Transfer from Property, plant and equipment (Note 5)	-	-	620,000	-	620,000
At June 30, 2020	**-**	**-**	**1,765,477**	**736,461**	**2,501,938**
DEPRECIATION					
July 1, 2019, on adoption of IFRS 16:	-	-	-	-	-
- Transfer from Property, plant and equipment (Note 5)	-	-	245,417	-	245,417
Charge for the year	-	-	1,014,108	531,242	1,545,350
At June 30, 2020	**-**	**-**	**1,259,525**	**531,242**	**1,790,767**
NET BOOK VALUE					
At June 30, 2020	**-**	**-**	**505,952**	**205,219**	**711,171**

(b) The Group and the Company has adopted the new IFRS 16 standard and the Right of use Assets category has been added. The standard has also required the reclass of all existing finance leases from Property, plant and equipment to Right of use category. There was one addition to assets held under finance leases during the year ended June 30, 2020 amounting Rs 620,000 (2019: Nil) for the Group.

9. INVENTORIES

	THE GROUP		THE COMPANY	
	June 30, 2020	Restated June 30, 2019	June 30, 2020	June 30, 2019
COST	Rs.	Rs.	Rs.	Rs.
Inventory property (Note 9 (c))	228,539,138	100,779,818	25,866,350	37,891,627
Consumables	5,708,777	8,164,034	-	-
	234,247,915	108,943,852	25,866,350	37,891,627

(a) Inventories recognised as expense during the year ended June 30, 2020 amounted to Rs. 192,478,884 (2019: Rs. 215,853,601).

(b) The bank borrowings are secured by floating charges on the assets of the Group and the Company, including inventories.

(c) The Group develops residential property which it sells in the ordinary course of business and has entered into contracts to sell these properties where control passes on to the customers as and when work progresses based on the milestones certified by the quantity surveyor. Costs incurred with respect to developing the property are accounted for in accordance with IFRS 15. Development expenditure incurred in respect of work in progress dealt with under the percentage of completion method is recognised in profit or loss in the period incurred. The construction of the inventory property is expected to occur over a period exceeding 12 months. During the year, there was no sale of inventory properties and there were no open contracts entered into with customers nor any development activity, where control passes to the customers over time (2019: same).

A summary of the movement in inventory property is set out below.

	THE GROUP		THE COMPANY	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Rs.	Rs.	Rs.	Rs.
At July 1,	156,020,287	111,294,968	37,891,627	36,122,387
-Effect of prior year adjustments (Note 34)	(55,240,469)	(24,553,807)	-	-
-As restated	100,779,818	86,741,161	37,891,627	36,122,387
Development costs incurred	46,640,015	14,038,657	-	1,769,240
Transfer from Investment properties (Note 6)	93,144,582	-	-	-
Write offs	(12,025,277)	-	(12,025,277)	-
At June 30,	228,539,138	100,779,818	25,866,350	37,891,627

The write offs during the year for the Group and the Company relate to costs for Les Hauts Champs project written off.

10. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	June 30, 2020	June 30, 2019
	Rs.	Rs.
At July 1	1,831,441,846	1,963,092,959
Additions	14,000,100	-
Impairment losses * (note 25)	(119,592,826)	(131,651,113)
Transfer from assets classified as held for sales (note 11)	342,889,068	-
At June 30	2,068,738,188	1,831,441,846

NOTES TO THE
FINANCIAL STATEMENTS
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10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The directors have performed an assessment of impairment of its investment in subsidiaries by comparing the carrying amount with the recoverable amount at June 30, 2020. An impairment of Rs. 119.6m was recognised as a result of this exercise.

* Impairment of investment in one of the hotels amounting to Rs 32m (2019: Nil) during the financial year 2020 is the result of the non-performance of this cluster during the year under review, as a consequence of Covid-19 which lead to the reduction in the net assets value. The investment in the other hotel held by the Company is fully impaired since previous years.

* The investment in Circle Square Holding Company Ltd was previously classified as held for sale but has been transferred to Investment in subsidiaries during the year following change in management decision to sell only the properties held by the entity instead of disposing its shareholding in the latter. During the year, the directors performed an impairment review on the investment based on its net assets value since the majority of the assets of Circle Square Holding Company Ltd are measured at fair value. This exercise resulted in recognition of an impairment loss of Rs 58m (2019: Rs Nil). The latter is the result of cummulated losses over the period, coupled with the revaluation of the bare land to its agreed selling price. The investment is classified within Level 3 of the fair value hierarchy.

* During the year, the directors also assessed the recoverable amounts of two of its subsidiaries, Ocean Edge Property Management Ltd and Azuri Services Ltd and decided to fully impair these investments based on their poor financial performance. An impairment charge of Rs 14m (2019: Nil) was recorded in profit or loss.

* The investment in Societe des Primeveres has been impaired by Rs 15m (2019: Nil) during the year following the sale of the Investment Property in the Society. The Society hold no assets now and its share capital has been reduced to approximate the corresponding current account in the books of the Company.

* The impairment of Rs 131.6m for 2019 relates to Haute Rive Holdings Ltd which was impaired based on its recoverable amount using the revalued net asset value basis as determined by the directors. The directors determined that the net asset value was the most appropriate basis to assess the recoverable amount of Haute Rive Holdings Ltd because the majority of the assets are investment properties which are measured at fair value. The fall in the recoverable amount was due to a decrease in the value of the property market in the prior year. The investment is classified within Level 3 of the fair value hierarchy.

Impairment

a) The recoverable amount of the hotel has been determined based on their value in use. The pre-tax cash flow projection is based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to the tourism industry, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between 11% to 12%. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. A terminal growth rate of 3% has been assumed in the calculation and is determined based on past growth rates of the business.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the current covid-19 implications.

Key assumptions used in value in use calculations and sensitivity to changes and assumptions

The calculation of value in use for the cash generating unit is most sensitive to the following assumptions:

- Discount rate

- Growth rate

In the discount rate increases by 10%, this will lead to an increase in impairment by Rs 91m. A fall by 10% will result in no impairment. A 10% increase in the growth rate will lead to a decrease in impairment by Rs12m, whereas a 10% decrease will lead to an increase in impairment of Rs 10m.

b) The recoverable amount of Circle Square Holding Company Ltd is based on the market values of all its assets minus the debts of the company. The values of the properties have been derived based on offer prices and sales proceeds of the latter. Impairment of Rs 58m has been booked which is the difference between the carrying amount and the recoverable amount. The key assumption used is the offer prices which were utilised to value the remaining properties for which management has not yet sold. A 5% fall in the estimated price will increase the impairment booked by Rs 2m.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The list of the Company's significant subsidiaries is as follows:

June 30, 2020

Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest		Proportion of ownership interests held by non controlling interests	Proportion of voting power held	Place of registration and operation	Main business
				Direct	Indirect				
				%	%		%		
Société des Primevères	Ordinary	June 30, 2020	60,000,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Tigre	Ordinary	June 30, 2020	1,000	100.0	-	-	100.0	Mauritius	Property holding
PL Resort Ltd	Ordinary	June 30, 2020	215,000,000	60.0	-	40.0	60.0	Mauritius	Hotel operation
Circle Square Holding Ltd	Ordinary	June 30, 2020	450,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management Company Ltd	Ordinary	June 30, 2020	100	100.0	-	-	100.0	Mauritius	Management and consultancy activities
Haute Rive Holdings Ltd	Ordinary	June 30, 2020	1,150,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	June 30, 2020	1	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Ocean Front Living Ltd	Ordinary	June 30, 2020	1,000	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	June 30, 2020	399,000,000	-	62.9	37.1	60.0	Mauritius	Hotel operations
HR Golf Holding Ltd	Ordinary	June 30, 2020	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	June 30, 2020	100	-	100.0	-	100.0	Mauritius	Management and consultancy activities
Azuri Golf Management Ltd	Ordinary	June 30, 2020	100	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Services Ltd	Ordinary	June 30, 2020	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Estate Management Ltd	Ordinary	June 30, 2020	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Watch Ltd	Ordinary	June 30, 2020	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Les Hauts Champs 2 Ltd	Ordinary	June 30, 2020	1,000	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Life in Blue Limited	Ordinary	June 30, 2020	1,000	100.0	-	-	100.0	Mauritius	Real estate activities
Haute Rive PDS Ltd	Ordinary	June 30, 2020	1,000	-	100.0	-	100.0	Mauritius	Real estate activities

** Société de l'Oie, Société de la Perruche, Société du Héron, Société de l'Ibis, Société des Cocotiers, Société de l'Ecureuil, Société des Figuiers have wound up during the year ended June 30, 2020*

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The list of the Company's significant subsidiaries is as follows:

June 30, 2019

Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest		Proportion of ownership interests held by non controlling interests	Proportion of voting power held	Place of registration and operation	Main business
				Direct	Indirect				
				%	%		%		
Société des Primevères	Ordinary	June 30, 2019	60,000,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Oie	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de la Perruche	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Héron	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ibis	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Cocotiers	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ecureuil	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Figuiers	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Tigre	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Property holding
PL Resort Ltd	Ordinary	June 30, 2019	215,000,000	60.0	-	40.0	60.0	Mauritius	Hotel operation
Circle Square Holding Ltd	Ordinary	June 30, 2019	450,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management Company Ltd	Ordinary	June 30, 2019	100	100.0	-	-	100.0	Mauritius	Management and consultancy activities
Haute Rive Holdings Ltd	Ordinary	June 30, 2019	1,150,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	June 30, 2019	1	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Ocean Front Living Ltd	Ordinary	June 30, 2019	1,000	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	June 30, 2019	399,000,000	-	62.9	37.1	60.0	Mauritius	Hotel operations
HR Golf Holding Ltd	Ordinary	June 30, 2019	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	June 30, 2019	100	-	100.0	-	100.0	Mauritius	Management and consultancy activities
Azuri Golf Management Ltd	Ordinary	June 30, 2019	100	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Services Ltd	Ordinary	June 30, 2019	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Estate Management Ltd	Ordinary	June 30, 2019	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Watch Ltd	Ordinary	June 30, 2019	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Les Hauts Champs 2 Ltd	Ordinary	June 30, 2019	1,000	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Life in Blue Limited	Ordinary	June 30, 2019	1,000	100.0	-	-	100.0	Mauritius	Real estate activities
Haute Rive PDS Ltd	Ordinary	June 30, 2019	1,000	-	100.0	-	100.0	Mauritius	Real estate activities

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Subsidiaries with non-controlling interests

Details of subsidiaries that have non-controlling interests:

	2020		2019	
	Loss allocated to non-controlling interests during the year	Accumulated non-controlling interests at June 30,	Restated Loss allocated to non-controlling interests during the year	Restated Accumulated non-controlling interests at June 30,
Name	Rs.	Rs.	Rs.	Rs.
PL Resort Ltd	(15,939,092)	(16,849,275)	2,699,045	(537,440)
Haute Rive Azuri Hotel Ltd	(18,435,963)	(1,115,737)	(4,064,713)	17,520,835
	(34,375,055)	(17,965,012)	(1,365,668)	16,983,395

(d) Summarised financial information of subsidiaries with non-controlling interests

(i) Summarised statements of financial position and statements of profit or loss and other comprehensive income:

June 30, 2020 Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Loss from continuing operations	Other comprehensive income for the year	Total comprehensive income for the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PL Resort Ltd	26,567,503	462,644,028	270,536,305	264,397,112	168,766,111	(39,847,731)	(501,523)	(40,349,254)
Haute Rive Azuri Hotel Ltd	33,085,163	841,190,783	553,504,966	389,529,855	237,707,087	(49,692,622)	(1,004,703)	(50,697,325)

June 30, 2019 Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Loss from continuing operations	Other comprehensive income for the year	Total comprehensive income for the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PL Resort Ltd	65,371,341	434,580,742	255,912,100	255,468,459	216,471,985	951,836	(650,372)	301,464
Haute Rive Azuri Hotel Ltd	84,231,636	770,729,028	548,044,936	336,515,457	299,466,439	(13,228,367)	(2,651,708)	(15,880,075)

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of subsidiaries with non-controlling interests (Continued)

(ii) Summarised cash flow information:

Name	Operating activities	Investing activities	Financing activities	Net (decrease)/ increase in cash and cash equivalents
	Rs.	Rs.	Rs.	Rs.
Year ended June 30, 2020				
PL Resort Ltd	32,776,860	(9,688,275)	(23,244,836)	(156,251)
Haute Rive Azuri Hotel Ltd	24,495,830	(11,602,137)	(16,043,192)	(3,149,499)
Year ended June 30, 2019				
PL Resort Ltd	7,489,004	(5,363,561)	(11,732,605)	(9,607,162)
Haute Rive Azuri Hotel Ltd	38,516,631	(18,689,914)	(14,569,674)	5,257,043

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

11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

		THE GROUP		THE COMPANY	
		2020	2019	2020	2019
		Rs.	Rs.	Rs.	Rs.
(a)	At July 1	575,311,872	583,925,520	342,889,068	342,889,068
	Transfer (to)/from investment in subsidiaries (Note 10)	-	-	(342,889,068)	-
	Disposal	(168,197,000)	-	-	-
	Fair value adjustment	(29,502,618)	(4,170,925)	-	-
	Movement in working capital	6,681,920	(4,442,723)	-	-
	At June 30,	384,294,174	575,311,872	-	342,889,068

(b) On June 20, 2019, the Directors formally approved the sale of part of the investment property of Circle Square Holding Company Ltd, the 'HomeScene' building, to a third party, for an amount of Rs.169m excluding VAT. Management has completed the sale in August 2019. As at reporting date, the remaining assets and liabilities of Circle Square Holding Company Ltd has been classified as held for sale as the sale of Motor City also has been approved and is in progress. The operations of Circle Square Holding Company Ltd has been disclosed as discontinued operations in the statements of profit and loss for the Group for the year ended June 30, 2020.

(c) The investment properties of Circle Square Holding Company Ltd (including the land value) were fair valued by the Directors at June 30, 2020, based on expected selling prices (2019: Capitalisation of net operating income basis). The change in valuation methodology is due to the sale of the property which is currently in progress. The Directors are of the opinion that the expected selling price is a more appropriate basis for valuing the property.

(d) Assets classified as held for sale

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Property, plant and equipment	-	4,480,428	-	-
Investment properties	384,294,174	563,908,679	-	-
Investment in subsidiary	-	-	-	342,889,068
Cash and cash equivalents	-	2,986,029	-	-
Trade and other receivables	-	3,936,736	-	-
	384,294,174	575,311,872	-	342,889,068

The investment in Circle Square Holding Company Ltd was previously classified as held for sale in Company accounts but has been transferred to Investment in subsidiaries during the year following change in management decision to sell only the properties held by the entity instead of disposing its shareholding in the latter.

11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(e) Liabilities directly associated with non-current assets classified as held for sale

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Trade and other payables	**-**	123,781,717	**-**	134,686,135
Borrowings *	**195,328,595**	288,853,890	**-**	-
Deferred tax liabilities	**15,066,933**	13,212,862	**-**	-
	210,395,528	425,848,469	**-**	134,686,135

* Movement in borrowings during the year relates to repayment of the loan amounting to Rs 97,142,605 and interest accrued of Rs3,617,310. The value of amounts pledged as collaterals on the borrowings amount to Rs. 350m (2019: Rs. 350m) with an outstanding exposure of Rs. 190.5m at June 30, 2020 (2019: Rs. 288.9m).

(f) An analysis of the results of discontinued operations, and the results recognised on the re-measurement the disposal group is as follows:

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Revenue (Note 19 (a))	**14,579,833**	31,524,484	**-**	-
Other income (Note 21)	**30,436,628**	4,042,455	**-**	-
Fair value adjustment	**(29,502,618)**	(4,170,925)	**-**	-
Administrative and other operating expenses (Note 20)	**(12,856,099)**	(18,336,293)	**-**	-
Provision for impairment of receivables(Note 20)	**(8,703,701)**	-	**-**	-
Finance costs (Note 22)	**(14,224,023)**	(17,592,265)	**-**	-
Loss before tax from discontinued operations	**(20,269,980)**	(4,532,544)	**-**	-
Income tax charge	**(1,854,071)**	(683,765)		
Loss after tax of discontinued operations	**(22,124,051)**	(5,216,309)	**-**	-

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
(g) Operating cash flows	**(7,063,499)**	(690,375)	**-**	-
Investing cash flows	**109,090,491**	-	**-**	-
Financing cash flows	**(97,142,605)**	-	**-**	-
	4,884,387	(690,375)	**-**	-

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
		Restated		Restated
Trade receivables	**93,714,723**	116,574,794	**9,594,059**	6,729,168
Less provision for impairment	**(68,351,110)**	(9,474,265)	**(5,807,111)**	(6,614,817)
Net trade receivables	**25,363,613**	107,100,529	**3,786,948**	114,351
Other receivables	**24,688,004**	32,737,845	**409,622**	5,886,719
Prepayments	**3,630,719**	-	**464,986**	120,727
Net trade and other receivables	**53,682,336**	139,838,374	**4,661,556**	6,121,797

Other receivables include VAT, deposit paid and insurances.

The significant increase in the provision for impairment is with respect to the hotels. The hotels were closed for 3 months and there were major delays in repayments. Provisions have been made as per Group policy (100% above 90 days, after taking into consideration amount expected to be received after year end).

NOTES TO THE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) *Impairment of Trade receivables*

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

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

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The reflection of forward-looking information does not have a significant impact on the loss rates.

On that basis, the loss allowance as at June 30, 2020 and July 1, 2019, was determined as follows for trade receivables.

GROUP

At June 30, 2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Expected loss rate (%)	**0.04 - 3.4**	**0.07 - 4.42**	**0.13 - 6.94**	**100**	
Gross carrying amount - trade receivable	**9,384,955**	**1,475,894**	**1,296,423**	**81,557,451**	**93,714,723**
Loss allowance	**62,163**	**69,835**	**110,074**	**68,109,038**	**68,351,110**

At July 1, 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate (%)	0.04 - 3.4	0.07 - 4.42	0.13 - 6.94	100	%
Gross carrying amount - trade receivable	38,459,024	26,921,326	16,149,583	35,044,861	116,574,794
Loss allowance	(28,168)	(80,123)	(81,624)	9,664,180	9,474,265

COMPANY

At June 30, 2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Expected loss rate (%)	**4.21**	**11.19**	**15.30**	**100**	
Gross carrying amount - trade receivable	**4,080,967**	**36,225**	**36,225**	**5,440,642**	**9,594,059**
Loss allowance	**3,410**	**4,052**	**5,544**	**5,794,105**	**5,807,111**

At July 1, 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate (%)	0.04 - 3.4	0.07 - 4.42	0.13 - 6.94	100	%
Gross carrying amount - trade receivable	78,814	43,750	(73,300)	6,679,904	6,729,168
Loss allowance	3,319	4,893	-	6,606,605	6,614,817

**All receivables greater that 90 days are assessed as credit impaired and have been fully provided for after taking into consideration amounts expected to be received after year end.*

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) *Impairment of Trade receivables (Continued)*

The closing loss allowances for trade receivables as at June 30, 2020 reconcile to the opening loss allowances as follows:

	Trade receivables			
	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
(ii) **At July 1,**	9,474,265	17,777,011	6,614,817	9,927,366
Loss allowance recognised in profit or loss during the year	60,469,606	3,455,186	(584,206)	8,445,385
Receivables written off during the year as uncollectible	(1,592,761)	(11,757,932)	(223,500)	(11,757,934)
At June 30,	68,351,110	9,474,265	5,807,111	6,614,817

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Continuing operations	51,765,905	3,455,186	(584,206)	8,445,385
Discontinued operations (note 11)	8,703,701	-	-	-
	60,469,606	3,455,186	(584,206)	8,445,385

(iii) The carrying amounts of the Group's and Company's trade and other receivables approximate their fair values and are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
MUR	44,861,525	58,123,265	4,661,556	6,121,797
USD	467,713	14,978,088	-	-
GBP	1,012,312	51,226,481	-	-
EUR	7,340,786	15,510,540	-	-
	53,682,336	139,838,374	4,661,556	6,121,797

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

The other classes within trade and other receivables do not contain impaired assets.

(iv) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

13. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
		Restated		Restated
(a) Receivable from related parties	-	-	589,172,033	490,953,835
Less: Loss allowance	-	-	(29,281,417)	(19,753,713)
	-	-	559,890,616	471,200,122

Due to the short-term nature of the receivable from related parties, their carrying amount is considered to be the same as their fair value.

13. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

(b) Impairment and risk exposure

(i) The loss allowance for financial assets at amortised cost as at June 30, 2020 reconciles to the opening loss allowance on July 1, 2019 and to the closing loss allowance as at June 30, 2019 as follows:

	THE COMPANY	
	2020	2019
	Rs.	Rs.
Loss allowance at July 1, 2019	19,753,713	55,944,934
Write offs	-	(27,733,950)
Allowance/(reversal) recognised in profit or loss during the year	9,527,704	(8,457,271)
Loss allowance at June 30, 2020	29,281,417	19,753,713

Financial assets at amortised costs amounting to Rs. 152.6m (2019: Rs. 138.4m) are assessed as credit impaired and judgements have been used by management to determine the recoverable amount. The recoverable amount of the receivables from the related parties have been assessed by reviewing their cash flow projections. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the current covid-19 implications. These assumptions include the discount rate and growth rate. The projected cash flows are then discounted using the effective interest rate. A terminal growth rate of 3% has been assumed in the calculation and is determined based on past growth rates of the business.

The credit loss suffered is the difference between the carrying amount and the recoverable amount. The expected credit loss has been determined using the simplified approach.

(ii) All of the financial assets at amortised cost are denominated in Mauritian Rupees. As a result, there is no exposure to foreign currency risk.

14. EMPLOYEE BENEFITS LIABILITY

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Amounts recognised in the statements of financial position				
Other post employment benefits	18,348,344	14,520,477	3,600,965	3,473,669
Analysed as follows:				
Non-current liabilities	18,348,344	14,520,477	3,600,965	3,473,669

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Amount charged to profit or loss:				
Other post employment benefits (Note 24(a))	2,424,991	2,342,019	360,061	617,252
Amount charged/(credited) to other comprehensive income:				
Other post employment benefits (Note 27)	1,402,876	5,891,070	(232,765)	1,502,284

14. EMPLOYEE BENEFITS LIABILITY (CONTINUED)

(a) Other post employment benefits

(i) The plan is a hybrid arrangement in respect of employees who were previously members of a defined benefit plan. These employees have a No Worse Off Guarantee whereby, at retirement, their pension benefits will not be less than what would have been payable under the previous Defined Benefit plan. An employee foregoes this guarantee if he leaves before normal retirement age.

The liability relates to Retirement Gratuities payable under the Employment Rights Act (ERA). The latter provides for a lump sum at retirement based on final salary and years of service. For employees who are members of the Defined Contribution plan, half of any lumpsum and five years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the Retirement Gratuities.

The most recent actuarial valuation of the plan assets and the present value of the other post retirement benefits were carried out at June 30, 2020 by Swan Life Ltd (Actuarial Valuer).

The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Present value of unfunded obligations	18,348,344	14,520,477	3,600,965	3,473,669
Liability in the statements of financial position	18,348,344	14,520,477	3,600,965	3,473,669

(iii) The reconciliation of the opening balances to the closing balances for the benefit liability is as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
At July 1,	14,520,477	6,287,388	3,473,669	1,354,133
Charged to profit or loss	2,424,991	2,342,019	360,061	617,252
Charged/(credited) to other comprehensive income	1,402,876	5,891,070	(232,765)	1,502,284
At June 30,	18,348,344	14,520,477	3,600,965	3,473,669

(iv) The movement in the benefit obligations over the year is as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
At July 1,	14,520,477	6,287,388	3,473,669	1,354,133
Current service cost	1,994,174	2,129,985	259,325	572,566
Interest expense	430,817	212,034	100,736	44,686
Remeasurements:				
Actuarial losses/(gains) arising from experience adjustment (Note 27)	1,402,876	5,891,070	(232,765)	1,502,284
At June 30,	18,348,344	14,520,477	3,600,965	3,473,669

(v) Amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Current service cost	1,994,174	2,129,985	259,325	572,566
Net interest cost	430,817	212,034	100,736	44,686
Total included in employee benefit expense (note 24)	2,424,991	2,342,019	360,061	617,252

14. EMPLOYEE BENEFITS LIABILITY (CONTINUED)

(a) Other post employment benefits (Continued)

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Experience losses /(gains) on liabilities	1,018,163	(1,229,635)	(376,134)	(605,008)
Changes in assumptions underlying the present value of the scheme	384,713	7,120,705	143,369	2,107,292
	1,402,876	5,891,070	(232,765)	1,502,284

(vii) Cumulative actuarial losses/(gains) recognised:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
At July 1,	7,146,802	1,255,732	(95,176)	(1,597,460)
Actuarial losses/(gains) recognised for the year	1,402,876	5,891,070	(232,765)	1,502,284
At June 30	8,549,678	7,146,802	(327,941)	(95,176)

(viii) Principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2020	2019
	%	%
Discount rate	3.8 - 3.9	5.8 - 6.0
Future long-term salary increase	3.00	5.00
Future expected pension increase	0.00	0.00

(ix) Sensitivity analysis on defined benefit obligations at end of the reporting date:

June 30, 2020	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs.	Rs.	Rs.	Rs.
Discount rate (1% increase)	-	3,619,867		838,902
Discount rate (1% decrease)	4,564,122	-	997,841	-
Future long term salary assumption (1% increase)	4,557,526	-	995,744	-
Future long term salary assumption (1% decrease)	-	3,678,609	-	852,468

June 30, 2019	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs.	Rs.	Rs.	Rs.
Discount rate (1% increase)	3,783,581	-	1,020,635	-
Discount rate (1% decrease)	-	3,004,463	-	854,348
Future long term salary assumption (1% increase)	3,780,850	-	1,018,530	-
Future long term salary assumption (1% decrease)	-	3,053,947	-	867,865

(x) An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The present value of the defined benefit obligation has been calculated using the projected unit credit method.

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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit pension plan exposes the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

14. EMPLOYEE BENEFITS LIABILITY (CONTINUED)

(a) Other post employment benefits (Continued)

(xi) The weighted average duration of the obligation is 15-26 years at the end of the reporting period (2019: 16-26 years).

(xii) The methodology used is to derive the yield curve (to determine the discount rate) based on available local government bonds with terms ranging from 0.25 to 20 years from which the discount rate commensurate with the duration of liabilities. The Nelson Siegel Svensson model has been used to generate the yield curve using the latest yields as at June 30, 2020 as data source.

We have used the Nelson Siegel Svensson model to generate the yield curve using the latest yields as at 30 June 2020 as our data source.

15. STATED CAPITAL

	THE GROUP AND THE COMPANY			
	2020	2019	**2020**	2019
Issued and fully paid ordinary shares at no par value	**Number of shares**		**Rs.**	Rs.
At July 1 and June 30,	**654,942,099**	654,942,099	**3,472,320,310**	3,472,320,310

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

16. INTEREST BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Non-current				
Bank and other loans (notes (a), (b)& (g))	**533,424,285**	604,388,279	**-**	-
Finance lease liabilities (notes (b) & (f))	**32,388,858**	2,198,521	**176,690**	214,647
	565,813,143	606,586,800	**176,690**	214,647
Current				
Bank overdrafts	**317,429,797**	307,874,323	**206,726,211**	198,025,080
Bank and other loans (notes (a), (b) & (g))	**168,695,994**	193,297,331	**-**	-
Short term loans	**11,377,500**	10,227,500	**-**	-
Loans with related parties (notes (g)&33)	**289,225,268**	209,225,268	**250,000,000**	170,000,000
Finance lease liabilities (notes (b) & (f))	**1,816,559**	864,705	**548,240**	78,542
Interest on bank and other loans (note (a))	**60,629,992**	-	**34,359,976**	-
	849,175,110	721,489,127	**491,634,427**	368,103,622
Total	**1,414,988,253**	1,328,075,927	**491,811,117**	368,318,269

(a) Payment of capital and interest due have not be made as per agreed payment schedules as, in April 2020, the Group has negociated moratoriums on capital and interest payments with all lending institutions following the current economic situation. The payments due March and June 2020 have been deferred (no breach of covenants).

(b) The borrowings as at June 30, 2020 include secured liabilities (leases, bank overdraft and bank loans) amounting to Rs. 1,053,755,493 (2019: Rs. 1,108,623,159) for the Group and Rs. 207,451,141 (2019: Rs.198,318,269) for the Company. The bank borrowings are secured by fixed and floating charges over the property, plant and equipment, inventories and part of the investment properties of the Group. The value of amounts pledged as collaterals on the borrowings amount to Rs. 1,262.7m (2019: Rs. 1,262.7m) with an outstanding exposure of Rs. 1,018.8m at June 30, 2020 (2019: Rs. 1,105.6m). Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(c) The carrying amounts of the borrowings are not materially different from their fair value and are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
MUR	**1,403,610,753**	1,317,848,425	**491,811,117**	368,318,269
EUR	**11,377,500**	10,227,502	**-**	-
	1,414,988,253	1,328,075,927	**491,811,117**	368,318,269

(d)(i) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
- after one year and before two years	**86,919,551**	101,851,077	**135,950**	82,235
- after two years and before five years	**301,715,581**	286,561,437	**40,740**	132,412
- after five years	**177,178,011**	218,174,286	**-**	-
	565,813,143	606,586,800	**176,690**	214,647

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16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(d)(ii) Non-current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
- After one year and before two years	**Rs.**	Rs.	**Rs.**	Rs.
- Bank and other loans	**85,500,000**	100,963,995	**-**	-
- Finance lease liabilities	**1,419,551**	887,083	**135,950**	82,236
	86,919,551	101,851,078	**135,950**	82,236
- After two years and before five years				
- Bank loans and other loans	**300,750,000**	285,250,000	**-**	-
- Finance lease liabilities	**965,581**	1,311,438	**40,740**	132,411
	301,715,581	286,561,438	**40,740**	132,411
- After five years				
- Bank and other loans	**147,174,285**	218,174,284	**-**	-
- Finance lease liabilities	**30,003,726**	-	**-**	-
	177,178,011	218,174,284	**-**	-
	565,813,143	606,586,800	**176,690**	214,647

(e) The exposure of the Group's and Company's borrowings to interest rate changes and the contractual repricing dates are as follows:

THE GROUP	**Six months or less**	**6 -12 months**	**1 - 5 years**	**Over 5 years**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At June 30, 2020					
Total borrowings	**606,655,065**	**168,695,994**	**386,250,000**	**147,174,285**	**1,308,775,344**
At June 30, 2019					
Total borrowings	517,099,591	193,297,331	386,213,993	218,174,286	1,314,785,201

THE COMPANY	**Six months or less**	**6 -12 months**	**1 - 5 years**	**Over 5 years**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
At June 30, 2020					
Total borrowings	**206,726,211**	**250,000,000**	**-**	**-**	**456,726,211**
At June 30, 2019					
Total borrowings	198,025,080	170,000,000	-	-	368,025,080

(f) Finance lease liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2018
	Rs.	Rs.	**Rs.**	Rs.
Not later than one year	**4,062,486**	1,106,296	**565,373**	92,373
Later than one year not later than 2 years	**3,549,644**	1,039,513	**140,373**	92,373
Later than 2 years not later than 5 years	**6,995,374**	1,390,814	**41,185**	138,265
Later than 5 years not later than 60 years	**98,250,300**	-	**-**	-
	112,857,804	3,536,623	**746,932**	323,011
Future finance charges on finance leases	**(78,652,387)**	(473,397)	**(22,002)**	(29,822)
Present value of finance lease liabilities	**34,205,417**	3,063,226	**724,930**	293,189

(g) Loans with related parties are unsecured, interest bearing and repayable at call. The Company has received a letter of financial support from its major shareholder, where the latter undertakes not to recall the loan of Rs. 200m plus accrued interest until the completion of some strategic initiatives undertaken by the Group.

(h) The effective interest rates at the end of reporting date were as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
Bank overdrafts	**4.10%-5.75%**	5.75% - 7.35%	**4.10%-4.40%**	5.75%-6.05%
Finance lease liabilities	**4.10%-9.25%**	5.5% - 9.25%	**4.10%-7.82%**	5.5%
Short term loans	**-**	-	**-**	-
Loan from related parties	**6.55%-9.10%**	8.20% - 10.75%	**6.55%-7.50%**	8.20%
Bank and other loans	**4.10%-7.14%**	5.75% - 7.85%	**N/A**	N/A

16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(i) Reconciliation

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
At Jul 1,	**1,328,075,927**	1,289,865,268	**368,318,269**	256,463,032
Additions	**124,062,337**	120,000,000	**89,211,432**	120,000,000
Repayments	**(98,930,002)**	(82,832,035)	**(78,567)**	(8,144,763)
Foreign exchange differences	**1,150,000**	1,042,694	**-**	-
Interest accrued	**60,629,991**	-	**34,359,983**	-
At Jun 30,	**1,414,988,253**	1,328,075,927	**491,811,117**	368,318,269

(j) **Reconciliation of liability arising from Financing activities**

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financial activities are thise for which cash flows were, or future cash flows will be classified in the Company's statements of cash flows from financing activities.

THE GROUP	At July 1, 2019	Financing cash flows	Non-cash changes	**At June 30 2020**
	Rs.	Rs.	Rs.	**Rs.**
Bank overdrafts	307,874,323	9,555,475	-	**317,429,798**
Bank and other loans	797,685,610	(95,565,330)	-	**702,120,280**
Short term loans	10,227,500	-	1,150,000	**11,377,500**
Loans with related parties	209,225,268	80,000,000	-	**289,225,268**
Finance lease liabilities	3,063,226	(3,364,672)	34,506,862	**34,205,416**
Interest on bank and other loans	-	-	60,629,991	**60,629,991**
	1,328,075,927	(9,374,527)	96,286,853	**1,414,988,253**

THE GROUP	At July 1, 2018	Financing cash flows	Non-cash changes	At June 30 2019
	Rs.	Rs.	Rs.	Rs.
Bank overdrafts	317,160,317	(9,285,994)	-	307,874,323
Bank and other loans	864,354,732	(66,669,124)		797,685,608
Short term loans	15,142,307	(5,957,500)	1,042,694	10,227,501
Loans with related parties	89,225,269	120,000,000		209,225,269
Finance lease liabilities	3,982,644	(919,418)		3,063,226
Interest on bank and other loans	-	-	-	-
	1,289,865,269	37,167,964	1,042,694	1,328,075,927

THE COMPANY	At July 1, 2019	Financing cash flows	Non-cash changes	**At June 30 2020**
	Rs.	Rs.	Rs.	**Rs.**
Bank overdrafts	198,025,080	8,701,124	-	**206,726,204**
Loans with related parties	170,000,000	80,000,000	-	**250,000,000**
Finance lease liabilities	293,189	(1,450,198)	1,881,939	**724,930**
Interest on bank and other loans	-	-	34,359,983	**34,359,983**
	368,318,269	87,250,926	36,241,922	**491,811,117**

THE COMPANY	At July 1, 2018	Financing cash flows	Non-cash changes	**At June 30 2019**
	Rs.	Rs.	Rs.	**Rs.**
Bank overdrafts	206,095,807	(8,070,727)	-	**198,025,080**
Loans with related parties	50,000,000	120,000,000	-	**170,000,000**
Finance lease liabilities	367,225	(74,036)	-	**293,189**
Interest on bank and other loans	-	-	-	**-**
	256,463,032	111,855,237	-	**368,318,269**

17. DEFERRED INCOME TAXES

(a) Deferred tax assets on tax losses carried forward are recognised only to the extent that realisation of the related tax benefit is probable. The recoverability of tax losses is limited to a period of five years from the relevant year of assessment except for losses attributable to annual allowances claimed in respect of capital expenditure.

(b) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
Deferred tax assets	**(32,270,225)**	(26,262,673)	**(1,228,150)**	(1,124,999)
Deferred tax liabilities	**2,526,986**	-	**-**	-
Net deferred tax assets	**(29,743,239)**	(26,262,673)	**(1,228,150)**	(1,124,999)

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**(26,262,673)**	(41,880,125)	**(1,124,999)**	(543,211)
Charged/(credited) to profit or loss (note 26)	**(3,218,085)**	17,302,699	**(142,727)**	(326,400)
(Credited)/charged to other comprehensive income	**(238,496)**	(1,001,482)	**39,576**	(255,388)
Other movements	**(23,985)**	-	**-**	-
Transfer to assets classified as held for sale (note 11)	**-**	(683,765)	**-**	-
At June 30,	**(29,743,239)**	(26,262,673)	**(1,228,150)**	(1,124,999)

17. DEFERRED INCOME TAXES (CONTINUED)

(d) At June 30, 2020, the Group had unused tax losses of Rs. 893,619,642 (2019: Rs. 1,041,007,541) and the Company had unused tax losses of Rs. 330,029,218 (2019: Rs. 333,967,650), available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses for the Group and the Company as at June 30, 2020 due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

At June 30, 2020, the Group and the Company had expected credit losses provision on trade receivables and current accounts recoverable amounting to Rs. 68.3m (2019 : Rs. 9.5m) for the Group and Rs. 5.8m (2019: Rs. 6.6m) for the Company. No deferred tax asset has been recognised on this provision as the Group is currently loss making.

If the Group and the Company were able to recognise the deferred tax assets arising on the tax losses and provisions, the loss for the year would have decreased by Rs. 188m (2019: Rs. 179m) for the Group and Rs 57m (2019: Rs 58m) for the Company.

(e) The movement in deferred tax assets and liablities during the year, without taking into consideration of the offsetting of balances within the same fiscal authority on the same entity is as follows:

(i) THE GROUP

	At July 1, 2019	(Credited)/ charged to profit or loss	(Credited)/ charged to equity	Transfer to asset Non-current assets held for sale	**At June 30, 2020**
	Rs.	Rs.	Rs.	Rs.	**Rs.**
Deferred tax assets					
Employee benefits liability	(2,468,484)	(412,248)	(238,496)	-	**(3,119,228)**
Accelerated tax depreciation	(23,794,189)	(2,829,822)	-	-	**(26,624,011)**
	(26,262,673)	(3,242,070)	(238,496)	-	**(29,743,239)**

	At July 1, 2018	(Credited)/ charged to profit or loss	(Credited)/ charged to equity	Transfer to asset Non-current assets held for sale	At June 30, 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
Deferred tax assets					
Employee benefits liability	(1,068,859)	(398,143)	(1,001,482)	-	(2,468,484)
Accelerated tax depreciation	(40,811,266)	17,700,842	-	(683,765)	(23,794,189)
	(41,880,125)	17,302,699	(1,001,482)	(683,765)	(26,262,673)

**Deferred tax asset arising on accelerated tax depreciation and amounting to Rs 13,212,866 at June 30, 2019 and Rs 34,061,499 at June 30, 2018, were incorrectly disclosed as arising from tax losses in the prior year financial statements. This has been corrected in the current year.*

(ii) THE COMPANY

	At July 1, 2019	Credited to profit or loss	Credited to equity	**At June 30, 2020**
	Rs.	Rs.	Rs.	**Rs.**
Deferred tax assets				
Employee benefits liability	(485,592)	(61,211)	39,576	**(507,227)**
Accelerated tax depreciation	(639,407)	(81,516)	-	**(720,923)**
	(1,124,999)	(142,727)	39,576	**(1,228,150)**

	At July 1, 2018	Credited to profit or loss	Charged to equity	At June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Deferred tax assets				
Employee benefits liability	(230,205)	-	(255,387)	(485,592)
Accelerated tax depreciation	(313,006)	(326,401)	-	(639,407)
	(543,211)	(326,401)	(255,387)	(1,124,999)

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019 Restated	**2020**	2019 Restated
	Rs.	Rs.	**Rs.**	Rs.
Trade payables	**64,137,987**	41,739,176	**9,625,890**	6,744,969
Amount due to related parties (note 33)	**25,898,854**	57,829,725	**93,201,142**	30,094,063
Deposit from tenants	**196,200**	321,600	**-**	45,000
Accruals	**32,995,132**	51,273,942	**-**	4,163,062
Other payables	**94,718,094**	22,909,722	**88,734,172**	684,504
	217,946,267	174,074,165	**191,561,204**	41,731,598

The carrying amounts of trade and other payables approximate their fair values.

Accruals and other payables relate mainly to audit and taxation fees, director fees, professional fees and project cost fees.

19. REVENUE

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
(a)	**Rs.**	Rs.	**Rs.**	Rs.
Revenue from the sale of goods*	**160,710,841**	199,119,350	**-**	-
Revenue from the rendering of services**	**289,098,280**	348,362,067	**-**	-
Management fee income	**5,451,434**	3,846,384	**-**	-
Rental income (Note 6(ix))	**30,191,812**	55,999,764	**6,223,891**	9,548,160
Net gain from disposal of investment properties	**-**	-	**-**	-
	485,452,367	607,327,565	**6,223,891**	9,548,160
Disclosed as follows:				
-Continuing operations	**470,872,534**	575,803,081	**6,223,891**	9,548,160
-Discontinued operations (note 11)	**14,579,833**	31,524,484	**-**	-
	485,452,367	607,327,565	**6,223,891**	9,548,160

*Revenue from sale of goods relate mainly to food and beverages revenue and other income generated from minor other departments from hotels' operations.

**Revenue from sale of services relate mainly to room revenue, spa revenue and other income generated from minor other departments from hotels' operations as well as fees received for cleaning and housekeeping services and syndicate fees.

(b) Disaggregation of revenue from contracts with customers

	Land Development	**Yielding Property**	**Hotel**	**Service**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**
2020					
Segment revenue	**-**	**-**	**406,473,198**	**59,402,095**	**465,875,293**
Inter-segment revenue	**-**	**-**	**(5,476,997)**	**(5,137,741)**	**(10,614,738)**
Revenue from contracts with external customers	**-**	**-**	**400,996,201**	**54,264,354**	**455,260,555**
Timing of revenue recognition					
At a point in time	**-**	**-**	**400,996,201**	**54,264,354**	**455,260,555**
Over time	**-**	**-**	**-**	**-**	**-**
	-	**-**	**400,996,201**	**54,264,354**	**455,260,555**

	Land Development	**Yielding Property**	**Hotel**	**Service**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**
2019					
Segment revenue	-	-	515,938,424	44,634,796	560,573,220
Inter-segment revenue	-	-	(5,927,172)	(3,318,247)	(9,245,419)
Revenue from contracts with external customers	-	-	510,011,252	41,316,549	551,327,801
Timing of revenue recognition					
At a point in time	-	-	510,011,252	41,316,549	551,327,801
Over time	-	-	-	-	-
	-	-	510,011,252	41,316,549	551,327,801

The service revenue under this note includes fees received for cleaning and housekeeping services and syndicate fees but exclude all revenue arising from the hotels' operation, which is disclosed separately.

19. REVENUE (CONTINUED)

(c) The Group derives revenue from operations in Mauritius.

(d) Management fee income arise from Ocean Edge Property Management Company Ltd mainly with respect to fees for acting as syndic and for maintenance of common areas.

20. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Depreciation of Plant, property and Equipment (Note 5)	35,474,255	39,224,157	340,411	1,158,593
Amortisation of Right of use assets (Note 8)	5,057,866	-	1,545,350	-
Amortisation of intangible assets (Note 7)	713,761	2,643,914	32,372	83,855
Assets written off	-	419,420	-	-
Provision for impairment of receivables (Notes 12 & 13)	60,469,606	3,455,185	8,943,498	(11,886)
Employee benefit expense (note 24(a))	129,672,574	126,419,906	58,000,042	51,664,131
Advertising costs	34,600,559	48,317,386	170,369	486,730
Business administration and professional fees	38,688,460	31,561,067	16,886,347	17,320,185
Security expenses	-	1,054,245	-	-
Syndic levies and snagging costs	9,394,380	8,657,368	1,347,955	827,020
Recharge of utilities	52,000,609	46,960,477	359,047	-
Cost of investment properties disposed of	-	109,900	-	-
Repairs and maintenance	25,128,410	41,260,146	49,271	307,899
Changes in inventories of finished goods	-	364,836	-	-
Cost of sale F&B *	183,209,169	219,617,217	-	-
Cost of sale Owners expense *	1,778,315	(3,888,693)	-	
Cost of sales others *	5,717,218	-	-	-
Rental expenses	9,576,734	11,312,144	2,163,298	-
Management Fees	24,701,463	25,676,173	-	
IT Expenses	4,686,548	5,905,989	85,705	64,789
Other expenses	50,499,373	55,698,345	808,962	16,766,566
Inventory written off (Note 9)	12,025,277	-	12,025,277	-
Total cost of sales, selling and marketing, administrative and other operating expenses	683,394,577	664,769,182	102,757,904	88,667,882
Disclosed as follows:				
-Continuing operations	661,834,777	646,432,889	102,757,904	88,667,882
-Discontinued operations (note 11)	21,559,800	18,336,293	-	-
	683,394,577	664,769,182	102,757,904	88,667,882

** The line cost of sales has been disaggregated in this note for the current year and prior year.*

21. OTHER INCOME

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Accounting fees	105,000	180,000	3,267,000	3,360,000
Management fee income	9,307,055	-	10,022,254	-
Syndicates fee income	213,798	139,687	-	-
Interest income	-	1,279,735	11,588,010	9,541,454
Profit/(loss) on sale of property, plant and equipment	-	81,313	-	(177,125)
Profit on disposal in investment property	22,425,585	-	-	-
Bad debts recovered	-	9,100,000	-	9,100,000
Recoveries from tenants	-	4,713,514	-	-
Share of profit from societies	-	-	25,527,683	10,891,864
Government wage assistance scheme *	16,790,595	-	782,250	-
Miscellaneous other income **	(15,380,688)	7,940,435	267,838	5,636,822
	33,461,345	23,434,684	51,455,035	38,353,015
Disclosed as follows:				
-Continuing operations	3,024,717	19,392,229	51,455,035	38,353,015
-Discontinued operations (note 11)	30,436,628	4,042,455	-	-
	33,461,345	23,434,684	51,455,035	38,353,015

** The grant is in respect of Government assistance to support the Group to settle the salaries of the employees during the COVID-19 pandemic and has been accounted under the income approach. The grant is recognised directly in profit or loss upon receipt to match the salary expenses for the respective periods.*

***Miscellaneous other income includes mainly recharges of labour and reversal of reserves upon sale of Harbour front building.*

22. FINANCE COSTS

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
Interest expense:	Rs.	Rs.	Rs.	Rs.
- Bank overdrafts	19,146,418	19,453,620	11,068,505	11,860,496
- Bank and other loans	61,286,818	71,647,329		-
- Short term loans	3,877,300	7,481,256	3,877,300	7,481,256
- Loan from related parties	15,751,274	3,666,766	13,956,279	-
- Finance leases	2,446,482	294,630	99,939	18,353
	102,508,292	102,543,601	29,002,023	19,360,105
Disclosed as follows:				
-Continuing operations	88,284,269	84,951,336	29,002,023	19,360,105
-Discontinued operations (note 11)	14,224,023	17,592,265	-	-
	102,508,292	102,543,601	29,002,023	19,360,105

23. NET FOREIGN EXCHANGE GAINS/(LOSSES)

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
The exchange differences credited/(charged) to the profit or loss included as follows:				
Other gains and losses - net	31,765,599	(3,553,072)	-	-
Disclosed as follows:				
-Continuing operations	31,765,599	(3,553,072)	-	-

24. LOSS BEFORE TAXATION

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Loss before taxation is arrived at after charging:				
Depreciation of property, plant and equipment				
- owned assets	34,756,909	38,503,813	340,411	1,003,593
- leased assets under finance lease	717,346	720,344	-	155,000
Amortisation of intangible assets (Note 7)	713,761	2,643,914	32,372	83,855
Amortisation of Right of use assets (Note 8)	5,057,866	-	1,545,350	-
Impairment charges	-	51,235,990	119,592,826	143,114,927
Bad debts written off	3,289,543	11,757,932	223,502	13,041,744
Employee benefit expense (note 24(a))	129,672,574	126,419,906	58,000,042	51,664,131

(a) Employee benefit expense

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Wages and salaries, including termination benefits	106,155,233	115,490,357	50,022,215	46,662,218
Social security costs	8,992,659	3,682,158	1,063,517	-
Pension costs - defined contribution plans	12,099,691	4,905,372	6,554,249	4,384,661
Other post-retirement benefits (note 14)	2,424,991	2,342,019	360,061	617,252
	129,672,574	126,419,906	58,000,042	51,664,131
Disclosed as follows:				
-Continuing operations	129,672,574	126,419,906	58,000,042	51,664,131

25. IMPAIRMENT CHARGES

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Impairment charges on:				
Investment in subsidiaries (note 10)	**-**	-	**119,592,826**	131,651,113
Impairment of intangible assets (Note 7)	**-**	51,235,990	**-**	11,463,814
	-	51,235,990	**119,592,826**	143,114,927
Disclosed as follows:				
-Continuing operations	**-**	51,235,990	**119,592,826**	143,114,927

26. INCOME TAX EXPENSE

(a) Statements of financial position

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs.	Rs.	**Rs.**	Rs.
At July 1,	**-**	5,699,324	**-**	-
Tax paid	**-**	(4,118,537)	**-**	-
Overprovision from prior year	**-**	(1,580,787)	**-**	-
Current tax on the adjusted result for the year at 17% (2019: 17%)	**-**	-	**-**	-
At June 30,	**-**	-	**-**	-
Classified as:				
Current tax liabilities	**-**	-	**-**	-
	-	-	**-**	-

(b) Statements of profit or loss

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Current tax on the adjusted result for the year at 17% (2019: 17%)	**(23,985)**	(1,580,788)	**-**	-
Deferred tax (note 17(c))	**(1,340,029)**	17,302,699	**(142,727)**	(326,400)
Income tax charge/(credit)	**(1,364,014)**	15,721,911	**(142,727)**	(326,400)
Disclosed as follows:				
-Continuing operations	**(3,218,085)**	15,038,146	**(142,727)**	(326,400)
-Discontinued operations (note 11)	**1,854,071**	683,765	**-**	-
	(1,364,014)	15,721,911	**(142,727)**	(326,400)

26. INCOME TAX EXPENSE (CONTINUED)

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Loss before taxation from continuing activities	**(255,253,672)**	(191,216,662)	**(196,022,619)**	(193,709,088)
Loss before taxation from discontinued activities	**(20,269,980)**	(4,532,544)	**-**	-
	(275,523,652)	(195,749,206)	**(196,022,619)**	(193,709,088)
Tax calculated at the rate of 17% (2019: 17%)	**(46,839,021)**	(33,277,365)	**(33,323,845)**	(32,930,545)
Expenses not deductible for tax purposes	**4,780,022**	15,121,378	**2,216,404**	24,075,467
Income not subject to tax	**(5,915,675)**	(9,586,184)	**(5,915,675)**	(2,259,945)
Deferred tax not recognised	**39,014,234**	21,386,653	**36,481,095**	12,409,174
Other adjustments	**-**	(267,428)	**-**	-
Underprovision	**-**	(1,580,788)	**-**	-
Derecognition of previously recognised tax losses	**-**	16,858,978	**-**	-
Deferred tax not recognised on fair value of investment properties	**7,596,426**	541,630	**399,294**	(1,620,551)
Tax losses lapsed	**-**	6,525,037	**-**	-
Income tax charge/(credit)	**(1,364,014)**	15,721,911	**(142,727)**	(326,400)
Disclosed as follows:				
-Continuing operations	**(3,218,085)**	15,038,146	**(142,727)**	(326,400)
-Discontinued operations	**1,854,071**	683,765	**-**	-
	(1,364,014)	15,721,911	**(142,727)**	(326,400)

27. OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Actuarial reserves				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations (Note 14)	**(1,402,876)**	(5,891,070)	**232,765**	(1,502,284)
Deferred tax relating to remeasurement of defined benefit obligations	**238,486**	1,001,482	**(39,570)**	255,388
	(1,164,390)	(4,889,588)	**193,195**	(1,246,896)

Actuarial reserves

The actuarial reserves represent the cumulative remeasurement of defined benefit obligation recognised.

28. LOSS PER SHARE

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Year ended June 30, 2019	**Year ended June 30, 2019**	Year ended June 30, 2019
From continuing operations	**Rs.**	Rs.	**Rs.**	Rs.
Basic loss per share				
Loss attributable to equity holders of the Company from continuing operations and discontinued operations	**(239,784,583)**	(210,105,449)	**(195,879,892)**	(193,382,687)
Loss attributable to equity holders of the Company from continuing operations	**(217,660,532)**	(204,889,140)	**(195,879,892)**	(193,382,687)
average number/weighted average number of ordinary share in issue	**654,942,099**	654,942,099	**654,942,099**	654,942,099
Basic loss per share from:				
Continuing and discontinued operations	**(0.366)**	(0.321)	**(0.299)**	(0.295)
Continuing operations	**(0.332)**	(0.313)	**(0.299)**	(0.295)
Discontinued operations	**(0.034)**	(0.008)	**-**	-

29. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash generated from operations

	Notes	THE GROUP		THE COMPANY	
		Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2020	Year ended June 30, 2019
		Rs.	Rs.	Rs.	Rs.
Loss before taxation from continuing operations		(255,253,672)	(191,216,662)	(196,022,619)	(193,709,087)
Loss before taxation from discontinued operations	11	(20,269,980)	(4,532,544)	-	-
Adjustments for:					
Depreciation of property, plant and equipment	5	35,474,255	39,899,596	340,411	1,158,593
Depreciation of Right of use Asset	8	5,057,866	-	1,545,350	
Amortisation of intangible assets	6	713,761	2,643,914	32,372	83,855
Impairment charges	24	-	51,235,990	119,592,826	143,114,927
Straight lining adjustments		-	(4,599,821)	-	-
Write off of intangible assets		-	-	-	-
Bad debts written off		-	11,757,932	-	13,041,744
Assets written off		-	3,007,294	-	-
(Profit)/loss on disposal of property, plant and equipment		-	(325,089)	-	177,125
Profit on disposal of investment properties		(22,425,585)	-	-	
Net decrease/(increase) in fair value of investment properties	6 & 11	37,098,944	3,186,060	2,348,792	(9,532,652)
Provision for impairment of receivables	12 & 13	60,469,606	3,455,185	8,943,498	(11,887)
Exchange (gains)/losses		(1,815,051)	842,252	-	-
Interest income	20	-	(1,279,735)	-	(9,541,454)
Interest expense	21	88,284,269	102,543,604	-	19,360,106
Employee benefits liability		2,424,991	2,342,019	360,062	617,252
		(70,240,596)	18,959,995	(62,859,308)	(35,241,478)
Changes in working capital:					
- Inventories		(32,159,481)	(45,090,156)	-	(1,769,240)
- Land and related development		-	-	12,025,278	-
- Trade and other receivables		30,576,760	(135,412,126)	(96,173,752)	(121,284,609)
- Trade and other payables		101,740,340	73,440,301	184,189,588	(36,480,906)
Cash generated from/ (absorbed in) operations		29,917,023	(88,101,986)	37,181,806	(194,776,233)

(b) Cash and cash equivalents

Cash and cash equivalents and bank overdrafts include the following for the purpose of the statements of cash flows.

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	41,764,386	62,901,160	1,348,460	26,243,908
Cash and cash equivalents arising on assets classified as held for sale (note 11)	-	2,986,029	-	-
Bank overdrafts (Note 16)	(317,429,797)	(307,874,323)	(206,726,211)	(198,025,080)
	(275,665,411)	(241,987,134)	(205,377,751)	(171,781,172)

(c) Non-cash items excluded from the statements of cash flows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Transfer to Right of use assets	(55,471,991)	-	-	-
Transfer to Investment Properties	2,742,961	-	-	-
Transfer from Property, plant	93,144,582	-	-	-
and equipment		-	-	-
Transfer from Intangible assets	52,729,030	-	-	-
Transfer to Inventory properties	(93,144,582)	-	-	-
Transfer from Assets held for sale	120,000,000	-	-	-
Transfer to payables	(120,000,000)	-	-	-
	-	-	-	-

29. NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Investment properties	-	6,041,150	-	-
	-	6,041,150	-	-

30. COMMITMENTS AND CONTINGENCIES

(b) Operating lease commitments - Group as lessee

The Group has entered into operating lease commitments for some of its motor vehicles and leasehold rights on its land. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

At June 30, 2020, all the operating leases have been reclassified to Rights of use assets following adoption of IFRS 16 standard.

There are contingent liabilities of an amount of Rs 212m with respect to a on-going legal case for Haute Rive Ocean Front Living Company Ltd, lodged by a contractor for unfair termination of the contract.

Future minimum rentals payable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Within one year	-	2,897,802	-	900,000
After one year but not more than five years	-	6,102,897	-	300,000
Over five years	-	91,879,203	-	-
	-	100,879,902	-	1,200,000

(c) Guarantees

At June 30, 2020, the Company has provided corporate guarantee to two of its subsidiaries for an amount of Rs. 304.2m (2019: Rs. 433.8m). The Company, as guarantor, irrevocably and unconditionally guarantees to the lenders due and punctual repayment of the borrowings.

At June 30, 2020, the Company has also provided sponsor support to two of its subsidiaries for an amount of Rs. 489.4m (2019: Rs. 531.9m). As per the loan agreements with the banks, under the sponsor support, the Company, or any other subsidiary of the main shareholders of the Company, irrevocably and unconditionally undertakes to the banks to fund any shortfall in the cash flows of the respective subsidiaries through additional capital, either in the form of equity or loan.

31. COMMITMENTS FROM LEASES

Operating lease commitments - Group as lessor

The Group has also entered into commercial property leases with respect to its investment property portfolio. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Within one year	28,981,526	47,076,473	-	8,179,038
One to two years	26,162,606	42,233,247	-	9,171,017
Two to three years	19,220,047	32,548,263	-	6,773,578
Three to four years	21,628,106	4,964,531	-	797,437
Four to five years	13,379,937	22,129,239	-	-
Over five years	-	-	-	-
	109,372,222	148,951,753	-	24,921,070

As at June 30, 2020 and 2019, the table above for the Group excluded future minimum rentals receivables from Circle Square Holdings Co Ltd as the latter has been disclosed as held for sale as at reporting date.

32. SEGMENTAL INFORMATION - THE GROUP

BlueLife Limited's reportable segments namely land development, property, hotel and service are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired as individual units, and the management at the time of the acquisition was retained.

The Group has four reportable segments : Land development, Yielding property, Hotel and Service.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Performance is evaluated on the basis of profit or loss from operations before tax expense. Intersegment sales and transfers are accounted for as if the sales or transfers were to third parties, that is, at current market prices.

The operations of each segment is detailed below:

*The land development segment relates to our activities of property developers where we develop, build and sell properties to generate income.

*The yielding property segment accounts for the operations and holding a number of Investment properties.

*The hotel segment is made of the operations and assets of two hotels, namely, the Radisson Blu Azuri Resort & Spa and the Radisson Blu Poste Lafayette Resort & Spa.

*The service segment comprises of the facilities management and services as operational support to our commercial and residential developments. They include facilities management, cleaning, housekeeping, syndicate management, rental and re-sale service.

Year ended June 30, 2020

	Land Development	Yielding Property	Hotel	Service	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Total segment revenues	-	25,886,774	406,473,198	59,402,095	491,762,067
Inter-segment revenues		(10,274,795)	(5,476,997)	(5,137,741)	(20,889,533)
Revenues from external customer	**-**	**15,611,979**	**400,996,201**	**54,264,354**	**470,872,534**
(Loss)/profit before finance costs, fair value and impairment	(240,557,270)	29,530,925	(4,971,501)	59,825,919	(156,171,927)
Fair value movement	-	(10,797,495)	-	-	(10,797,495)
Impairment charge	-	-	-	-	-
Finance costs	(41,240,078)	-	(46,972,105)	(72,067)	(88,284,250)
Loss before taxation	**(281,797,348)**	**18,733,430**	**(51,943,606)**	**59,753,852**	**(255,253,672)**
Income tax (charge)/credit	1,023,641	-	2,189,501	4,943	3,218,085
Loss from discontinued operations	-	(22,124,051)	-	-	(22,124,051)
Loss for the year	**(280,773,707)**	**(3,390,621)**	**(49,754,105)**	**59,758,795**	**(274,159,638)**
Interest income	-	-	-	-	-
Interest expense	(41,240,097)	-	(46,972,105)	(72,067)	(88,284,269)
Material items of income:					
Syndicates fee income	-	-	-	213,798	213,798

June 30, 2020

	Land Development	Yielding Property	Hotel	Service	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Additions to non-current assets	3,644,011	-	105,092,459	1,589,447	110,325,916
Depreciation and amortisation	5,446,654	-	35,458,618	658,608	41,563,880
Segment assets	1,950,998,877	447,607,636	1,288,062,037	10,599,379	3,697,267,929
Segment liabilities	754,727,408	187,195,812	907,768,921	14,513,237	1,864,205,378

NOTES TO THE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

32. SEGMENTAL INFORMATION - THE GROUP (CONTINUED)

Year ended June 30, 2019

	Land Development	Yielding Property	Hotel	Service	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Total segment revenues	-	33,979,280	515,938,424	44,634,796	594,552,500
Inter-segment revenues	-	(9,504,000)	(5,927,172)	(3,318,247)	(18,749,419)
Revenues from external customer	**-**	**24,094,860**	**510,011,252**	**41,696,969**	**575,803,081**
(Loss)/profit before finance costs	(112,169,709)	30,919,174	60,133,487	(11,522,315)	(54,790,651)
Fair value movement	-	(238,685)	-	-	(238,685)
Impairment charge	(51,235,990)	-	-	-	(51,235,990)
Finance costs	(35,045,499)	-	(49,901,919)	(3,918)	(84,951,336)
Loss before taxation	**(198,451,198)**	**30,680,489**	**10,231,568**	**(11,526,233)**	**(191,216,662)**
Income tax (charge)/credit	(18,069,253)	-	3,906,958	(875,851)	(15,038,146)
Loss from discontinued operations	-	(5,216,309)	-	-	(5,216,309)
Loss for the year	**(216,520,451)**	**25,464,180**	**14,138,526**	**(12,402,084)**	**(211,471,117)**
Interest revenue	1,279,735	-	-	-	1,279,735
Interest expense	(17,453,234)	(17,592,265)	(49,901,919)	(3,918)	(84,951,336)
Material items of income:					
Service fee income from tenants	-	-	-	-	-
Syndicates fee income	-	-	-	3,899,599	3,899,599

June 30, 2019

	Land Development	Yielding Property	Hotel	Service	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Additions to non-current assets	1,322,973	11,071,050	23,245,776	97,185	35,736,984
Depreciation and amortisation	3,609,628	-	35,006,535	244,878	38,861,041
Segment assets	2,037,761,801	654,740,588	1,350,479,824	7,923,404	4,050,905,617
Segment liabilities	608,140,971	480,659,812	847,708,463	6,009,792	1,942,519,038

33. RELATED PARTY DISCLOSURES

(a) **THE GROUP**

(i) June 30, 2020

	Year ended June 30, 2020						
	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Bank overdraft	Loan from (inc. interest)	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Main shareholders	**3,233,620**	**-**	**(17,833,577)**	**-**	**(284,359,982)**	**6,929,470**	**-**
Fellow subsidiaries	**9,613,239**	**-**	**(3,387,252)**	**-**	**(47,096,326)**	**18,297,556**	**62,984**
Directors and close family members	**3,537,983**	**-**	**-**	**-**	**-**	**450,000**	**-**
Joint venture of major shareholders	**7,131,642**	**-**	**-**	**-**	**-**	**221,828**	**-**
Associates of Major Shareholder	**36,136**	**-**	**(10,086,896)**	**18,018,054**	**(248,768,680)**	**-**	**-**

(ii) June 30, 2019

	Year ended June 30, 2019						
	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Bank overdraft	Loan from (inc. interest)	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Main shareholders	5,862,233	-	(7,481,256)	-	(170,000,000)	26,432,223	-
Fellow subsidiaries	15,805,259	-	(3,666,766)	-	(39,225,268)	23,707,750	94,458
Directors and close family members	4,305,575	-	-	-	-	5,796,250	-
Joint venture of major shareholders	2,848,968	-	-	-	-	1,845,457	-
Associates of Major Shareholder	35,168	-	(31,626,351)	10,193,352	(392,432,350)	48,045	-

**Major shareholder of the Group is IBL Ltd (ultimate holding company) and main shareholders include, IBL Ltd, GML Ineo Ltee, Actis Paradise Jersey and The Bee Equity Partners Ltd.*

The contribution made under the Defined Contribution Plan are made to the IBL Pension Fund.

33. RELATED PARTY DISCLOSURES (CONTIUED)

(b) THE COMPANY

(i) June 30, 2020

	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Management fee income	Bank overdraft	Loan from (inc. interest)	Amount owed to related parties	Amount owed by related parties
	Year ended June 30, 2020							
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Main shareholders	**2,768,252**	**-**	**(17,833,577)**	**-**	**-**	**(284,359,982)**	**6,729,291**	**-**
Fellow subsidiaries	**3,770,397**	**-**	**-**	**-**	**-**	**-**	**1,970,348**	**62,984**
Directors	**2,837,983**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Joint venture of major shareholders	**1,923,110**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Associates of major shareholders	**28,469**	**-**	**(1,099,049)**	**-**	**18,018,054**	**-**	**188,872**	**-**
Subsidiaries	**1,027,902**	**3,877,200**	**(11,588,010)**	**-**	**-**	**(79,000,000)**	**84,312,631**	**559,890,616**

(ii) June 30, 2019

	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Management fee income	Bank overdraft	Loan from (inc. interest)	Amount owed to related parties	Amount owed by related parties
	Year ended June 30, 2019							
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Main shareholders	4,039,017	-	(7,481,256)	-	-	(170,000,000)	25,025,357	-
Fellow subsidiaries	2,127,645	-	-	-	-	-	1,183,251	-
Directors	3,318,075	-	-	-	-	-	-	-
Joint venture of major shareholders	1,097,758	-	-	-	-	-	3,146,250	-
Associates of major Shareholders	14,978	-	(1,215,127)	-	-	-	530,926	-
Subsidiaries	3,822,522	3,180,000	9,541,454	-	10,193,352	(120,000,000)	208,279	470,089,402

**Major shareholder of the group is IBL Ltd (ultimate holding company) and main shareholders include, IBL Ltd, GML Ineo Ltee and Actis Paradise Jersey.*

(c) The sales to and purchases from related parties are made in the normal course of business. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash.

The Company has provided a total corporate guarantee for two of it subsidiaries for an amount of Rs. 304.2m (2019: Rs. 433.8m) (note 30(c)). The Company has also provided sponsor support to two of its subsidiaries for an amount of Rs. 489.4m (2019: Rs. 531.9m).

For the year ended June 30, 2020, the Company has recorded an impairment of receivables of Rs. 9,527,904 (2019: Rs. 36,191,221) relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operate.

(d) Directors and key management personnel compensation

	THE GROUP		THE COMPANY	
	Year ended June 30, 2020	Year ended June 30, 2019	**Year ended June 30, 2020**	Year ended June 30, 2019
	Rs.	Rs.	**Rs.**	Rs.
Director fees	**4,505,000**	5,805,575	**2,755,000**	3,318,075
Salaries and short term employee benefits	**16,788,894**	8,642,776	**16,788,894**	8,642,776
Post employment benefits	**1,363,186**	580,072	**1,363,186**	580,072
	22,657,080	15,028,423	**20,907,080**	12,540,923

34. PRIOR YEAR ADJUSTMENTS

(1) Owner occupied properties wrongly classified at group level

Buildings being rented to Haute Rive Azuri Hotel Ltd and Haute Rive PDS Company Ltd by Haute Rive Holdings Ltd, which are subsidiaries of the Company, are classified under investment Properties in the Group's financial statements. At Group level, the properties are considered as 'owner occupied' and should have be reclassified to Property, plant and equipment as per the requirements of IAS 40. Hence, the financials are being restated to incorporate this correction of error from Investment Property to Plant, Property and Equipment.

Effect on Statement of Financial Position

	Property, plant and equipment				
	Cost	Accumulated Depreciation	Net Book Value	Investment Properties	Retained Earnings
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 01, 2018:					
-As previously reported	1,330,104,693	(202,236,060)	1,127,868,633	1,954,566,723	(1,148,158,436)
-Effect of prior year adjustments	152,108,254	(12,028,120)	140,080,134	(139,578,775)	501,359
As restated	1,482,212,947	(214,264,180)	1,267,948,767	1,814,987,948	(1,147,657,077)
Balance at July 01, 2019:					
-As previously reported	1,351,881,862	-235,921,929	1,115,959,933	1,967,194,535	(1,333,152,181)
-Effect of prior year adjustments	152,108,254	(15,035,150)	137,073,104	(136,631,400)	441,704
As restated	1,503,990,116	(250,957,079)	1,253,033,037	1,830,563,135	(1,332,710,477)

Effect on statement of comprehensive income

	Depreciation	Fair value movement	Total comprehensive loss for the year
	Rs.	Rs.	Rs.
Amount at June 30, 2019			
As previously reported	(39,899,596)	(3,186,060)	(193,970,732)
Effect of prior year adjustments	(3,007,029)	2,947,375	(59,654)
As restated	(42,906,625)	(238,685)	(194,030,386)

Effect on statement of cash flows

	Loss before taxation from continuing operations	Depreciation of property, plant and equipment	Net decrease/ (increase) in fair value of investment properties	Cash (used in)/generated from operations
	Rs.	Rs.	Rs.	Rs.
At July 01, 2019				
As previously reported	(168,826,689)	39,899,596	3,186,060	(88,042,331)
Effect of prior year adjustments	(59,654)	3,007,029	(2,947,375)	-
As restated	(168,886,343)	42,906,625	238,685	(88,042,331)

34. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(2) Future capital project expenditure capitalised

Previously, the Group provided for future capital project expenditure. Provisions for the future capital project expenditure do not meet the definition of a provision as there is no present obligation arising past event that will result in an outflow of future economic benefits. The provision has now been reversed.

Effect on Statement of Financial Position

	Trade and other payables	Retained Earnings	Non controlling-interests
	Rs.	Rs.	Rs.
Balance at July 01, 2018			
As previously reported	265,006,630	(1,148,158,436)	(9,781,867)
Effect of prior year adjustments	(8,572,676)	5,277,712	3,294,964
As restated	256,433,954	(1,142,880,724)	(6,486,903)
Balance at July 01, 2019			
As previously reported	191,003,185	(1,333,152,181)	(15,552,889)
Effect of prior year adjustments	(16,929,020)	10,472,734	6,456,286
As restated	174,074,165	(1,322,679,447)	(9,096,603)

Effect on statement of comprehensive income

	Other expenses	Total comprehensive loss for the year
Amount at June 30, 2019	Rs.	Rs.
As previously reported	64,054,689	(193,970,732)
Effect of prior year adjustments	(8,356,344)	8,356,344
As restated	55,698,345	(185,614,388)

There are no tax implications on the prior year adjustments above.

Effect on statement of cash flows

	Loss before taxation from continuing operations	Changes in trade and other payables	Cash (absorbed in)/ generated from operations
	Rs.	Rs.	Rs.
At July 01, 2019			
As previously reported	(168,826,689)	51,109,986	(88,042,331)
Effect of prior year adjustments	8,356,344	(8,356,344)	-
As restated	(160,470,345)	42,753,642	(88,042,331)

(3) Marketing costs wrongly capitalised

The marketing costs have been incorrectly capitalised since inception. However, as per the definition of IAS 2 criteria, marketing cost are considered as part of selling cost and should be excluded from the cost of inventory and are expensed as incurred. Hence, the financial statements have been restated to incorporate this correction.

Effect on Statement of Financial Position

	Inventory property	Retained Earnings
	Rs.	Rs.
Balance at July 01, 2018		
As previously reported	111,294,968	(1,148,158,436)
Effect of prior year adjustments	(24,553,807)	(24,553,807)
As restated	86,741,161	(1,172,712,243)
Balance at July 01, 2019		
As previously reported	156,020,287	(1,333,152,181)
Effect of prior year adjustments	(55,240,469)	(55,240,469)
As restated	100,779,818	(1,388,392,650)

There are no tax implications on the prior year adjustments above.

34. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(3) Marketing costs wrongly capitalised (Continued)

Effect on statement of cash flows

	Loss before taxation from continuing operations	Changes in inventories	Cash (absorbed in)/ generated from operations
	Rs.	Rs.	Rs.
At July 01, 2019			
As previously reported	(168,826,689)	(45,090,156)	(88,042,331)
Effect of prior year adjustments	(30,686,663)	30,686,663	-
As restated	(199,513,352)	(14,403,493)	(88,042,331)

Effect on statement of comprehensive income

	Selling and marketing expenses	Total comprehensive loss for the year
Amount at June 30, 2019	Rs.	Rs.
As previously reported	(24,466,957)	(193,970,732)
Effect of prior year adjustments	(30,686,663)	(30,686,663)
As restated	(55,153,620)	(224,657,395)

(4) Non-financial assets wrongly classified

Non-Financial assets relating to prepayments not meeting the IAS 32- Financial Instruments criteria were accounted under Other financial assets at amortised cost. The incorrect classifications of these receivables under Financial assets at amortised cost constitutes an error. Hence, the financials are being restated to incorporate this correction of error.

Effect on Statement of Financial Position (Reclassification)

	GROUP		COMPANY	
	Trade and other Receivables	Financial assets at amortised cost	Trade and other Receivables	Financial assets at amortised cost
	Rs.	Rs.	Rs.	Rs.
Balance at July 01, 2019				
As previously reported	107,100,529	32,737,845	114,351	477,207,568
Effect of prior year adjustments	32,737,845	(32,737,845)	7,118,166	(7,118,166)
As restated	139,838,374	-	7,232,517	470,089,402

There is no effect on the statement of comprehensive income and the statement of cash flows as a result of the above adjustment at June 30, 2019.

(5) Expected credit losses not disclosed on the face of the statement of comprehensive income

As per the requirements of IFRS 9, the movement in expected credit losses provision has to be disclosed separately on the face of the statement of comprehensive income. This was not disclosed in the prior year financial statements and has now been corrected.

Effect on Statements of Comprehensive income

	GROUP		COMPANY	
	Administrative expenses	Expected credit losses	Administrative expenses	Expected credit losses
	Rs.	Rs.	Rs.	Rs.
Balance at July 01, 2019				
As previously reported	(367,867,293)	-	(87,857,157)	-
Effect of prior year adjustments	3,455,185	(3,455,185)	(11,887)	11,887
As restated	(364,412,108)	(3,455,185)	(87,869,044)	11,887

There is no effect on the statement of cash flows as a result of the above adjustment at June 30, 2019.

34. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(6) Non-controlling interest overstated

Non-controlling interests in the Group financial statements were overstated by Rs 26,080,000 due to a consolidation adjustment accounted twice. This error has been corrected in current year's financial statements.

Effect on Equity

	GROUP	
	Other reserves	Non-controlling interests
	Rs.	Rs.
Balance at July 01, 2019		
As previously reported	26,080,000	(15,552,889)
Effect of prior year adjustments	(26,080,000)	26,080,000
As restated	-	10,527,111

Effect on statement of comprehensive income following all prior year adjustments done:

Amount at July 01, 2019	
As previously reported	(193,970,732)
Effect of prior year adjustments	(22,389,973)
As restated	(216,360,705)

There is no effect on the statement of cash flows as a result of the above adjustment at June 30, 2019.

(7) Interest income not disclosed on the face of the statement of comprehensive income

As per the requirements of IFRS, the interest income at EIR has to be disclosed separately on the face of the statement of comprehensive income. This was not disclosed in the prior year financial statements and has now been corrected.

Effect on Statements of Comprehensive income

	GROUP		COMPANY	
	Other Income	Interest income at EIR	Other Income	Interest income at EIR
	Rs.	Rs.	Rs.	Rs.
Balance at July 01, 2019				
As previously reported	5,458,816	-	50,672,785	-
Effect of prior year adjustments	-	-	(11,588,010)	11,588,010
As restated	5,458,816	-	39,084,775	11,588,010

There is no effect on the statement of cash flows as a result of the above adjustment at June 30, 2019.

There are no tax implications on all prior year adjustments above.

35. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

	Year ended June 30, 2020	Restated Year ended June 30, 2019	Restated Year ended June 30, 2018
(a) THE GROUP	**Rs.**	Rs.	Rs.
Statement of profit or loss and other comprehensive income			
Continuing operations			
Revenue	**470,872,534**	575,803,081	676,697,775
Loss before taxation	**(255,253,672)**	(191,216,662)	(119,531,273)
Income tax credit/(charge)	**3,218,085**	(15,038,146)	986,792
Loss for the year from continuing operations	**(252,035,587)**	(206,254,808)	(118,544,481)
Discontinued operations			
Loss from discontinued operations, net of tax	**(22,124,051)**	(5,216,309)	(14,927,991)
Loss for the year	**(274,159,638)**	(211,471,117)	(133,472,472)
Other comprehensive income for the year, net of deferred tax	**(1,164,390)**	(4,889,588)	702,262
Total comprehensive loss for the year	**(275,324,028)**	(216,360,705)	(132,770,210)
Loss attributable to:			
- Owners of the parent	**(239,784,583)**	(210,105,449)	(122,586,070)
- Non-controlling interests	**(34,375,055)**	(1,365,668)	(10,886,402)
	(274,159,638)	(211,471,117)	(133,472,472)
Total comprehensive loss attributable to:			
- Owners of the parent	**(240,375,623)**	(213,751,105)	(122,063,880)
- Non-controlling interests	**(34,948,405)**	(2,609,600)	(10,706,330)
	(275,324,028)	(216,360,705)	(132,770,210)
Loss per share (Rs/cs)			
-From continuing and discontinued operations	**(0.366)**	(0.321)	(0.209)
-From continuing operations	**(0.332)**	(0.313)	(0.183)

35. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES (CONTINUED)

	June 30, 2020	Restated June 30, 2019	Restated June 30, 2018
	Rs.	Rs.	Rs.
Statement of financial position			
ASSETS			
Non current assets	**2,983,279,118**	3,163,910,359	3,231,820,382
Current assets	**329,694,637**	311,683,386	374,132,941
Non-current assets classified as held for sale	**384,294,174**	575,311,872	583,925,520
Total assets	**3,697,267,929**	4,050,905,617	4,189,878,843
EQUITY AND LIABILITIES			
Equity	**1,851,027,563**	2,091,403,182	2,305,154,287
Non-controlling interests	**(17,965,012)**	16,983,397	19,592,997
Total equity	**1,833,062,551**	2,108,386,579	2,324,747,284
LIABILITIES			
Non current liabilities	**586,688,473**	621,107,277	629,685,819
Current liabilities	**1,067,121,377**	895,563,292	928,600,116
Liabilities directly associated with non-current assets classified held for sale	**210,395,528**	425,848,469	306,845,624
Total liabilities	**1,864,205,378**	1,942,519,038	1,865,131,559
Total equity and liabilities	**3,697,267,929**	4,050,905,617	4,189,878,843

36. EVENTS AFTER THE REPORTING DATE

The following events occurred after the reporting date:

(a) The sale of the investment property of Circle Square Holding Company Ltd is expected to be completed by end of year. Contracts amount to MUR 155m have already been signed. As at date of approval of these financial statements, the administrative procedures to transfer the legal ownership of the property to the buyers was not yet completed.

(b) The sale of land at Piton, relating to investment properties held by the Company, has been completed for an amount of MUR 12m. The sale of the industrial building and the plot at Harbour Front is expected to be completed by end of financial year

(c) Additional bank overdraft facilities amounting to Rs 100m have been approved by the banking institutions.

(d) The loans provided by financial institutions have been provided for moratoriums upto March 2021.

Loan	Original loan amount	Payment terms as per agreement	Capital repayment due at June 30, 2020	Moratorium approved after year end on Capital & interest up to
Afrasia loan - Haute Rive Holdings Ltd	219,000,000	Quarterly	61,231,997	Mar-21
MCB - Haute Rive Azuri Hotel Ltd	195,000,000	Quarterly	5,000,000	Mar-21
SBM - Haute Rive Azuri Hotel Ltd	195,000,000	Quarterly	9,000,000	Mar-21
MCB - PL Resort Ltd	320,424,285	Quarterly	22,500,000	Mar-21
Afrasia loan - Circle Square Holding Company Ltd	300,000,000	Quarterly	18,284,695	Mar-21
ABC loan - Circle Square Holding Company Ltd	50,000,000	Monthly	3,023,625	Mar-21

The above loans continue to accrue interest during the period where payments are not required to be made.

37. IMPACT OF COVID-19

The dramatic spread of COVID-19 has disrupted lives, livelihoods and businesses. Government in affected countries including Mauritius, have imposed, as emergency safety measures, travel bans, quarantine and border controls. These decisions have significantly impacted our two main segments of businesses which are hospitality and property development.

Immediate consequence is the significant reduction in turnover and consequently Gross operating profit for the hotel cluster; the hotels did not derive revenue since 19 March 2020. At the time of reporting, it is unfortunately still uncertain how long our hotels will take to return to pre-covid profitability levels. The hotels opened after year end to local market only and occupancy rates are rising gradually.

On the property segment, the impact relies more towards the ability of foreign buyers to come and visit. The consequence is further delays in starting the construction of our current projects and the recognition of profits towards profit or loss.

Refer to Note 3.1(i) for additional disclosures of the impact of COVID-19 on the Group.

MEETING PROCEDURES

Q Who can attend the Annual Meeting?

A In compliance with Section 120(3) of the Companies Act 2001, the Board has resolved that a person registered in the share register of BlueLife Limited as at 13 November 2020 is entitled to attend the meeting.

Q Who can vote at the Annual Meeting?

A If you are registered in the share register of BlueLife Limited as at 13 November 2020 you have the right to vote at the meeting.

Q How many votes does a shareholder have?

A Every shareholder, present in person or by proxy, shall have one vote on a show of hands. Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

Q How many shareholders do you need to reach a quorum?

A A quorum is reached where two (2) shareholders holding at least thirty five percent (35%) of the share capital of the Company are present or represented.

Q Where can I have access to the minutes of proceedings of the last Annual Meeting of the Company?

A Minutes of proceedings of the last Annual Meeting are normally made available for inspection within a given period of time. Please contact the Company Secretary, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

VOTING PROCEDURES

Q What is the voting procedure?

A You do not need to complete or return your proxy form if you intend to vote in person at the Annual Meeting. At the registration desk, you will be requested to present you National ID Card or any other alternative proof of identity. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

Q What if I cannot attend the Annual Meeting and how do I appoint a proxy and vote in my place?

A The Chairman of the meeting has been named, de facto, in the proxy form to represent shareholders at the meeting. However, a person of your choice can represent you at the meeting. To that effect, the proxy form has to be completed by inserting the person's name. Your representative has then the right to vote.

Q Is there a deadline for submitting my proxy form?

A Yes. Your proxy form must be received by the Company's Share Registry and Transfer Office, Ocorian Corporate Administrators Limited, 6th Floor, Tower A, 1 CyberCity, Ebène, no later than 24 hours prior the date fixed for the Annual Meeting.

Q How are votes cast if a proxy form is sent?

A By completing and returning a proxy form, you are authorising the person named in the proxy to attend the Annual Meeting and vote on each item of business according to your instructions. If you have appointed the Chairman of the meeting as your proxy and you do not provide him with instructions, he will exercise his discretion as to how he votes.

BlueLife Limited

4th Floor, IBL House - Caudan Waterfront - Port Louis
BRN : C07050411

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Shareholders of the Company will be held at the registered office of the Company, 1st Floor IBL House, Port Louis on **Thursday, 10 December 2020** at **13.30 hours** to transact the following business:

AGENDA

1. To receive, consider and approve the Group's and Company's audited financial statements for the year ended 30 June 2020, including the Annual Report and the Auditor's Report, in accordance with Section 115(4) of the Companies Act 2001.

   Ordinary Resolution
   "Resolved that the Group's and Company's audited financial statements for the year ended 30 June 2020, including the Annual Report and the Auditor's Report be hereby approved."

2. To re-elect, on the recommendation of the Board, Mr. Sunil Banymandhub who offers himself for re-election to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.

   Ordinary Resolution
   "Resolved that Mr. Sunil Banymandhub be and is hereby re-elected as Director of the Company until the next Annual Meeting."

3. To elect as Director of the Company, Mrs. Michele Anne Espitalier Noel, who has been nominated by the Board and who offers herself for election.

   Ordinary Resolution
   "Resolved that Mrs. Michele Anne Espitalier Noel be and is hereby elected as Director of BlueLife Limited."

4. To elect as Director of the Company, Mr. Hugues Lagesse, who has been nominated by the Board and who offers himself for election.

   Ordinary Resolution
   "Resolved that Mr. Hugues Lagesse be and is hereby elected as Director of BlueLife Limited."

5. To elect as Director of the Company, Mr. Thierry Labat, who has been nominated by the Board and who offers himself for election.

   Ordinary Resolution
   "Resolved that Mr. Thierry Labat be and is hereby elected as Director of BlueLife Limited."

6. To elect as Director of the Company, Mr. Thierry Sauzier, who has been nominated by the Board and who offers himself for election.

   Ordinary Resolution
   "Resolved that Mr. Thierry Sauzier be and is hereby elected as Director of BlueLife Limited."

7. To fix the remuneration of the Directors of BlueLife Limited for the year ending 30 June 2020 and to ratify the fees paid to the Directors for the year ended 30 June 2019.

   Ordinary Resolution
   "Resolved that the remuneration of the Directors of BlueLife Limited for the year ending 30 June 2020 be fixed and the fees paid to the Directors for the year ended 30 June 2019 be hereby ratified."

8. To take note of the automatic re-appointment of Messrs. Ernst & Young as Auditors of the Company for the year ending 30 June 2021, in accordance with Section 200 of the Companies Act 2001, and to authorise the Board to fix their remuneration.

9. To ratify the remuneration paid to the Auditors for the year ended 30 June 2020.

Ordinary Resolution
"Resolved that the remuneration paid to the Auditors for the year ended 30 June 2020 be and is hereby ratified."

By order of the Board

(s) Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

11 November 2020

NOTES:

1. A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Company's Share Registry and Transfer Office, Ocorian Corporate Administrators Limited, 6th Floor, Tower A, 1 CyberCity, Ebène **not less than twenty four hours** before the time appointed for the holding of the meeting or adjourned meeting at which the person named on such instrument propose s to vote, and in default, the instrument of proxy shall not be treated as valid.

3. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the Shareholders who are entitled to receive notice of the meeting shall be those Shareholders whose names are registered in the share register of the Company as at 13 November 2020.

4. The minutes of the Annual Meeting to be held on 10 December 2020 will be available for consultation during office hours at the Registered Office of the Company, IBL House, Caudan Waterfront, Port Louis from 1 February to 15 February 2021.

5. **Shareholders will receive the Notice of Annual Meeting and the Proxy Form by post. Shareholders may obtain a copy of the Annual Report by choosing one of the following:**

   a) Downloading the documents from BLL's website on www.bluelife.mu.
   b) Sending a request to the email address: iblcosec@iblgroup.com so that a copy be sent to their email address.
   c) Making a written request to IBL Management Ltd, IBL House, Caudan Waterfront, Port Louis for a printed copy (which shall be sent to them within 2 working days from the request being received).

BlueLife
THE FUTURE OF DEVELOPMENT

PROXY FORM

I/We, ____ of

____, being a shareholder/shareholders of

BlueLife Limited, do hereby appoint ______________________________ of

______________________________ failing him/her ______________________________

of ______________________________ failing him/her, the Chairman, as my/our proxy to

vote for me/us and on my/our behalf at the **Annual Meeting** of the Company to be held on **Thursday, 10 December 2020** at **13.30 hours**

and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

	FOR	AGAINST	ABSTAIN
1. To receive, consider and approve the Group's and Company's audited financial statements for the year ended 30 June 2020, including the Annual Report and the Auditor's Report, in accordance with Section 115(4) of the Companies Act 2001.			
2. To re-elect, on the recommendation of the Board, Mr. Sunil Banymandhub who offers himself for re-election to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.			
3. To elect as Director of the Company, Mrs. Michele Anne Espitalier Noel, who has been nominated by the Board and who offers herself for election			
4. To elect as Director of the Company, Mr. Hugues Lagesse, who has been nominated by the Board and who offers himself for election.			
5. To elect as Director of the Company, Mr. Thierry Labat, who has been nominated by the Board and who offers himself for election.			
6. To elect as Director of the Company, Mr. Thierry Sauzier, who has been nominated by the Board and who offers himself for election.			
7. To fix the remuneration of the Directors of BlueLife Limited for the year ending 30 June 2020 and to ratify the fees paid to the Directors for the year ended 30 June 2019.			
8. To take note of the automatic re-appointment of Messrs. Ernst & Young as Auditors of the Company for the year ending 30 June 2021, in accordance with Section 200 of the Companies Act 2001, and to authorise the Board to fix their remuneration.			
9. To ratify the remuneration paid to the Auditors for the year ended 30 June 2020.			

Signed this ______________________ day of ______________________ 2020.

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Signature (s)