THE LUX COLLECTIVE

INTEGRATED ANNUAL REPORT 2021

The Lux Collective Ltd And Its Subsidiaries

We make each moment matter

We care about what matters

Dear Stakeholder,

Your Board of Directors is pleased to present the Integrated Annual Report of The Lux Collective Ltd for the year ended 30th June 2021. This report was approved by the Board of Directors on 27th October 2021.

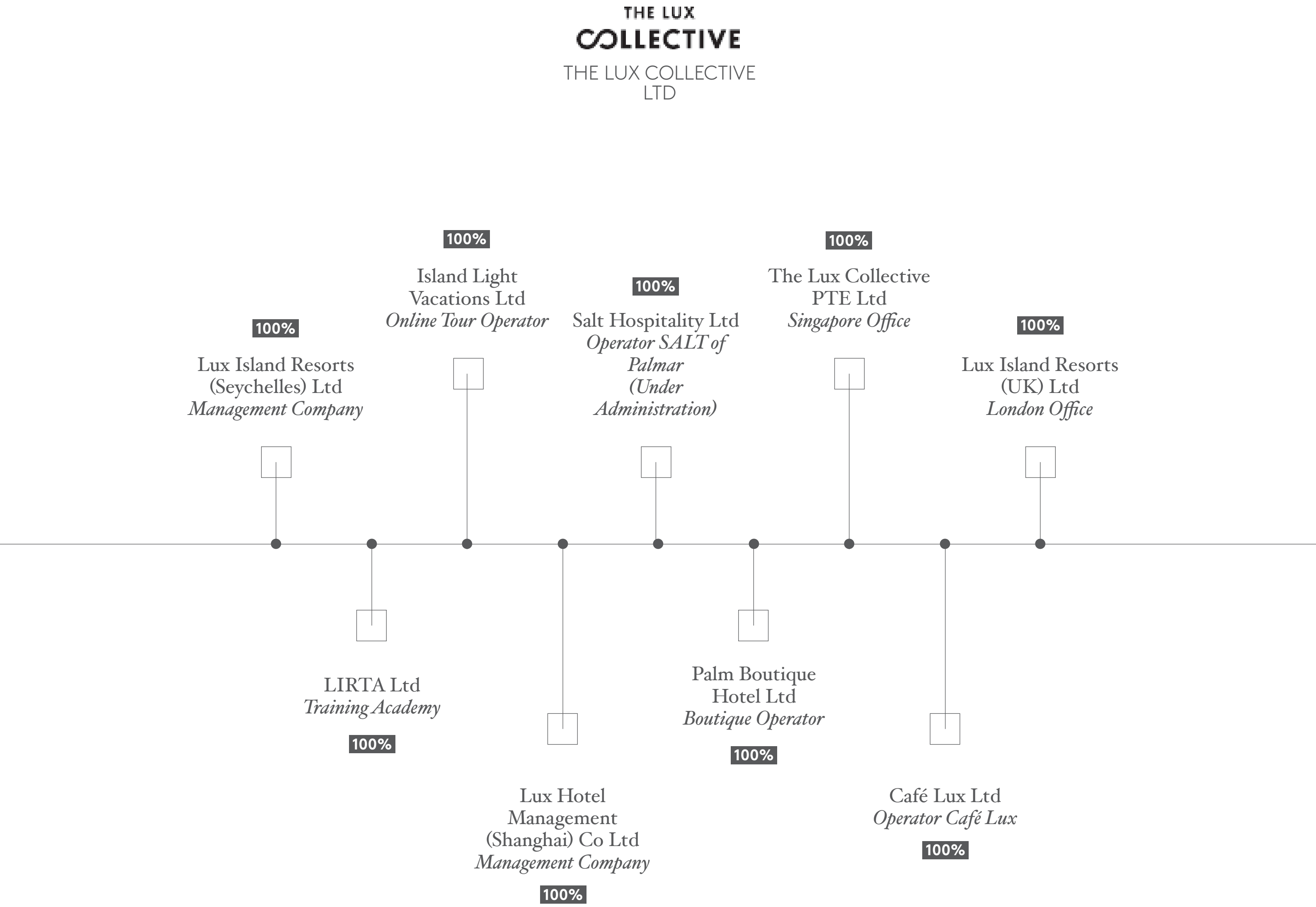
Arnaud Lagesse,
Chairperson

Contents

Our Hospitality Brands

	LUX* RESORTS & HOTELS	tamassa	salt	SOCIO
Audience	Simplicity Searchers. Social Capital Seekers.	Simplicity Searchers. Obligation Meeters.	Cultural Purists. Ethical Travellers.	Obligation Meeters. Social Capital Seekers.
Purpose	Helping people celebrate life.	Bringing people together.	Connecting people to local people and places.	Helping people be the best version of themselves 24/7.
Values	People Passion Integrity Creativity Leadership	Joyful Playful Vibrant Generous Thoughtful	Human Transformational Local Simple Curious	Mindful Flexible Creative Welcoming
Tagline	*Lighter, Brighter	Good times, together	We are SALT.	Get Social. Stay Socio.

Group Structure



Board & Committees

DIRECTORS

Arnaud Lagesse (Chairperson)
Paul Jones (Chief Executive Officer)
Hans Olbertz
Jean de Fondaumière
Alexis Harel
Julian Hagger
Scott J. Woroch
David Amsellem

AUDIT AND RISK COMMITTEE

Jean de Fondaumière
Alexis Harel
Hans Olbertz

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

David Amsellem
Arnaud Lagesse
Alexis Harel

REMUNERATION COMMITTEE

David Amsellem
Arnaud Lagesse
Alexis Harel
Jean de Fondaumière

COMPANY SECRETARY

IBL Management Ltd

REGISTERED OFFICE

58, Pierre Simonet Street Floréal,
Mauritius

ALTERNATE DIRECTORS

Dev Poolovadoo

Management & Administration

EXECUTIVE COMMITTEE

Paul Jones – Chief Executive Officer
Julian Hagger – Executive Vice President
Dominik Ruhl - Chief Operating Officer
Marie-Laure Ah-You – Chief Strategy Officer
Nicolas Autrey – Chief Human Resources Officer
Karen Lai - Senior Vice President - Global Business Development
Nitesh Pandey – Chief Operating Officer- Asia Pacific (APAC)
Sydney Pierre – Senior Vice President - Commercial
Guillaume Valet – Group Head of Legal, Secretarial and Corporate Affairs
Dev Poolovadoo – Vice President – Finance

CHIEF INTERNAL AUDITOR

Pritila Joynathsing – Gayan

SENIOR MANAGERS

Darnen Ramassami – Vice President – Information Technology
Ruben Thumiah – Group Finance Manager
Walter Lanfranchi - Vice President - Food & Beverage
Dave Minten – Corporate Chef
Grace Lee – Vice President – Public Relations
Caroline Gaud Perrier – Vice President- Marketing
Tobi Kuhlang – Vice President – Revenue Management & Distribution
Kerensa Langitan – Group Spa & Wellness Manager
Maggie Derblay – Group Wellbeing, Health & Fitness Manager
Smita Modak – Group Head of Learning and Development and Talent Management
Evita Fakun – Chief Sustainability Officer
Ashish Modak – Regional General Manager – LUX* Belle Mare, LUX* Grand Gaube & LUX* Grand Baie
Jérémie de Fombelle – General Manager – LUX* Le Morne
Steven Phillips – General Manager – LUX* Grand Baie
Patrice Aira – General Manager – LUX* South Ari Atoll
Raj Reedoy – General Manager – SALT of Palmar
Stephan Anseline – General Manager – Tamassa
Patrice Hudebine – Acting General Manager – LUX* St Gilles

LEGAL ADVISORS

Clarel Benoit
André Robert
Hervé Duval

COMMUNICATION ADVISOR

Blast Communications Ltd

AUDITORS

Ernst & Young
Chartered Accountants

REGISTERED OFFICE

Pierre Simonet Street
Floréal
Mauritius

NOTARY

Jean Pierre Montocchio

REGISTRY AND TRANSFER OFFICE

The Lux Collective Ltd
Pierre Simonet Street
Floréal
Mauritius

BANKERS

ABC Banking Ltd
HSBC Limited (UK, Germany, Singapore)
The Mauritius Commercial Bank Ltd

Directorship

	Café Lux Ltd	Island Light Vacations Ltd	LIRTA Ltd	
Ah-You Marie-Laure				
Amsellem David				
Autrey Nicolas				
De Fondaumière Jean				
Hagger Julian				
Harel Alexis				
Hoareau Daniela (Resigned on 30.06.2021)				
Germain Stéphanie (Resigned on 30.06.2021)				
Jones Paul				
Poolovadoo Dev (Alternate to Julian Hagger on the Lux Collective Ltd)				
Lagesse Arnaud				
Olbertz Hans				
Thumiah Ruben				
Valet Guillaume				
Woroch Scott J.				
Julie Bernadette Suzanne (Alternate to Daniela Hoareau and Stéphanie Germain) (Resigned on 30.06.2021)				

	Lux Hotel Management (Shanghai) Co Ltd	Lux Island Resorts (Seychelles) Ltd	Lux Island Resorts (UK) Ltd	Palm Boutique Hotel Ltd	Salt Hospitality Ltd	The Lux Collective Ltd	The Lux Collective PTE Ltd

Directors' Profiles

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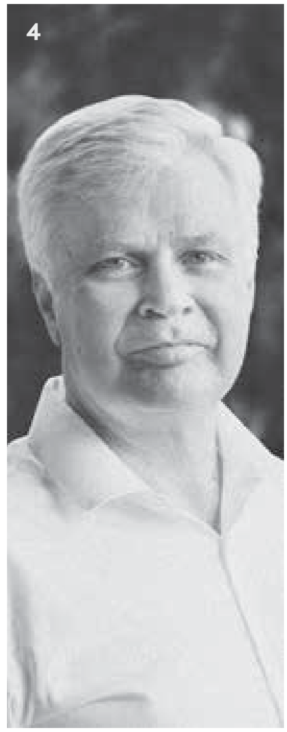

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1

David Amsellem

INDEPENDENT NON-EXECUTIVE DIRECTOR

David Amsellem is a French native and graduate from the French Engineering University of Centrale-Supelec. David has over 20 years of Leadership experience across a variety of industries and markets (Power & Utilities, B2B & digital).

David is an active investor and supporter in digital and consumer services with several well-known European start-ups. Experienced operating at board level across various sectors (hospitality, law firm, logistics, tech, B2B), he excels at mentoring teams with an ingrained passion for excellence and innovation.

After graduating from the French engineering university Centrale Supélec in 2001, David began his career as a founding shareholder of Poweo. In 2008, David founded a start-up in the field of the digital concierge services, John Paul, a technology enabled B2B service player, which then became the worldwide leader in premium loyalty . Since its inception, John Paul has been characterized by forward thinking and technological advancement. David sought to define John Paul's role not only as the bridge between private concierge services and businesses, but as an active revolutionizer of the industry, reinventing concierge know-how with the tools of today's Digital Age. This vision has not ceased to fascinate and attract the biggest companies to drive long-term loyalty and advocacy with their clients. In 2016 the business was acquired by Accor.

Directorship in Mauritian listed companies: none

2

Paul Jones

EXECUTIVE DIRECTOR

With over five decades of international luxury hospitality experience, Paul Jones was appointed Chief Executive Officer of The Lux Collective when the hotel management company relocated its corporate office from Mauritius to Singapore in 2019 in a strategic move to intensify its global expansion plan.

As a testament to his invaluable leadership, the Board of Directors have extended Paul's tenure for another three years until June 2024. Committed to the group's vision of "making each moment matter", The Lux Collective is poised for a new era of differentiated hospitality experiences for discerning travellers across more regions. Under his visionary leadership, The Lux Collective's portfolio now comprises four distinctive brands with 16 operating properties and more developments in the pipeline in the Indian Ocean, Europe, Southeast Asia and China.

Prior to joining The Lux Collective, Paul's remarkable career covered various key leadership positions at some of the world's most celebrated brands. He served for almost 20 years as Managing Director of the Sun Resorts Group, and later, as President of One&Only, where he was instrumental in successfully launching and growing the brand on a global basis, before joining LUX* Resorts & Hotels in 2010.

Under his leadership, LUX* Resorts & Hotels was recognised in several international accolades including Best Luxury Spa Group in the Indian Ocean by World Luxury Spa Awards and Luxury Hotels & Resorts Operator of the Year by TTG Travel Awards.

Recognized for his inspirational achievements towards establishing and developing the hospitality and tourism industry in Mauritius, Paul was conferred the Dignity of Companion of the Order of St Michael and St Georges by her Majesty Queen Elizabeth II. He was also awarded one of the highest honours by the President of the Comores, the Chevalier de l'Etoile d'Anjouan, for his significant contribution to the growth and development of the hotel and tourism sector in the Comores.

Paul holds an MBA with distinction from the University of Surrey and has completed the Program for Management Development at The Harvard Business School. He is a Fellow at the Institute of Hospitality in the United Kingdom.

Directorship in Mauritian listed companies: none

3

Scott J. Woroch

NON-EXECUTIVE DIRECTOR

Scott J. Woroch has been active in the luxury lodging sector for over 25 years, working for hotel brands, hotel owners and developers, hotel advisors, and as well as a transactional lawyer. He has worked and been based in Asia, Europe and North America.

Currently as Partner and Managing Director of Kadenwood Partners in London, Woroch advises clients on a variety of capital and strategic advisory assignments, for hotel brands, and for hotel real estate owners. Prior to forming Kadenwood Partners in Spring, 2015, he was with Four Seasons Hotels and Resorts for nearly 15 years. He served as Executive Vice President, Worldwide Development for Four Seasons, overseeing global development for eight years.

Woroch joined Four Seasons in 2000 as Vice President Business Development, Asia Pacific, after a 10-year career in hotel development, representing both hotel companies and real estate owners. Prior to entering the hospitality industry, he had a successful career practicing real estate law in Washington, D.C. He has an A.B., cum laude, from Cornell University, majoring in Political Science, and a Law degree from the George Washington University National Law Center.

He was appointed as director of the company in January 2019.

Directorship in Mauritian listed companies: none

4

Jean De Fondaumière

INDEPENDENT NON-EXECUTIVE DIRECTOR

Born in 1953, Jean de Fondaumière is a chartered Accountant of Scotland. He worked in Australia for eleven years and subsequently in Mauritius for fifteen year until he retired as the CEO of the Swan Group at the end of 2006. He is a past Chairperson of The Stock Exchange of Mauritius and his former directorships include companies operating in the African, Indian Ocean and Asia Pacific regions. Jean holds a portfolio of directorships in Mauritius for companies operating in commerce, finance, power generation, sugar and tourism.

He was appointed as director of the company in January 2019, at which time he was also appointed as Chairperson of the Audit and Risk Committee, and member of the Remuneration Committee.

Directorship in Mauritian listed companies: BMH Ltd

5

Hans Olbertz

INDEPENDENT NON-EXECUTIVE DIRECTOR

German, born in 1952, Hans Olbertz graduated with a diploma as Hotel Economist from the school of Hotel Administration of Business Management Hotel Industry, Berlin, Germany.

He also holds a diploma in Hotel Management from the Hotel school Bad Reichenhall, Germany. Hans Olbertz is a very experienced international hotelier for over 40 years. He joined Intercontinental Hotels in 1973 after his apprenticeship and worked in Germany, England, Thailand, China, Egypt, Jordan, Greece, Austria, Korea and the United Arab Emirates.

He was holding several Senior Executive and Area President Positions with Intercontinental hotels in the 34 years with the group.

In 2008 Hans Olbertz joined the Kempinski Hotel Group and he was managing the prestigious Emirates Palace for over 3 years before he moved to Vienna to open the new Kempinski Hotel in 2013.

Hans Olbertz is holding since 2013 several board positions in hotel companies and in the hospitality industry around the world and is actually acting as Director on the Board of The Lux Collective Ltd, since December 2015.

He was also appointed as member of the Audit and Risk Committee in January 2019.

Directorship in Mauritian listed companies: none

6

Alexis Harel

INDEPENDENT NON-EXECUTIVE DIRECTOR

Bachelor of Science Degree in Business Administration-Accounting from Louisiana State University, USA. He started his career in auditing with De Chazal Du Mee, then occupied managerial position in the industrial sector and participated in setting up the first BPO (Business Process Outsourcing) company in Mauritius where he was Managing Director. He joined Grays & Co in 1992 and currently holds the position of Managing Director. He is an Executive Director of Terra Mauricia. He also serves as Director of Rehm Grinnaker Construction Co Ltd, Terragri and Grays Distilling amongst others. He was appointed as Director of Lux Island Resorts Ltd and as Chairperson of the Audit Committee in April 2004, then as Chairperson of the Corporate Governance Committee in April 2005. He resigned from the Board of Lux Island Resorts Ltd and its Audit and Corporate Governance Committees in November 2015 to be appointed on the Board of its Management Company, The Lux Collective Ltd, where he actually sits as Director.

He was also appointed as member of the Remuneration Committee, the Corporate Governance Committee, and the Audit and Risk Committee in January 2019.

Directorship in Mauritian listed companies: Terra Mauricia Limited, United Docks Ltd.

7

Julian Hagger

EXECUTIVE DIRECTOR

Julian Hagger has a rich career of some 30 years in hospitality, of which 20 years in senior management and at corporate level in prestigious international groups such as Belmond, Ritz-Carlton and Marriott. He is a holder of a Bachelor's of Science Degree in Business Administration from Hawaii Pacific University, U.S.A, and holds a degree in Hotel Management from the Hotel Institute of Management (H.I.M), Montreux, Switzerland.

Based in the Singapore Headquarters, Julian oversees all aspects of the group Sales and Marketing responsibilities as well as the expansion and commercial developments of the brands in new markets. He is responsible for driving top line revenue, as well as all aspects relating to marketing the brands, ensuring that the strategic priorities of the commercial disciplines are aligned and designed to yield profitable sales, increased market share, and enhanced competitive advantage.

Julian Hagger was appointed as Executive Director on the Board in May 2013.

Directorship in Mauritian listed companies: none

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Arnaud Lagesse

NON-EXECUTIVE CHAIRPERSON OF THE BOARD

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

External appointments in both listed and non-listed companies,

Chairperson :

- 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 :

- IBL Ltd
- Seafood Hub Limited
- Pick and Buy Limited
- Other non-listed Mauritian Companies

Core competencies :
Business & Finance, Deal Structuring, Strategic Business Development.

A RETROSPECTIVE LOOK AT 2021

With the travel industry bearing the brunt of the pandemic, the hospitality sector worldwide was greatly affected by the lack of tourist arrivals. Since the beginning of the pandemic, the United Nations estimated the losses for the sector at USD 4 trillion.

The uncertainty surrounding the reopening of borders within the destinations where we operate meant team members were facing difficult times ahead and, as a group, we had to ensure they received all the necessary attention and support.

Job retention was a vital ingredient of our recovery plan and, with the help of the Government Wage Assistance Scheme (WAS) in Mauritius, we managed to sail through this storm with minimum negative impact on our manpower.

That being said, we had to implement and monitor strict cost containment measures since April 2020, one of which was the introduction of a Voluntary Pay Reduction Scheme.

We also had to find ways to bridge the gaps in our cash flow, which highlighted the need for us to raise some MUR 425 million, as we chose not to avail ourselves of the MIC facilities. To this end, all current loans were restructured with moratorium on both capital and interest, a rights issue of MUR 175 million was successfully completed in April 2021 with the underwriting of our main shareholder, IBL Ltd, and banking facilities of MUR 250 million were contracted.

Our focus was on reopening our hotels at the very earliest, still offering the same outstanding service while following strict sanitary measures. The last-minute nature of demand, coupled with the ever-changing travel restrictions in our key feeder markets, impacted on our ability to forecast a trend that is anticipated to last until the world can overcome the COVID-19 pandemic.

STAYING AFLOAT IN THE MIDST OF THE 2ND WAVE

Last year, several measures were put in place to ensure the business could sustain the downturn brought about by the COVID-19 pandemic. Most of these were implemented this year again, along with a few additional actions, including regular board meetings to review the state of our affairs and take the necessary steps to improve the situation accordingly. We also took the bold decision to put Salt Hospitality Ltd - the company operating SALT of Palmar into voluntary administration, with a view to ensure the safety of our business. Fortunately, we have managed to get extensions for the administration and continue to work hard to ensure the hotel's success as we reopen.

When it comes to guests, we realised it was key for us to be flexible with our contractual terms and we adjusted our holiday offerings accordingly, in order to meet changing customer needs. The Lux Collective's sales and marketing teams actively engaged in the reshaping of various offers, adapting the commercialisation to digital channels.

One of our priorities today is to maintain close working relationships with our international distribution and travel trade partners. To this end, we engaged into regular webinars with our key partners, introducing our growing hotel portfolio in China and Mauritius and updating them on the ongoing improvements made to our existing portfolio, including the construction and upcoming opening of LUX* Grand Baie, the renovation of LUX* Le Morne and the improvements made to Tamassa and LUX* Belle Mare.

PERFORMANCE

Despite the adverse impact of severe travel restrictions on most of our key feeder markets to the Maldives, some of which are still closed to outbound travel, the destination performed very well, achieving better levels of occupancy during the low season than back in 2019 pre-pandemic. We foresee continued growth towards the end of 2021 and into 2022, as more markets open to international travel.

Still in the Maldives, the sale of LUX* North Male Atoll by the owners to Dubai Holding was completed on 30th September 2021. The Lux Collective was still managing the resort till the end of the contract, handing it over to the Jumeirah team there and then. The latter will soon be rebranding the property under their own Jumeirah flag. The proceeds of the termination of our management agreement have been used, inter alia, to refund part of our bank borrowings, thus bringing our total gearing from 164% to 63%.

In China, prior to the recent outbreak and revised travel restrictions, our hotels achieved record breaking occupancy levels averaging 90% from domestic tourism only.

Reunion Island also performed well from domestic travel since its reopening in mid 2020, with our hotels averaging 74% occupancy as at July 2021. Unfortunately, the recent lockdown has impacted the demand for August and September.

In Mauritius, borders have reopened on 1 October 2021, enabling the world to finally be able to visit the island safely. New safety protocols are still being proactively communicated to arriving guests and we will continue to do everything possible to ensure they have a wonderful, safe and memorable stay in all our properties.

We will also see in December 2021, the opening of the brand new LUX* Grand Baie, which will likely be regarded as the most prestigious hotel property in the Indian Ocean. Its high-quality products & services and the various innovative experiences on offer, will make LUX* Grand Baie amazing in every respect.

SUSTAINABILITY

The Lux Collective has responded positively to the call of the United Nations Secretary General to accelerate sustainable commitments, preparing now for climate change-related risks and doing its best to mitigate the impact already being felt today.

I salute the bold move of our CEO, Paul Jones, to elevate our sustainability commitments to the highest and most ambitious level, via the "Business ambition for 1.5°C" campaign of the United Nations Global Compact. In May 2020, Paul joined 154 other global business leaders in encouraging synchronicity between public and private sectors, to unite for a sustainable recovery from the pandemic's economic impact.

The Lux Collective is currently the only hotel group in Mauritius with a commitment to set a science-based target to reach net-zero emissions by 2050, an initiative that reflects our concern for the destination as well as all our other operations.

Conscious of the importance of building resilience in order to reduce our carbon footprint, we are committed to continue advocating for the campaign by maintaining our carbon neutral stays offer to all guests across all our resorts, thereby encouraging sustainable tourism.

Climate action also involves bold gender equality targets and I once more highlight the laudable commitment of The Lux Collective in piloting the Women Empowerment Principles via a Gender Equality Charter, which shall have both internal and external positive impacts over the long-term.

The Lux Collective's Corporate Social Responsibility (CSR) fund continues to be invested strategically with trusted external partners, to help sustain local community and environmental projects over the long-term.

2022 OUTLOOK

The pandemic has been devastating for our industry, and the fear associated with virulent COVID variants has the potential to damper the resurgence of international travel.

That being said, it is clear the world at large is tired of living in fear and is learning to exist and thrive with what may be a long-lasting, ever-evolving viral threat.

Tourism seems to be flourishing again as travel restrictions are lifted. Our experience with our resorts in China, the Maldives and Reunion Island, certainly indicates a promising future for The Lux Collective.

Many of our key feeder markets are starting to reach herd immunity, hence lifting travel restrictions, and I am confident our industry will be able to meet pre-pandemic demand by the end of 2022 if we continue our efforts towards learning to live with COVID.

Although we expect a segment of the population to reconsider travelling in the short to medium term, I anticipate the pent-up demand will compensate largely in terms of length of stay and spend, starting this year and progressing into 2022. With a growing number of new and recently renovated properties, The Lux Collective is very well positioned to take full advantage of this opportunity.

In the short-term, we remain cautiously optimistic for a progressive growth in demand from our traditional key feeder markets, in time for the festive season. Looking to the future, long-term prospects are attractive, driven by a growing consumer appetite for travel and luxurious hotel stays.

On another note, the year 2022 will see the growing presence of The Lux Collective on emerging markets like Asia, with a selection of projects in the pipeline for the next financial year. We hope to be able to announce the signature of more hotel management agreements soon.

ACKNOWLEDGEMENTS

I would like to thank The Lux Collective's team members for their continued commitment and efforts during yet another challenging financial year. My respect and admiration go to each and every one of you, for tackling 2021 with such care and commitment. I know this financial year must have been difficult from personal, familial and psychological standpoints, and I am very grateful for your hard work and dedication - which makes up The Lux Collective's DNA.

My gratitude also goes to Paul Jones, our Chief Executive Officer, for successfully leading the team in these difficult times.

I am grateful as well for the support of my colleagues on the Board of Directors, without whom The Lux Collective would not be where it is today.

Finally, our shareholders, to whom I would like to express my thanks for their renewed trust and loyalty in The Lux Collective.

Arnaud Lagesse,
Chairperson

27th October 2021

CEO's Interview

You have an extensive experience of the Hospitality industry. How would you compare this crisis with past crises?

One thing is certain, this crisis cannot be compared with any other. Unlike most crises we have experienced in the past, which had a beginning and an end, the COVID-19 pandemic seems like a never-ending journey! No one can say with certainty when it will end nor what will happen in the next five to ten years; we have little visibility on the spread of the virus or its mutation, and the resulting impact on the world's economic situation.

Its consequences are also unprecedented. Take the subprime crisis, which contributed to the 2007–2008 global financial crisis - while the effects on most countries' economy lasted a solid 3 years, the crisis itself did not bring about a lockdown (let alone two or three for some countries like Mauritius), nor did it impose travel restrictions or forced borders to close for several months.

All that being said, there is hope that things will get better as we move along. At The Lux Collective, we understood from the very beginning - in early 2020 - that the COVID-19 pandemic was something we had to take very seriously. In order to mitigate the impact on our activities, we organised regular online meetings as a group, with general managers and various head office executives, ensuring we maintained the communication despite not being able to see each other face-to-face.

Moreover, we realised we had to put our purpose at the forefront, increasingly focusing on CARE. We put CARE at the centre of everything we did; caring for our team members, our guests, the communities within which we operate..., and also helping people care for themselves. We stayed in touch with our team members and loyal guests, sending regular updates on our situation, thereby nurturing our relationships with these critical stakeholders. I must say we have observed some very positive responses from our guests, who were extremely grateful and appreciated the feeling of genuine care which will prove very important as we welcome them back to our properties in the near future.

How would you rate The Lux Collective's 2021 performances?

We have observed some rather solid performances for the Group considering the current economic and sanitary situation.

Amongst our four destinations, the Maldives have been doing very well, so much so that we are almost back to pre-pandemic levels. Reunion Island was also doing well before the recent lockdown, while China remains constant despite provincial borders being frequently closed as outbreaks are experienced from time to time. As for Mauritius, the country experienced the longest border closure, which is obviously impactful. However, it has now reopened and I am confident the level of demand will sharply increase, especially as from 2022. Mauritius has been very good at handling the crisis; we did not have that many COVID cases when compared to other countries and few deaths - people still have faith in the destination.

We did, of course, face a few challenges during the period under review. SALT of Palmar, which opened just before the crisis struck, never got a chance to really take off. As a result, we had to place the operating company under voluntary administration in February 2021. We are working hard to avoid liquidation, revisiting our operating systems and staffing ratios while maintaining the same excellent quality standards to meet guests' expectations. We also managed to obtain an extension for the administration, enabling us to put even more effort into ensuring the success of the hotel as the borders reopen.

The Lux Collective has been working closely with the Government to increase air access. At the moment, the gap between Mauritius and the Maldives - where we have observed tourist arrivals from new or less popular destinations, as bigger markets are slowly recovering - is rather important. We intend to transfer the latter's success to Mauritius and believe it should rapidly pick up upon resolving of the air access issue in the very near future.

On a more positive note, we have achieved quite a few milestones throughout the financial year 2021, including:

- CARE index.
  We implemented quick surveys to measure The Lux Collective's level of CARE towards its guests.
- Increased engagement through online coaching sessions and team training (up man-hour training by 20%).
- Greater focus on our people.
  We organised weekly wellness sessions for our team members across all properties, between March and June 2021, covering health, nutrition and self-care.

- Renovations at LUX* Le Morne in Mauritius. While Lux Island Resorts did not have the means to do a complete refurbishment, it was able to count on the support of its team members, who used their free time to help with the renovations (painting, cement work, gardening...), thereby reducing the costs associated with the refurbishment of the hotel. Today, as a result, LUX* Le Morne is our only hotel seeing an increase in rates from 2019, and also showing the strongest forward booking trend amongst all our resorts.
- Launch of our third hospitality brand, Tamassa, with the aim of making each moment matter by bringing people together. The Tamassa brand strives to be similar to LUX*, at a lower price point.
- Performance of a rights issue exercise with the help of our shareholders, enabling us to mitigate the impact of border closure on the Group's liquidity position as well as the capacity to raise significant loans to overcome its impact.
- New outreach programmes as part of the Group's Corporate Social Responsibility (CSR) strategy. A total of 22 community projects were funded through this initiative in 2021.
- Continued adherence to the United Nations Sustainable Development Goals (UN SDGs).
- Launch of "Keen on Green". Present across all our hotels, this concept targets the health conscious, offering culinary vacations during which guests can enjoy a variety of plant-based dishes from Peru, Argentina, Turkey or the Mediterranean, prepared using ingredients on hand within the hotel's kitchen.
- Launch of the "Little travellers" concept, a healthier, greener and more caring approach towards our junior guests.
- Installation of beehives across some of our properties - our way of raising awareness of Earth's most important pollinator. Besides harvesting honey so guests can enjoy it at our resorts, we also offer visits of the hives, beekeeping workshops, honey tasting and a delicious pairing dinner, amongst others.
- Opening of four others Tea Horse Road retreats across multiple sites and properties.
- Opening of a new Lux property, LUX* Chongzuo, in China.
- Obtention of a number of awards.

What are the keys for a slow yet steady recovery?

Although its effectiveness, degree of protection and long-term safety are still yet to be determined, the vaccine is surely a good start to embark on the road to recovery.

At The Lux Collective, all our team members and their families have been vaccinated, in compliance with the new rules & regulations in place in the countries where we operate.

However, this is not nearly enough! Here in Singapore, where our headquarters are situated, the borders are yet to reopen as the authorities are extremely careful about welcoming people to the country.

In China, people are very cautious - probably more so than the rest of the world. The provincial borders are constantly opening and closing as new cases emerge from visiting countries; strict hygiene measures are also in place and closely followed and respected; most Chinese people are still working from home - under advice from the authorities - to avoid the spread of the virus, especially now that the highly transmissible Delta variant is prevalent.

What we can do is carrying on educating our team members on COVID-19 and making sure everyone is extremely cautious. We want our guests to see our efforts in putting their interests and that of our team members at the forefront - which once again highlights the importance of our CARE approach.

Of course, we are very excited about the reopening of our hotels, for ourselves and our team members but also for tourists worldwide, who I believe will approach their stay with some reverence and much appreciation, not having enjoyed a holiday like this for a very long time especially in Mauritius.

But as we welcome guests within our properties, I believe the message we must send to all is to remain cautious, to keep testing everyone and, above all, to react quickly whenever there is an outbreak. I call it "cautious optimism".

The opening of LUX* Grand Baie is scheduled for the end of this year. Tell us more about this new resort, which will surely become a flagship for The Lux Collective and Mauritius alike.

The year 2021 presents an important milestone for The Lux Collective, notably with the opening of the brand new

LUX* Grand Baie in Mauritius, setting the tone for the future of the Group.

With its high-quality products & services and its various innovative experiences - some of which have never been seen in Mauritius before -, it is likely people will regard the hotel as the most important property in the Indian Ocean.

LUX* Grand Baie will be amazing in every respect; everything from the accommodation (villas, junior suites, residences) and food & beverages to the kids' club and sports & wellness offering, has been thought-out and designed to meet the needs of each and every customer.

Of course, carrying out this project in the COVID-19 era has been far from easy. Between the lockdowns and some virus outbreaks amongst members of the construction company and sub-contractors' teams, we experienced several delays to the programme. We also had to contend with long shipping delays, due to several ports experiencing closures and resulting congestion.

Fortunately, we managed to catch up and are now scheduled for opening at the end of the year, when we expect a good turnup of guests from the world over.

Could you give us an overview of The Lux Collective's 2022 priorities?

Our main priority for the 2022 financial year remains our team members and guests' wellbeing. To this end, we aim to further emphasise the CARE aspect by maintaining constant contact with them and doing our best to meet their every need. Even more so when it comes to guests, whose expectations have changed throughout the years, but also as a result of the pandemic. More importance is now placed on health & safety and the quality of on-site medical facilities, for example. Flexibility has also become an important aspect; uncertainty has pushed people to look for flexibility in their bookings, which has prompted us to adapt our cancellation & refund policies to boost reservations.

Another priority for the next financial year involves digitalisation. Tourism is very much a people business, which is likely not going to change - yet digitalisation is increasingly prevalent in today's world, requiring us to adapt our working processes accordingly. Currently, each of our properties has its own mobile app, enabling guests to tailor their stay by reviewing and registering for a selection of activities, getting familiar with our many restaurants and bars, previewing our extensive wellness facilities, and more! We shall definitely continue digitalising our various systems across all our hotels, whenever we can.

On another note, we have been in the past and shall carry on in the future, supporting local suppliers as much as possible - be it when sourcing materials and/or labour in the construction or renovation of our resorts, or when it comes to food and beverages for our hotels' restaurants. Whenever possible, we shall also introduce our guests to local experiences, food and culture.

A final word?

I would just like to say how pleased I am with how we have managed and are still managing during this difficult period. I am confident and optimistic about the recovery of The Lux Collective and that of all our hotels, and am looking forward to growing the business and taking it from strength to strength in the coming years.

I have no doubt we will start to grow very rapidly. We are actually anticipating the signature of further properties in the GCC market in the near future, which will no doubt constitute a boost to our activities.

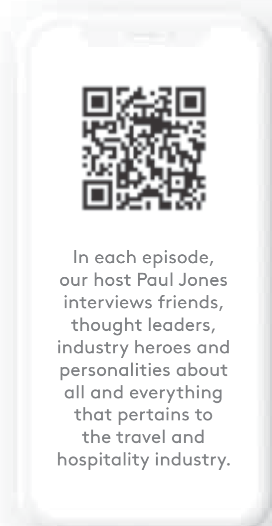
Acknowledge-ments

This year, as always, I would like to express my heartfelt thanks to all our team members, who have been quite extraordinary, showing great commitment and dedication during what has been yet another very challenging year. A special word as well for their families, who have provided their support.

Our Chairperson, Arnaud Lagesse, has been key in helping us overcome this unprecedented situation and I am grateful for his continued support and guidance throughout 2021.

I would also like to thank my fellow Directors for their wise counsel, as well as our shareholders, suppliers and loyal guests, for keeping faith in The Lux Collective.

Paul Jones,
Chief Executive Officer
27th October 2021



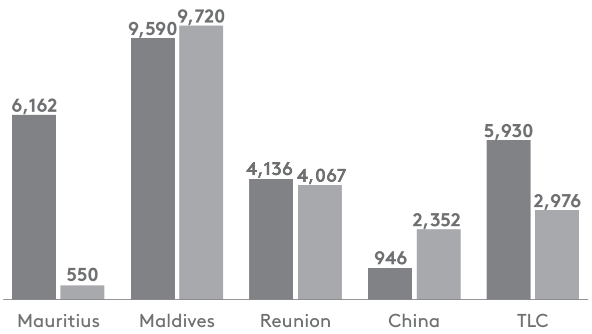
Scan to listen to The Spirit Of Lux Podcast

2021 In Numbers

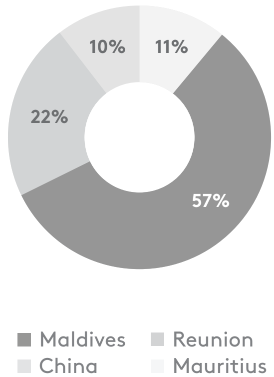
As mentioned already, performance was significantly affected as a result of the full brunt of the pandemic during the year.

The table below provides the RevPAR achieved during the year, in the destinations where we operate.

RevPAR - (MUR)



Management Fee Income by Geography

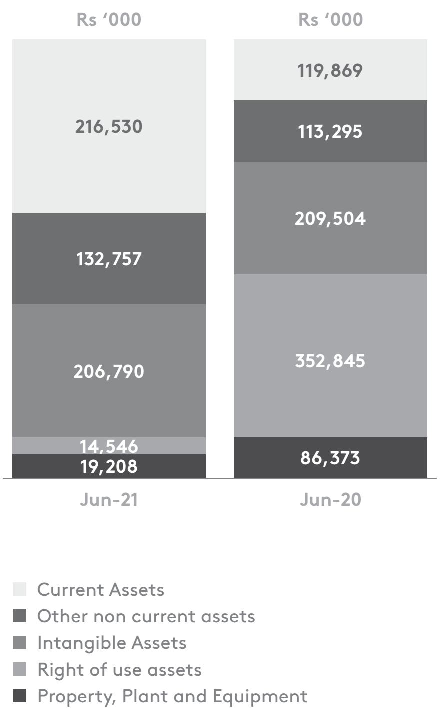


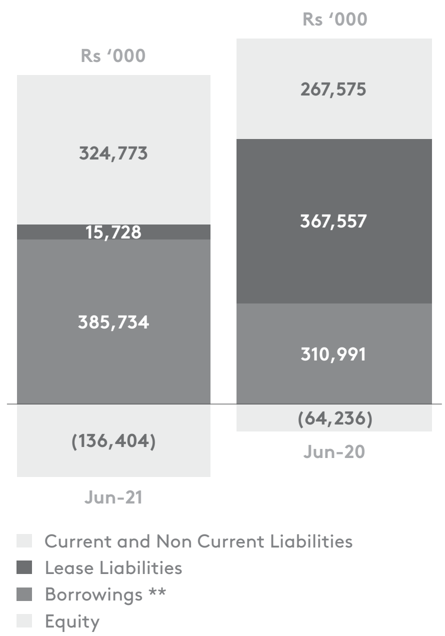
CONTINUING OPERATIONS	2021	2020	Variance
		Re-stated	
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**
Revenue	**245,405**	**554,821**	**(309,416)**
Fees from hotel management and other services	182,064	466,338	(284,274)
Other Operations	9,330	43,464	(34,134)
Other Income	54,011	45,019	8,992
Operating Expenses	(431,549)	(550,792)	(119,243)
Normalized EBITDA	**(186,144)**	**(4,029)**	**(190,173)**
Operating lease charges	(2,274)	(7,001)	4,727
Expected credit loss allowance	(172,189)	(29,578)	(142,611)
EBITDA	**(360,607)**	**(32,550)**	**(328,057)**
Depreciation and amortisation	**(29,634)**	**(31,081)**	1,447
Operating loss	**(390,241)**	**(63,631)**	**(326,610)**
Net Finance costs	**(19,308)**	**(19,578)**	**270**
Loss before tax from continued operations	**(409,549)**	**(83,209)**	**(326,610)**
Income tax credit/(expense)	5,052	(20,510)	25,562
Loss after tax from continued operations	**(404,497)**	**(103,719)**	**(300,778)**
DISCONTINUED OPERATIONS			
Loss after tax for the year from discontinuing operations	(42,293)	(76,500)	34,207
Gains on deemed disposal of subsidiary	206,065	-	206,065
Profit/(loss) for the year from discontinued operations	**163,772**	**(76,500)**	**240,272**
Loss attributable to the group	**(240,725)**	**(180,219)**	**(60,506)**

The Group financial statements do not include Salt Hospitality Ltd as it is under voluntary administration and the figures last year have been re-stated. Revenue from management fees decreased by Rs 318.4 million to reach Rs 191.4 million and the Group posted total turnover of Rs 245.4 million as compared to Rs 554.8 million last year. Normalised EBITDA for the year is negative at Rs 186.1 million, a decrease of Rs 190.1 million on last year.

The company has extended financial guarantees to third parties for Salt Hospitality Ltd up to an amount of Rs 86 million and as the latter was under administration, a full provision has been recognised in the financial statements. In addition, a provision of Rs 94 million has been made, which represent the amount due by Salt Hospitality Ltd to its holding company.

As a result of the reduced turnover coupled with the provision for expected credit loss, the Group posted an operating loss of Rs 390.2 million representing an increase of Rs 326.6 million on last year. Loss for the year from continued operations amounted to Rs 404.4M as compared to Rs 103.7 last year and, after accounting the net gain on deconsolidation of Salt Hospitality Ltd, loss attributable to the group for the year was Rs 240.7M as compared to last year's loss at Rs 180.2M.





The decrease in property, plant & equipment and right of use assets is attributed to the deconsolidation of Salt Hospitality Ltd. Current liabilities exceed current assets by Rs 176.4 million (FY 2020- Rs 243 million). In order to bridge the gap in liquidity, the Group successfully put in place the following funding during the year:

- A rights issue of Rs 175 million which was fully subscribed.
- A line of credit of Rs 250 million with one commercial bank.

Net debt for the Group stood at Rs 348.9 million, with a gearing of 164%.

As elaborated by the Chairperson, the management agreement of LUX* North Male Atoll in Maldives, was terminated due to the sale of the hotel with a termination date of 30th September 2021. Our company received compensation for the termination and part of the fund has been used to repay bank loans, thus reducing the gearing of the Group from 164% to 63%.

With the compensation, the opening of borders in Mauritius and having regard to the undrawn loan and overdraft facilities, management believes that it is still appropriate to prepare the financial statements on a going concern basis as the Group has sufficient cash and facilities to sustain future losses until the company is expected to generate profits. On the basis that the assets will realise and the liabilities will be discharged in the ordinary course of business, the external Auditor has been able to issue a clean audit report.

LUX*
RESORTS & HOTELS

PURPOSE

Helping people celebrate life.

VALUES

People,
Passion,
Integrity,
Creativity,
Leadership.

TAGLINE

*Lighter, Brighter.

At LUX*, each moment matters, we've banished thoughtless patterns and created simple, fresh and sensory experiences to indulge you throughout your stay with us. We're here to surprise and delight our guests with creative details that make the ordinary truly extraordinary.

At LUX* Resorts & Hotels, we believe that time is finite; so every minute is precious. More valuable than material things are experiences and emotions. Our guests spend their time with us to acquire these riches; Time with family, Time alone, Time off, Time to reflect, Time to reconnect, Time to heal, Time to explore, Time to do, Time for caring, Time for sharing. So, we're in the 'time' business not only resorts and holidays. This is why, at LUX* Resorts & Hotels, our vision expresses that Each Moment Matters.

Resorts In Operation

LUX* TEA HORSE ROAD, CHINA

LUX* Lijiang
LUX* Benzilan
LUX* Peach Valley
LUX* Sangushui
LUX* Daju Village
LUX* Stone Town
LUX* Dali

CHINA

LUX* Chongzhuo Resort & Villas, Guangxi

MALDIVES

LUX* South Ari Atoll Resort & Villas

REUNION ISLAND

LUX* Saint Gilles Resort

MAURITIUS

LUX* Belle Mare Resort & Villas
LUX* Le Morne Resort
LUX* Grand Gaube Resort & Villas

Opening Soon

MAURITIUS

LUX* Grand Baie Resort & Residences

FRANCE

LUX* La Baraquette Resort & Residences

VIETNAM

LUX* Phu Quoc Resort & Villas

CHINA

LUX* Liyang, Jiangsu
LUX* Zhuhai
LUX* Luxelakes, Chengdu

LUX* TEA HORSE ROAD, CHINA

LUX* Pu'er
LUX* Shangri - La
LUX* Emei

salt

PURPOSE

Connecting people to local people and places.

VALUES

Human
Transformational
Local
Simple
Curious

TAGLINE

We are SALT.

We believe in meaningful travel. That's travel that takes you to people, not just places. Meaningful travel satisfies curiosity and connects you to the local community and their way of life. You're listening to and tasting local.

You're out there exploring. You're in it, not beside it.

SALT are beautiful bases that give you everything you need to discover the place you are in. But also everything you need to relax, escape, and recharge.

Even better, you're involved in a good thing. We give back to the local communities we're part of and do all we can to protect their environments. Sustainability starts there. We boost economies by employing, sourcing, and collaborating locally. This celebrates culture and it makes for smiles.

We keep it simple.
We remove the obstacles to your being in the place you're in. That's luxury in our book. It's all about inspiration, adventure, and positive impact.

Resorts In Operation

MAURITIUS

SALT of Palmar

Discover more on SALTRESORTS.COM

tamassa

PURPOSE

Bringing people together.

VALUES

Joyful,
Vibrant,
Generous,
Thoughtful,
Creative.

TAGLINE

Good times, together.

The more we're connected, the less we're connecting. It's hard to find quality time for loved ones, and all too easy to lose touch with those closest to you.

We believe holidays are not just about escaping the everyday, they're about reconnecting with those that matter most and making memories to last a lifetime.

Our mission is to bring people together and joy to life, and we've created a holiday experience that's designed to do just that.

Whether it be through dining experiences to remember, activities to share or simply moments to cherish, at Tamassa you have it all making 'together' a wonderful place to be.

Resorts In Operation

MAURITIUS

Tamassa, Bel Ombre

Discover more on TAMASSARESORTS.COM

SOCIO

PURPOSE

Helping people be the best version of themselves 24/7.

VALUES

Flexible,
Welcoming,
Bold,
Mindful,
Creative.

TAGLINE

Get Social. Stay Socio.

We're social creatures, us humans. Looking to connect wherever we go. But in this age of global business travel, it's all too easy to end up spending more time alone than you'd like.

Socio is all about people. We make it easy for locals and visitors to connect, naturally. As soon as you walk in, you get this feeling that you belong. We know how to read a room. And our spaces adapt and change throughout the day.

Work meets play. Hustle meets downtime. Café meets bar, co-working desk meets conference room and people meet people. You aren't bound by desks, time zones or 9-5. And neither are we.

Everyone is welcome here. So no matter what kind of person you are, or what kind of connection you're looking to make, we have just the right people around to make it happen.

Coming Soon

MAURITIUS

Socio Tribecca

Discover more on SOCIOHOTELS.COM

Sustainable Business Model

Capital

	Financial	Human	Natural
Inputs/ Actions/ Activities	• Manage cashflow and treasury operations • Minimise foreign currency exposure • Improve operational efficiency • Ensure operational efficiency and compliance through internal control Systems • Identify and mitigate risks, control solutions • Develop a solid Investment Relations Plan	• Equip employees with adequate skills to carry out operations • Foster an ethical environment • Establish a culturally diverse workforce • Establish a gender-balanced workforce • Acquire & retain skilled and gritty People • Initiate a rotation scheme with our global talent pool • Effectively manage employee performance • Protect human rights and dignity • Implement health and safety measures • Initiate ongoing training and development	• Physical Location • Ensure energy efficiency • Reduce water use • Increase resource productivity • Lessen carbon footprint • Reduce and manage waste
Key Business Processes	HOTEL MANAGEMENT HOTEL OPERATIONS FOOD AND BEVERAGES SOCIAL RELATIONSHIP MANAGEMENT		
Results/ Outcomes	• Growth in Equity Value • Increased revenue and profitability • Expansion and growth of global footprint • Growth in Earnings per Share • Decrease in debts • Rise in investment income	• Engaged Team Members • High-quality service and enhanced guest satisfaction • Increased loyalty • Empowerment of talented leaders • Increased productivity • Skilled workforce to maintain sustainable, profitable growth • Low turnover and reduced training costs • Decrease human resources turnover	• Efficient utilisation of resources • Optimised costs • Enhanced corporate reputation as Responsible Business • Maximised positive impact • Sustainable growth • Light footprint

Products and Services

- Carefully select destinations
- Curate innovative design and architecture
- Train and empower dedicated teams to provide services
- Establish efficient, streamlined operations & processes
- Maintain assets efficiently
- Conceive inventive Reasons To Go LUX*
- Adopt modern Information Technology
- Create innovative and differentiated experiences

Intellectual

- Trademarks
- Propriety knowledge
- Systems and Operations
- Leadership expertise

Social and Relationship

- Build and nurture trust within various teams
- Deliver exceptional service to guests
- Develop strong relationships with suppliers
- Purposeful interactions with the community
- Create lasting relationships with business partners
- Consistently create value for investors and shareholders

- High quality locations
- World-class resorts
- Outstanding products and services
- Improved Guest Satisfaction
- Maintenance of brand loyalty
- Boost revenue
- Enhanced guest experience with technology and comfort
- Increased local and international guest loyalty

- Positive brand reputation
- Innovation-driven culture
- Efficient operations with relevant policies and procedures
- Development of a culture founded on trust and respect

- Top-rated guest satisfaction
- Loyal supplier base
- Empowered community
- Increased industry participation and engagement
- Positive corporate reputation and brand loyalty
- Inclusive business

Material Elements & Connectivity Of Strategic Plans

Value Drivers

	Financial Sustainability		Human Capital	Products and Services	
Objectives	Grow revenue Optimise cost Project investment and development		Put people's welfare first	Brand strength and optimal distribution	
Outcomes	**Profitable growth Earnings per share**	**Capital and cost efficiencies**	**Company Culture**	**Best in class hotel operators**	**Sustain and enhance a well established brand name**

Material & Significant Matters

Short Term	Manage exchange rate impact		Employ highly talented and fully engaged people	Develop and adopt 'one company' culture based of Equality	Effective communication of Purpose, Values, Vision and Mission to Team Members and guests	New, refreshed, reinvented properties with enhanced amenities and a continuous focus on guest experience and the LUX* Hospitality Standards	Positive feedback on platforms such as TripAdvisor (high guest satisfaction)
	Optimal level of working capital		Continuous investment in management time to give the best education to our Team				
Medium Term	Grow into new markets and entering into management contracts with third party owners	Efficient capital structure	Core skills and talent management				Higher promotion and responsible marketing
	Improve international competitiveness	Cost optimisation and cost reduction programs	Retention of talented staff through training initiatives and provision of competitive remuneration package				Win industry awards
Long Term	Strategic acquisitions into new territories		Engage professional services firm committed to create value through leadership and talent as well as aligning organisation capability				Unique experiences for each and every guest
	Optimal funding sources						

Natural Capital

Environmental sustainability

External Relationships

Elevate the experience

Energy	Water	Waste and effluents	Emissions	Biodiversity	Guests	Government and environmental bodies	Tour operators	Suppliers	Corporate social investment
	Implementation of energy management systems to reduce energy consumed by heating and air conditioning	Optimise use of fresh water and ensure efficient consumption Grey water reuse	Reduce paper use (Online Management System)	Continuous deployment of the "Tread Lightly" initiative	Guest-centered solutions	Go beyond compliance	Consolidate relationships with tour operators	Supplier consolidation and management Enhance zero-child labour requirements Empower local suppliers	Tackle immediate social and environmental needs
			Plan for net-zero emissions targets Generate less waste by building awareness Integrate local suppliers in value chain Attract & implement renewable energy production partnerships	Invest in conservation of endangered species with expert partners Environmental initiatives via enhancement in Environment Management System	Partnerships for the Goals, Climate Action through collaborative positive initiatives for environment. Society and economic development				Community investment
	Invest in technologies to reduce energy consumption	Comply with law for water quality and perform regular testing					Supply contemporary sustainable products and services	Encourage Responsible Consumption & Production via supply chain	Prosperous destinations Long-term partnerships

Our Properties Around The World

PLANTING THE SEEDS FOR GLOBAL EXPANSION


In Operation
Opening 2021
Opening 2022
Opening 2023 Onwards
China
LUX* Tea Horse Road
Peach Valley
Daju Village
Sangushui
Stone Town
Dali
Lijiang
Benzilan
Shangri-La
Pu'er
Emei
LUX* Chongzuo Resort & Villas
LUX* Zhuhai
LUX* Liyang 2023
LUX* Luxelakes 2025
Maldives
LUX* South Ari Atoll Resort & Villas
Vietnam
LUX* Phu Quoc Resort & Residences
Reunion
LUX* Saint Gilles Resort
Mauritius
LUX* Belle Mare Resort & Villas
LUX* Le Morne Resort
LUX* Grand Gaube Resort & Villas
Tamassa Bel Ombre
SALT of Palmar
LUX* Grand Baie Resort & Residences
Socio Tribecca 2023


OPENING DECEMBER 2021

MAURITIUS

LUX* GRAND BAIE RESORT & RESIDENCES

An innovatively elegant hotel in Grand Baie, Mauritius, on the island's most coveted beach, where new luxury seductively blends with the spirited vibe of tropical island living

LUX* Grand Baie, a modernist marvel seemingly dropped onto a crescent of sand on the northern shores of Mauritius, turns heads. This new generation boutique-style resort introduces travellers to the seductive, slow pace of island living. But not too slow... LUX* Grand Baie, mirroring the adjacent beach town from which it takes its name, is exciting and playful. Whether it's the unparalleled culinary scene or the breathtaking rooftop experience, there is truly no other celebratory place to be. A real invitation to seize the moment.


OPENED OCTOBER 2021

CHINA

LUX* TEA HORSE ROAD DALI

A forward-thinking boutique hotel nestled between the mountains,lake, and ancient city of Dali

Nestled between soaring mountains and one of China's largest freshwater lakes, LUX* Dali is a balance of old and new, grand and charming, historic and forward-thinking. The impeccably-styled, centrally-located gem has sweeping views of Erhai Lake and welcomes travellers and neighbours alike. Inspired by the iconic local architecture, the splendid hotel takes on the spirit of Dali. With its lobby café, chef-driven fine dining, and impressive spa, LUX* Dali is the perfect last stop along the Tea Horse Road to rest and rejuvenate before returning home.

CHINA

LUX* TEA HORSE ROAD PU'ER

A 50-room modernist gem set deep in the tea mountains of Pu'er, the birthplace of the prized tea and the starting point of the mythical Tea Horse road

LUX* Pu'er enjoys its exclusive privacy immersed deep in the lush, tea-growing Pu'er region, rich in history. It is the birthplace of Pu'er tea, the world's rarest and richest tea harvested from Xishuangbanna forest, and the starting point of the Tea Horse Road caravanserai route. Our 50-room boutique hotel is a modernist gem peeking out among the millenia-old forest and facing a river. The perfect combination of comfort and sophistication, it is the ideal spot to fully enjoy the wide open spaces, the natural wonders, and savour China's divine drink at its source to rest and rejuvenate before returning home.

CHINA

LUX* TEA HORSE ROAD SHANGRI-LA

A gorgeous, contemporary 18-room hotel at the heart of mythical Shangri-La, where Tibetan culture is well-woven into the fabric of the town

LUX* Shangri-La is a place of singular beauty. Perched high on a hill, it is a connection of the past with the coming future. The 18-room boutique hotel is inspired by the old townhouses of the historic town but incorporating modern elements in the design as well as cutting-edge technology (think oxygen in all spaces). The end result is a piece of minimalist modern architecture that fits perfectly into the landscape. Travellers come to this sanctuary to appreciate the tranquility and timelessness of Shangri-La, which has captured the hearts of many.


OPENING 2022

Awards & Accolades

SALT Of Palmar

TRIP ADVISOR TRAVELLERS CHOICE 2021
1st out of 198 in Mauritius

MOST WANTED AWARD 2021 BY HOTEL.COM
9.8 out of 10
SALT of Palmar

POSITIVE LUXURY AWARDS 2020
Brand of the Year
SALT Resorts

WORLD LUXURY HOTEL AWARDS 2020
Luxury Eco Resort (Global Win)
SALT of Palmar

TOP 25 HOTELS - AFRICA
SALT of Palmar - #4

Tamassa Bel Ombre

WORLD LUXURY HOTEL AWARDS 2020
Luxury Family All-Inclusive Hotel (Country Win)
Tamassa Bel Ombre

LUXURY LIFESTYLE AWARDS 2020
Top 10 Best Luxury Hotels in Mauritius
Tamassa Bel Ombre

TRIP ADVISOR TRAVELLERS CHOICE AWARDS 2020
12th out of 25 in Africa
Tamassa Bel Ombre

15th out of 25 in the World for Best All-Inclusive Resorts
Tamassa Bel Ombre

HOLIDAY CHECK 2020
Best All-Inclusive Resort rating of 5.6/6
Tamassa Bel Ombre

TRAVELLER REVIEW AWARDS 2020
Booking.com rating of 9.3/10
Tamassa Bel Ombre

LUX* Resorts & Hotels

TRIP ADVISOR TRAVELLERS CHOICE 2021
Top 25 Hotels - Africa
LUX* Grand Gaube - #13
LUX* Belle Mare - #17

Top 25 All-Inclusive Hotels - World
LUX* Belle Mare - #4

LUXURY LIFESTYLE AWARDS 2021
The Best Luxury Honeymoon Hotel in Maldives
LUX* North Male Atoll Resort & Villas

TRAVEL & LEISURE INDUSTRY AWARDS 2021
The Best Resort Hotel
LUX* Tea Horse Road Lijiang

TRAVEL & LEISURE INDUSTRY AWARDS 2021
The Best Family Resort
LUX* Tea Horse Road Benzilan

TUI HOTEL AWARDS 2020
Top 100 Hotels
LUX* Grand Gaube

TRAVEL + LEISURE CHINA TRAVEL AWARDS 2020
China Top 100 Hotels
LUX* Tea Horse Road Benzilan

VOYAGE MAGAZINE'S BEST HOTEL AND RESORT VALUE AWARDS 2020
Best Family Hotel in China
LUX* Tea Horse Road Benzilan

VOYAGE MAGAZINE'S BEST HOTEL AND RESORT VALUE AWARDS 2020

One Diamond Category
LUX* Tea Horse Road Lijiang

CONDE NAST TRAVELLER READERS' CHOICE AWARDS 2020

4th Top Resorts in the Indian Ocean
LUX* North Male Atoll Resort & Villas

22nd Top Resorts in the Indian Ocean
LUX* Belle Mare Resort & Villas

29th Top Resorts in the Indian Ocean
LUX* South Ari Atoll Resort & Villas

TRAVEL + LEISURE INDIA BEST AWARDS 2020

International Hotels – Best Luxury Resorts
LUX* South Ari Atoll Resort & Villas

TRIP ADVISOR TRAVELLERS CHOICE AWARDS 2020

4th out of 25 in Africa
LUX* Grand Gaube Resort & Villas

6th out of 25 in Africa
LUX* Le Morne Resort

Top 25 Hotels in the World
LUX* Belle Mare Resort & Villas

Top 25 Luxury Hotels in the World
LUX* Belle Mare Resort & Villas

2nd out of 25 in Africa
LUX* Belle Mare Resort & Villas

4th out of 25 in the World for Best All-Inclusive Resorts
LUX* Belle Mare Resort & Villas

LUXURY LIFESTYLE AWARDS 2020

Top 10 Best Luxury Hotels in Mauritius
LUX* Grand Gaube Resort & Villas

WORLD TRAVEL AWARDS 2020

Reunion Island's Leading Hotel
LUX* Saint Gilles Resort

TRAVELLER REVIEW AWARDS 2020

Booking.com rating of 9.2/10
LUX* Tea Horse Road Benzilan

THAT'S HOSPITALITY AWARDS 2020

Getaway Hotel of the Year
LUX* Tea Horse Road Benzilan

New Hotel of the Year
LUX* Tea Horse Road Stone Town

Health and Wellness Hotel of the Year
LUX* Tea Horse Road Sangushui

The Most Highly Anticipated Hotel of the Year
LUX* Chongzuo, Guangxi

CITY TRAVEL HOTEL AWARDS 2020

Family-Friendly Hotel of the Year
LUX* Tea Horse Road Benzilan

Vacation Hotel of the Year
LUX* Tea Horse Road Lijiang

Leisure Hotel of the Year
LUX* Tea Horse Road China

The Most Highly Anticipated Hotel of the Year
LUX* Chongzuo, Guangxi

Human Resources

During 2020-2021, we maintained our focus on Learning and Development despite intermittent closures of most of our resorts. The Training Academy established a system of bringing Team Members together every month for online learning using in-house Trainers and training resources.

Overall, we had a cumulative participation of over 9500 Team Members amounting to over 45000 manhours of training in the various in-house online programs covering various topics such as supervisory skills development, food and beverage product knowledge as well as programs developed to enhance personal competencies in terms of language, personal presentation, confidence etc. We also signed up with TYPSY – an online learning platform having over 500+ upskilling programs catering to learning needs of a wide range of job roles within the hospitality industry. 1026 Team Members benefited from this COVID Support Partnership achieving over 189,000 skills credits.

In reference to L&D key focus areas; we set ourselves up for completing different projects as summarized below.
All these initiatives led to achievement of an average of 203 manhours of training per Team Member exceeding our target set at an average of 180 manhours per Team Member for 2020-21.

1. Tamassa Brand, Purpose & Values

In July 2020, Tamassa was launched as our 3rd hospitality brand under The Lux Collective. Extensive training was conducted for all Team Members of Tamassa Bel Ombre during July and August 2020. We helped them to understand and embrace the new Tamassa ideology, p urpose
and values through interactive sessions highlighting the Tamassa way of life. Team Members were excited with the new learning and the prospect of 'Making Each Moment Matter by Bringing People Together.'

The ongoing COVID-19 pandemic presented very few opportunities to showcase the new Tamassa brand experiences in 2020-2021 as Tamassa Bel Ombre was serving as a quarantine facility for a major part of the year. As borders are now fully open, our Team Members are excited to welcome back our local and international Guests and showcase these new experiences.

2. CARE At The Core Of Service Delivery & Leadership Culture

Last year over 240 of our senior managers participated in the Built to Care' Webinar series delivered personally by Ron Kaufman to help us gain further insights into what it means to truly 'CARE' about what matters' in the context of TLC's purpose:
We Make Each Moment Matter.
We Care About What Matters.

As a follow up, the Brand Personality Standards for LUX*, Tamassa and SALT were revised to include the element of Care under 4 dimensions as follows:

a. Caring for Self
b. Caring for our Guests & Each Other at Work
c. Caring for the Community we live in
d. Caring for our Environment

With this, we have created a companywide training program titled "Yes I Care!" aimed at instilling a care mindset that encourages Team Members across all our brands and operations to embody a new way of being by expressing care in every aspect of day to day life. This training program was given priority as it aligns the Team Members' focus with the company's purpose and care philosophy.

Training was launched across all resorts in November 2020 and as of date; we have covered over 1200 Team Members. The confinement during March and April 2021 and subsequent closure of resorts in Mauritius slowed down our pace of completion significantly. As we get back into operations, we are working towards 100% completion of the program roll out to all Team Members in the coming months.

3. Health & Wellbeing

The United Nations designates specific days, weeks, years and decades as occasions to mark particular events or topics in order to promote, through awareness and action, the objectives of the Organization. In 2020 we chose two such UN designated days to consciously raise awareness of our Team Members. On September 29, 2020, we observed the 'International Day of Awareness of Food Loss and Waste' followed by 'World Mental Health Day' on October 10, 2020. We invited experts in these fields to deliver workshops and educate our Team Members on actions we can take.

Between March and June 2021, we continued to focus on the health and wellbeing of our Team Members through wellness sessions hosted online by our Spa and Wellness colleagues. We organized weekly sessions covering the following key areas: Nutrition, The Microbiome, Movement, Self-Care Tips, Mindfulness & Breathing, Family Health, Sleep & Recovery, Recognizing Your Natural Element, Birth Element and Current Element.

Over 1500 Team Members participated actively in these sessions and benefitted from the knowledge shared.

4. Operations Preparedness Towards Opening Of Frontiers

A) VACCINATION EDUCATION

With the commencement of vaccination roll out to the tourism sector in February 2021, we organized awareness sessions for our Team Members and their family. Dr. Catherine Gaud; Senior Advisor to the Ministry of Health for Mauritius conducted a session for 576 Team Members in March 2021 and another session was organized in June 2021 for 143 Team Members. During these sessions, Dr. Gaud helped us to understand the vaccination program in terms of pre-existing conditions as well as other health concerns. 220 Team Members also participated in the awareness session organized by the IBL Head Office with Dr. Damien Steciuk. Internally, we focused on seamless communication and sharing of information to help our Team Members understand the vaccination program and its benefits. All these actions alleviated the many concerns around this subject and helped Team Members to become more confident in taking the vaccination decision. We were able to generate great momentum across all our operations with our Maldives properties being the first to achieve a 100% completion of the vaccination roll out to Team Members present on the island.

As of today (September 8, 2021) 98.5 % of Team Members have been vaccinated with the 1st dose in Mauritius and in Maldives 99.8% have completed the first dose. We continue to guide and support our Team Members as required.

B) TRAINING ON SANITARY PROTOCOLS

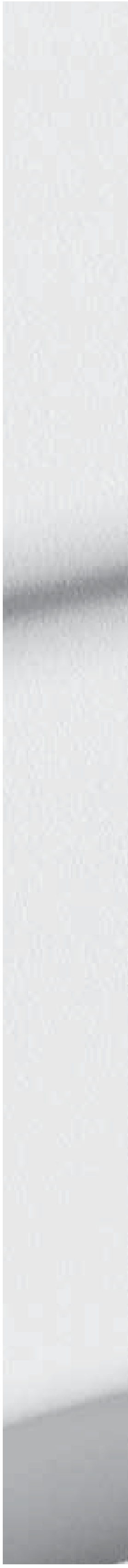
This year we dedicated a significant amount of time towards trainings organized for creating awareness and implementing procedures in line with new sanitary protocols in operations.

In Mauritius, we signed up for the "Protocoles sanitaires pour les Opérateurs du Tourisme" - a detailed online training program created by the AHRIM and 1743 Team Members successfully completed this certification program. For our global operations, we had the opportunity to enroll 418 Team Members on Lobster Ink's "Essential Rebound Courses" designed to educate on sanitary measures to be adopted in operations and this was part of Lobster Ink's continued support to existing clients.

We conducted extensive trainings in-house, both, online as well as on-the-job to implement all the new procedures mandated under the sanitary protocols in our respective destinations. We had in-depth certification training conducted by Diversey for the 'Safe Hotel' program in all resorts in Mauritius. In Maldives, training was conducted according to HPA (Health Protection Agency) and Ministry of Tourism re-opening certification and in Reunion, training was conducted for the 'Label de Sécurité Sanitaire' by SOCOTEC group.

5. Leadership Development

Through our partnership with The John Maxwell Company (TJMC) we were able to engage our key leaders using a blend of online resources and focused group learning sessions led by the resort General Managers and Heads of Departments for offices. Our Energy Experts Colin and Steven Hall from 'Learning to Lead' in South Africa graciously made available numerous self-enabling resources to help us manage our personal energy in these difficult times. They also put together live webinars to teach us new strategies for staying positive and 'playing blue' and we saw over 550 enthusiastic participants who joined in from across TLC globally. 8 key managers from our operations successfully graduated from the IBL Management Development Program in



February 2021. We had excellent results overall at the MDP in the form of 2 individual top student awards and one group award for the best Business Driven Action Learning Project (BDAL). Our leadership team members also signed up to USB-ED's (University of Stellenbosch Executive Development) Conscious Leadership webinar series facilitated by various global subject matter experts and consultants.

6. Opening Of LUX* Grand Baie

During 2020-2021 training of the erstwhile Merville Beach Team Members in preparation for opening the new LUX* Grand Baie has been a major focus. Between October 2020 to February 2021 we arranged for their cross exposure in other LUX* properties during the periods the resorts were operational. This included exposure to the LUX* Shining Hospitality Standards and experience in organizing large events and music festivals.

Since February 2021, we have taken a phased approach to prepare the Team Members and conducted a 'Back to Work' program during February and March which included foundational topics aimed at re-skilling Team Members after being out of operations for a long time due to intermittent resort closures. Programs included were Effective Communication Skills, Etiquette Basics and Everyday Courtesies, Building Confidence, Grooming and Deportment. This was followed by 'Building Technical Expertise' conducted between April and June during which we focused on building a good product knowledge base, especially for Team Members in F&B Service. We also conducted workshops for supervisory skills development as well as language and communication improvement. A majority of these sessions were conducted online during the lockdown. This phased training approach continued as we moved closer to the resort opening and started welcoming new Team Members.

7. Opening Of LUX* Chongzuo, Guangxi, China

We opened our first LUX* branded hotel in China in February 2021 – LUX* Chongzuo, Guangxi, a boutique resort set on the banks of the Mingshi river at the border of China and Vietnam. As travelling to China was not an option due to closure of borders, all pre-opening training and operations set-up was accomplished successfully by a task force team comprising of managers from among our other operational resorts in China. Being our first full-fledged LUX* in China, Ron Kaufman specially conducted 2 live online training sessions for all Team Members on the LUX* service culture. The resort has been receiving excellent reviews and media coverage since opening.

Overall, we had a demanding year in terms of learning and development. Despite not having any training budget this year, we have achieved a lot. Conducting training remotely was a good learning experience. Recognizing that people's attention span is limited, we delivered shorter sessions per day per group so as to maintain participants' focus. We therefore had to conduct multiple batches for our in-house training to be able to accommodate all resorts. Nevertheless, it was important to remain in contact with the Team Members and continue service and culture related discussions.

For our new Senior Managers who joined our China operations, we developed a different approach to conduct orientation. Normally this would have taken place in person in Mauritius along with showcasing our service in action. However, since this was not a possibility, we managed to engage them with a blended approach including multiple self-learning resources which they were invited to review and these were followed up with discussions over several sessions. It helped us to channel their thinking and introduce the LUX* brand and purpose in a more holistic manner.

In 2021-22, we look forward to some stability in our operations in Maldives, Reunion and China, as travel restrictions continue to ease.

Learning and Development continues to focus on the successful opening of LUX* Grand Baie in Mauritius for outstanding service levels, and supported distance learning for LUX* Dali. Overall, we are targeting 100% completion of the 'Yes, I Care!' program for all Team Members in operations as this will help us to operationalize The Lux Collective's Purpose with care in action. We will also spend significant amount of time reviving our Talent Management system and create development plans to retain our top talent.

Corporate Governance Report

Relations With Shareholders And Key Stakeholders

COMPANY CONSTITUTION

The company is governed by the provisions of the Companies Act 2001.

SHAREHOLDING

The directors regard IBL Ltd as the ultimate holding company.

As at 30th June 2021, the Company's share capital was Rs 390,163,337, composed of 232,170,133 shares with 4,606 shareholders present on the registry.

RIGHTS ISSUE

TLC proposed to the existing shareholders a rights issue of Rs 175 Million, consisting of 76,087,860 shares of Rs 2.30 each in March 2021, which was fully subscribed. The purpose of this rights issue was to finance working capital and service debt of the company.

The following shareholders had more than 5% of the capital of the Company at 30th June 2021:

IBL Ltd	56.37%
Paul Tobin Jones	5.07%
Other shareholders	38.56%
Total	100.00%

SHAREHOLDING PROFILE

The Company's shareholding profile as at 30th June 2021 was as follows:

Defined Brackets	Number Of Shareholders	Number Of Shares Owned	Percentage %
1-500	2,220	287,983	0.124
501-1,000	436	338,082	0.146
1,001-5,000	970	2,391,843	1.030
5,001-10,000	325	2,358,452	1.016
10,001-50,000	446	9,402,079	4.050
50,001-100,000	82	6,040,067	2.602
100,001-250,000	71	10,748,686	4.630
250,001-1,000,000	48	24,335,489	10.482
1,000,001-1,500,000	2	2,909,797	1.253
Over 1,500,000	6	173,357,655	74.668

Statement Of Compliance By The Board

The Lux Collective Ltd ('the Company' or 'TLC') and its subsidiaries ('the Group') is committed to observing high standards of Corporate Governance, promoting corporate transparency and enhancing shareholder value.

We are pleased to confirm that we have complied with all of the requirements and provisions of the National Code of Corporate Governance for Mauritius for the year ended 30th June 2021, except for the ones disclosed below.

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

Relations With Shareholders And Key Stakeholders (continued)

SUMMARY OF SHAREHOLDER CATEGORY

Category Of Shareholders	Number Of Shareholders	Number Of Shares Owned	% of Total Issued Shares
Individuals	4,211	53,311,743	22.961
Insurance and assurance companies	12	9,245,031	3.982
Pension and provident funds	118	24,760,123	10.665
Investment and trust companies	35	730,545	0.315
Other corporate bodies	229	144,120,691	62.076
PLC Groups	1	2,000	0.001

SHAREHOLDER RIGHTS

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated fairly and equitably, and that their rights are protected.

The Company is committed to providing shareholders with adequate, timely, and sufficient information pertaining to the Group's business, which could have a material impact on the Company.

All shareholders of the Company are entitled to attend and vote at general meetings, in person or by proxy. Shareholders also receive the annual report of the Company and the notice of Annual General Meeting, which is also advertised in the newspapers.

COMMUNICATION WITH SHAREHOLDERS

The Company actively engages with its shareholders to promote regular, effective, and fair communication with shareholders and investors at large.

DIVIDEND POLICY

The declaration amount and payment of future dividends depend on many factors, including the results of the operations, cash flow and financial conditions, expansion, working capital requirements, future projects, and other factors deemed relevant by the Board and the Shareholders.

No dividend has been paid for the financial year ending 30th June 2021.

The Audit & Risk Committee and the Board shall ensure that the Company satisfies the solvency test if there is any dividend declaration.

CONDUCT OF SHAREHOLDER MEETINGS

During the Annual Meeting of shareholders, which is held in Mauritius, Shareholders are given the opportunity to communicate their views and to engage with the Board and Management with regard to the Group's business activities and financial performance.

Directors are encouraged to attend Shareholders' meetings. The members of the Audit & Risk Committee and external auditors are asked to be present at such meetings.
The Companies Act 2001 also allows a shareholder of the Company to appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a shareholder Company, by way of a written resolution), whether a shareholder or not, to attend and vote on their behalf.

Directors Shareholding

INTERESTS OF DIRECTORS

The table below outlines each Director's respective direct and indirect interests and number of other directorships in listed companies as at June 30th, 2021.

Directors	Direct Interest		Indirect Interest	Number of Other Directorships in Listed Companies
	Shares	%	%	
David Amsellem	-	-	-	-
Jean de Fondaumière	-	-	-	1
Julian Hagger	9,958,090	4,28	-	-
Alexis Harel	18,134	0,01	-	2
Paul Jones	11,701,334	5,04	-	-
Arnaud Lagesse	24,000	0,01		4
Hans Olbertz	-	-	-	-
Scott J. Woroch	-	-	-	-
Alternate Directors				
Dev Poolovadoo (Alternate to Julian Hagger)	313,320	0,20	0,01	-

During the period under review, Mr Jones acquired 4,216,324 shares of the Company and Mr Hagger 3,753,695 shares of the Company through the Rights Issue. There was no other share dealings by directors (including Alternate directors).

Calendar Of Important Events For Forthcoming Financial Period

Publication of 1st quarter results	October 2021
Annual Meeting of Shareholders	December 2021
Declaration/payment of interim dividend (if applicable)	November/December 2021
Publication of half-yearly results	January 2022
Publication of 3rd quarter results	April 2022
Declaration/payment of final dividend (if applicable)	June 2022
Publication of abridged end-of-year results	September 2022

Governance Structure

The Lux Collective Ltd is a public interest entity, as defined by law.

The primary function of the Board of Directors of the Company ("Board") is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders as enumerated in the Board Charter as approved by the Board. The Board has the responsibility to fulfill its role, which entails the following:

- Ensure that the long-term interests of the shareholders are being served, and to ensure proper safeguard of the Group's assets
- Assess major risk factors relating to the Group and review measures, including internal controls, to address and mitigate such risks
- Review and approve Management's strategic and business plans, including understanding the business and questioning the assumptions upon which plans are based, in order to reach an independent judgement and determine the probability of the plans and/or forecasts being realised
- Monitor the performance of the Group Management regarding budgets and forecasts prepared by management
- Review and approve significant corporate actions and major transactions
- Assess the effectiveness of the Board in accomplishing its function and meeting its objectives
- Ensure ethical behaviour and compliance with laws and regulations, auditing and accounting principles and the Company's own governing documents
- Identify key stakeholder groups and acknowledge that their perceptions affect the Company's reputation
- Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation
- Perform such other functions as prescribed by law, or assigned to the Board in the Company's governing documents.

CHAIRPERSON OF THE BOARD

The Board is headed by the Chairperson and there is a clear separation of responsibilities between the leadership of the Board and the Executives responsible for managing the Company's business. The Board notes that the Chairperson plays an instrumental role in developing the business of the Group and that he provides the Group with strong leadership and vision. The Chairperson of the Board is Mr Arnaud Lagesse and he is responsible for:

- Leading the Board to ensure its effectiveness in all aspects of its role
- Setting the agenda and ensuring that adequate time is granted to discuss all agenda items particularly strategic issues
- Ensuring that the Directors receive complete, adequate information in a timely manner
- Ensuring effective communication with shareholders
- Encouraging constructive relations within the Board and between the Board and Management
- Facilitating the effective contribution of all directors
- Promoting high standards of Corporate Governance

The Executives of the Group, headed by the Chief Executive Officer are as follows:

Paul Jones - Chief Executive Officer
Julian Hagger - Executive Vice President
Dominik Ruhl - Chief Operating Officer
Nitesh Pandey - Chief Operating Officer - Asia Pacific
Marie-Laure Ah-You - Chief Strategy Officer
Karen Lai Yong - Senior Vice President - Global Business Development
Dev Poolovadoo - Vice President - Finance
Nicolas Autrey - Chief Human Resources Officer
Guillaume Valet - Group Head of Legal, Secretarial and Corporate Affairs
Sydney Pierre - Senior Vice President - Commercial

The job descriptions of the above Executives have been approved by the Remuneration Committee.

CODE OF ETHICS

The Lux Collective Ltd has a commitment to moral conduct, to ethical behavior and to operations within the letter and spirit of the law. In carrying out their duties, Officers of the Group should adhere to local

Governance Structure (continued)

CODE OF ETHICS (CONTINUED)

and all other applicable laws, regulations, principles and standards, in everything that they do and be aware that compliance with such laws, regulations, principles and standards is the basis of sound business conduct.

The Audit and Risk Committee regularly monitors and evaluates compliance with its Code of Ethics. Appropriate actions are taken in case of non-compliance.

Structure Of The Board

BOARD SIZE AND COMPOSITION

The Board is a unitary board that currently consists of 9 directors, including alternate directors, as shown below, along with their membership on the Board Committees of the Company.

Each year the Board examines the size, composition, skills and core competencies of its members to ensure there is an appropriate balance and diversity of skills, experience and knowledge. The Board includes Directors from different industries and backgrounds, with business and management experience, who, collectively, provide the core abilities for the leadership of the company. The Board acknowledges that there is currently no female representation and recognizes the importance of complying with such requirements. However the COVID-19 pandemic delayed any remedial action which was being considered. The Board shall re-assess this issue in the next financial year.

Notwithstanding the above, the Board considers that the current Board of 9 Directors is appropriate for enabling effective decision-making taking into account the scope and nature of the Group's operations. The directors of the Company and their representations in the various Committees are as follows:

Name	Gender	Country Of Residence	Board Appointment	Board Committee Appointment
Arnaud Lagesse - Chairperson	M	Mauritius	Non-Executive Chairperson of the Board	Member of the Corporate Governance & Nomination Committee and Member of the Remuneration Committee
David Amsellem	M	Mauritius	Independent Non-Executive Director	Chairperson of the Corporate Governance & Nomination Committee and Chairperson of the Remuneration Committee
Jean de Fondaumière	M	Mauritius	Independent Non-Executive Director	Chairperson of the Audit & Risk Committee, and member of the Remuneration Committee
Alexis Harel	M	Mauritius	Independent Non-Executive Director	Member of the Audit & Risk Committee, the Corporate Governance & Nomination Committee, and the Remuneration Committee
Hans Olbertz	M	Dubai	Independent Non-Executive Director	Member of the Audit & Risk Committee
Scott J. Woroch	M	UK	Non-Executive Director	
Paul Jones (Chief Executive Officer)	M	Singapore	Executive Director	
Julian Hagger	M	Singapore	Executive Director	
Dev Poolovadoo (Alternate to Julian Hagger)	M	Mauritius	Alternate Director	

Structure Of The Board (continued)

DIRECTOR'S INDEPENDENCE REVIEW

Having independent directors plays a crucial role in ensuring that we have a strong, impartial element on the Board. The objective is to facilitate the exercise of independent and objective judgement on corporate affairs, and to ensure that discussion and review of key issues takes place in a critical yet constructive manner.
The Board evaluates, on an annual basis, and as and when the circumstances require, whether or not a director is independent, bearing in mind the provisions of the Code.

We believe that our Independent Directors have and will demonstrate a high commitment to their roles as Directors and will ensure that there is a good balance of power and authority within the Company.

The Board considers the following Directors as independent directors of the Company:

David Amsellem
Jean de Fondaumière
Alexis Harel
Hans Olbertz

DELEGATION BY THE BOARD

To assist the Board, the Board has delegated certain functions to 3 Committees, namely the Audit & Risk Committee (ARC), the Remuneration Committee (RC) and the Corporate Governance & Nomination Committee (CGNC). Each committee has its own written terms of reference. Please refer to pages 56 to 58 of this report for further information on these Committees.

DIRECTORS' TIME, COMMITMENT, AND MULTIPLE DIRECTORSHIPS

The 2016 National Code of Corporate Governance recommends that Directors collectively come to a consensus on the maximum number of listed-company Boards that each Director may serve on, in order to properly address time commitments that may arise due to one individual serving on multiple Boards.

The Board believes that each Director who already serves on several Boards, when accepting yet another appointment, has the individual responsibility to personally determine the demands of his competing directorships and obligations, and ensure that he can allocate sufficient time and attention to the affairs of each Company.

The Board considers that setting a limit on the number of listed-company directorships a Director may hold is arbitrary, given that time requirements for each person vary. Therefore, the Board prefers not to be prescriptive. The CGNC is currently satisfied with the commitment of each director to fulfil his responsibilities.

COMPANY SECRETARY

Directors may separately and independently contact the Company Secretary or its nominee, who attends and prepares minutes for all Board meetings. The Company Secretary's role is defined, and includes the responsibility for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The appointment and dismissal of the Company Secretary are matters requiring the Board's approval.

The role of the Company Secretary is carried out by IBL Management Ltd.

AUDIT & RISK COMMITTEE (ARC)

The ARC is governed by a Charter in line with the provisions of the Code. The Charter is reviewed as and when needed.

The Board considers that the members of the ARC are appropriately qualified to discharge their responsibilities. The ARC has the explicit authority to investigate any matter within its terms of reference. In addition, the ARC has full access to, and co-operation of, the Management as well as full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the ARC to discharge its functions properly.

Structure Of The Board (continued)

AUDIT & RISK COMMITTEE (ARC) (CONTINUED)

In addition to its statutory functions, the ARC considers and reviews any other matters as may be agreed to by the ARC and the Board. The duties of the ARC includes amongst others:

a. Reviewing significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Group and any formal announcement relating to the Group's financial performance.
b. Reviewing and reporting to the Board, at least annually, the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls.
c. Reviewing the effectiveness of the Group's internal audit function.
d. Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors.
e. Making recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and dismissal of external auditors, and approving the remuneration and terms of engagement of the external auditors.

The ARC reviews with Management, and where relevant, the external auditors, the results announcements, annual report and financial statements, before submission to the Board for approval and adoption.

In performing its functions, the ARC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the ARC also meets separately with the internal and external auditors, whereby any issues may be raised directly with the ARC, without the presence of Management. The internal and external auditors have unrestricted access to the ARC.

The ARC has discussed with external auditors and Management on matters of significance to the financial statements, which include the following:

- The financial situation of TLC following the pandemic
- The Administration of Salt Hospitality Ltd and its impact on The Lux Collective Ltd
- The reopening strategy of Hotels managed by the Company
- Termination of the Hotel Management Agreement of LUX* North Male Atoll

The ARC is satisfied that these matters have been appropriately addressed. Depending upon the issue, independent expert advice is sought, when required. The ARC recommended to the Board to approve the audited financial statements of the Group for the financial year ended 30th June 2021 ("FY 2021 Financial Statements"). The Board has approved the FY 2021 Financial Statements on 6 October 2021.

The ARC, met 4 times during the year and has considered the following:

- Approval of the results for Q1, Q2 and Q3
- Review of the budget for 2021/22
- Audit Plan for 2021/2022
- Internal and external audit reports issued

The members of the ARC are as follows:

• Jean de Fondaumière (Chairperson)	Independent non-executive Director
• Hans Olbertz	Independent non-executive Director
• Alexis Harel	Independent non-executive Director

These members of the ARC comply with the definition of an 'independent director' as stipulated by the Code.

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE (CGNC)

The CGNC is governed by a Charter that determines the objects and functions of the Committee. The Charter has been approved by the CGNC. It is reviewed as and when needed.

The main role of the CGNC is to advise and make recommendations to the Board on all aspects of corporate governance which should be followed by the Company, so that the Board remains effective while complying with sound and recommended corporate practices and principles.

Structure Of The Board (continued)

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE (CGNC) (CONTINUED)

The members of the Committee are :

- David Amsellem - Chairperson (appointed on 21.10.2020)
- Arnaud Lagesse
- Alexis Harel

Messrs David Amsellem and Alexis Harel are Independent Non-Executive Directors.

REMUNERATION COMMITTEE (RC)

The RC is governed by a charter that determines the role and responsibilities of the Committee. The RC approved its Charter during the past financial year. The Charter is reviewed as and when needed.
The duties of the RC include, amongst others, the recommendation to the Board for approval of the following:

- The organisational chart of the Company
- A general framework of remuneration for the Board and key management personnel
- Specific remuneration packages for each director and key management personnel
- The company's obligations in the event of the termination of an executive director or key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external consultants as and when deemed necessary.

The Remuneration Committee includes the following directors:

- David Amsellem – Chairperson (appointed on 21.10.2020)
- Arnaud Lagesse
- Alexis Harel
- Jean de Fondaumière

Messrs David Amsellem, Jean de Fondaumière and Alexis Harel are Independent Non-Executive Directors

ATTENDANCE

Below are details on the number of Board meetings and Board Committee meetings held during the last financial exercise, as well as the attendance of Directors and Board Committee members:

No of Meetings attended by Directors					
Name	**Board Meetings**	**Audit & Risk Committee Meetings**	**Corporate Governance & Nomination Meetings**	**Remuneration Committee Meetings**	**Total Attendance at Meetings**
Executive Directors					
Paul Jones	7	4 (in attendance)	-	-	11
Julian Hagger	7	-	-	-	7
Non-Executive Directors			-	-	
Arnaud Lagesse	7	-	-	-	7
Jean de Fondaumière	7	4	-	-	11
Alexis Harel	7	4	-	-	11
Hans Olbertz	7	3	-	-	10
Scott J. Woroch	7	-	-	-	7
David Amsellem	7	-	-	-	
Number of Meetings held	7	4	None	None	11

Structure Of The Board (continued)

ATTENDANCE (CONTINUED)

Due to travel restrictions in force since 19th March 2020, the directors not residing in Mauritius attended all the Board and committees of which they are members through visio- conference, namely Mssrs. Jones, Hagger, Olbertz, and Woroch.

Director Appointment Procedures

ROLE OF THE CORPORATE GOVERNANCE & NOMINATION COMMITTEE IN THE DIRECTOR'S APPOINTMENT

The CGNC is responsible for selecting and appointing new Directors.

All new Board members are first considered and reviewed by the CGNC, before being recommended to the Board for approval. Potential candidates are recommended by Directors or Shareholders. The CGNC then evaluates the suitability of potential candidates for the position, taking into account, inter alia, the candidate's age, gender, skills, knowledge, experience and ability to contribute to the Board's effectiveness.

In accordance with the provisions of CGNC governing the election and re-election of Directors, all Directors are to present themselves for re-election every year at the Annual Meeting of Shareholders. Newly appointed Directors, during the year under review, must present themselves for election at the forthcoming Annual Meeting of Shareholders.

Under Section 138 of the Companies Act 2001 of Mauritius, the office of a Director shall become vacant at the conclusion of the Annual Meeting of Shareholders commencing next after the Director attains the age of 70 years, and shall then be subject to yearly re-appointment. The Board is satisfied with the current practice.

This year, to comply with the provisions of the Code, Messrs Arnaud Lagesse, Paul Jones, Hans Olbertz, Alexis Harel, Julian Hagger, Scott J. Woroch, David Amsellem and Jean de Fondaumière will submit their re-election as Board Members at the forthcoming Annual Meeting of Shareholders.

The CGNC has recommended the re-election and election of the Board members listed above, after taking into consideration each one's attendance, participation, contribution and performance during the past year.

BOARD ORIENTATION AND TRAINING FOR NEW DIRECTORS

The company has put in place procedures to ensure that newly-appointed Directors receive an induction and orientation upon joining the Board.

DIRECTORS DEVELOPMENT

The Chairperson should regularly review and come to an agreement with each Director, if necessary on his or her training and development needs. The Company must provide the necessary resources and training for the Director to best develop his knowledge and capabilities.

SUCCESSION PLANNING AND DIRECTORS SERVICE CONTRACT

Following the extension of the employment contract of Mr Jones up to 30th June 2024, as reported last year, the Board is confident that under the leadership of Mr Paul Jones, the Company will maintain its growth trajectory. The Board continues to monitor.

DIRECTORS PROFILE

Please refer to pages 10 to 13 for the Directors profile.

Duties, Remuneration And Performance

KEY FEATURES OF BOARD PROCESSES

To assist the Directors in planning their attendance at meetings, the dates of Board Meetings, Committee Meetings and Annual Meetings are scheduled up to one year in advance. In addition to the regular scheduled meetings, ad-hoc Committees are convened as and when circumstances warrant. Besides physical meetings, the Board and the Committees may also make decisions by way of written resolutions, as specified in their respective Terms of Reference.

From 1st July 2020 to 30th June 2021, the Board met 7 times for the purpose of considering and approving, amongst others, the following items:

- The audited financial statements for the year ended June 2020 and relevant publications
- Updates on various renovation projects and new management contracts
- Approval of Q1 results
- Approval of Q2 results
- Approval of Q3 results
- Business plan for the financial year ending 30th June 2022

COMPLETE, ADEQUATE, AND TIMELY INFORMATION

To ensure that the Board and Committees are able to fulfil their responsibilities, Management provides them with complete and adequate information in a timely manner.

The Senior Management, the Company's auditors and other professionals who can provide additional insights into matters to be discussed at Board and/or Committee meetings are also invited to be present at these meetings, when necessary. As Directors may have further queries on the information provided, they have separate and independent access to the Company's Senior Management.

Management provides the Board with the Group's Financial Statements and Management Reports on a quarterly basis and upon request. Explanations are given by Management for material variance (if any) between any projections in the budget and actual results.

RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or if they and the Group are subject to common control. Related party transactions are disclosed in note 30 to the financial statements.

Related party transactions have been conducted at arm's length and in accordance with the laws.

CONFLICTS OF INTERESTS

The Company's Code of Ethics, which includes a section on conflict of interest, is applicable to all employees, senior officers and directors of the Company. The Whistleblowing Policy, which is an extension of the Code of Ethics, provides employees and other stakeholders a reporting channel on suspected misconduct or malpractice within the Company without fear of reprisal or victimisation. It also outlines the complaint handling and reporting processes to improve transparency.

All new employees and directors of the Company receive training on the Code of Ethics and the Whistleblowing policy.

The Company has a policy in place where a Board member shall immediately report to the Chairperson of the Board about any conflict of interest or potential conflict of interest and shall provide all information in that respect. This board member should not take part in any discussion or decision regarding such transaction.

To the best of our knowledge, there has been no case of conflict of interest noted during the financial year under review.

Duties, Remuneration And Performance (continued)

BOARD EVALUATION PROCESS

The CGNC is tasked with carrying out the processes implemented by the Board, assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board on an bi annual basis.

The Company has established a system of Board Appraisal to assess the effectiveness/ performance of the Board and acts upon feedback from Board members on improvement, when deemed appropriate.

For the year under review, the evaluation process confirmed that a majority of directors consider the Board to be effective and well-balanced.

INDEPENDENT PROFESSIONAL ADVICE

The Directors, either individually or as a group, in the furtherance of their duties, can require professional advice. The Company Secretary can assist them in obtaining independent professional advice at the Company's expenses.

Remuneration Matters

STATEMENT OF REMUNERATION PHILOSOPHY

Our Board members are remunerated according to market rates.

Board	Rs
Board members' annual fee	200,000
Audit & Risk Committee	
Chairperson annual fee	225,000
Members annual fee	150,000
Corporate Governance and Nomination Committee	
Chairperson annual fee	-
Members' annual fee	50,000
Remuneration Committee	
No fee for members of the Remuneration Committee	-

Following the voluntary pay reduction scheme which was put in place in April 2020, due to the COVID-19 pandemic and its serious adverse effects on the cash flow of TLC, the Board, together with the management, decided that the above mentioned scheme would come to an end on the 1st July 2021.

The Board of Directors and the management would like to express their deepest gratitude and appreciation to the Team members for their willing participation in the scheme, which greatly helped TLC through this difficult period.

The reduction of 30% of the Directors' fees payable to the Non- Executive Directors, proposed by the Chairperson last year and unanimously accepted by all the Board members, is still in place.

The level of Directors' Fees shall be reviewed annually by the Remuneration Committee and the Board, taking into account factors such as regulatory changes, responsibilities and market benchmarks.

Remuneration Matters (continued)

REMUNERATION OF EXECUTIVES DIRECTORS AND KEY MANAGEMENT PERSONNEL

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and suitable.

The remuneration structure for executive directors and key management personnel consists of (a) fixed remuneration (b) variable bonus and/ or (c) other benefits. Executive Directors do not receive directors' fees.

The level of remuneration is determined by various factors including group performance, industry practices and the individual's performance and contributions towards meeting conditions for the year under review.

REPLACEMENT OF EXECUTIVE SHARE SCHEME (ESS)

Following the abolition of the Executive Share scheme in 2019, the remuneration committee is still working on a new scheme, which is still on hold due to the uncertainty of the hospitality industry as a result of the pandemic.

Directors remuneration for the year ended June 30th, 2021 is as follows:

	30th June 2021			30th June 2020		
	From the holding company Rs '000	From subsidiaries Rs '000	Total Rs '000	From the holding company Rs '000	From subsidiaries Rs '000	Total Rs '000
Jean de Fondaumière	298		298	393		393
Alexis Harel	280	-	280	370	-	370
Hans Olbertz	670		670	752		752
Scott J. Woroch	665		665	1,042		1,042
Total Non-Executive	1,913	-	1,913	2,557	-	2,557
Paul Jones		29,014	29,014	-	32,500	32,500
Julian Hagger		20,498	20,498	-	23,251	23,251
Dominik Ruhl (resigned on 17.01.2020)	-		-	12,671		12,671
Dev Poolovadoo	3,135		3,135	3,432		3,432
Marie-Laure Ah-You (resigned on 17.01.2020)			-	-	4,224	4,224
Karen Lai Yong (resigned on 17.01.2020)					6,084	6,084
Total Executive	3,135	49,512	52,647	16,103	66,059	82,162
Total Non-Executive and Executive	**5,048**	**49,512**	**54,560**	**18,660**	**66,059**	**84,719**

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are not permitted to participate in any of the Company's incentives arrangements in line with the Code that stipulates that "they should not normally receive remuneration in the form of share options or bonuses associated with organisational performance".

The aim of a Non-Executive Director fee is to provide a fair remuneration, at a level that attracts and retains high-caliber Non-Executive Directors, and that acknowledges the scope of their role and required time commitment.

Risk Governance And Internal Control

RESPONSIBILITIES FOR RISK MANAGEMENT AND INTERNAL CONTROLS

The Board, assisted by the ARC and the internal auditors, is responsible for risk governance by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks that the Board is willing to take to achieve its strategic objectives.

ARC PROCESSES REGARDING MANAGEMENT OF RISKS

The Board has the ultimate responsibility for the governance and oversight of the risk management process. The ARC assists the Board in their oversight of the process and the effectiveness of the Company's internal control and compliance systems. Management is responsible for assuring the Board as to the adequacy and effectiveness of the risk management lifecycle and ensuring the quality and timeliness of information.

ASSURANCE FOR THE CHIEF EXECUTIVE OFFICER AND THE VICE PRESIDENT FINANCE.

The Board has received assurance from the Chief Executive Officer and the Vice President Finance that:

a. The financial records of the Group for the financial year ended 30th June 2021 have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances, in accordance with the applicable financial reporting framework, that are free from material misstatement; and
b. The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

The Chief Executive Officer and the Vice President Finance have in turn obtained relevant assurance from Internal and External Auditors of the Group.

OPINION ON ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The ARC is responsible for making the necessary recommendations to the Board such that the Board can form an opinion concerning the adequacy and effectiveness of the risk management and internal control systems of the Group.

The Board is satisfied by the ARC's adequate review of the Group's internal controls, including operational, compliance and information technology controls, and risk management policies and systems established by Management. In its review, the ARC is assisted by both the external and internal auditors. This review is conducted at least once a year.

Over the course of the audit, the external auditors carried out a review of the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during the audit were reported to the ARC along with the recommendations of the external auditors.

Based on the framework established and maintained, the work performed by the ARC, and the internal audit function as well as the assurance received from the Chief Executive Officer and the Vice President Finance, the Board with the concurrence of the ARC, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective in meeting the needs of the Group in its current business environment.

RISK FACTORS

The Group's corporate risk management policy is designed to effectively protect the interests of its stakeholders. The mapping of key risks is updated at least annually with risks being prioritized according to their frequency and their economic impact on the Group.

This section presents the significant risks to which the Group considers itself exposed – as well as the mitigation measures in place to deal with them. The overall assessment of our principal risks and uncertainties considers the impact of changes in our external environment and core operations, as we continue to be affected by the COVID-19 pandemic.

Risk Governance And Internal Control (continued)

RISK FACTORS (CONTINUED)

Risk Ref	Risk Name	Risk Description	Risk Level	Mitigating measures
1	Destination Disruption	Major natural or man-made catastrophes such as cyclones, floods, earthquakes, tsunami, oil spills, disease outbreaks and terrorist attacks in locations where we manage properties could cause a decrease in demand for our properties, which could adversely affect our revenues. The global pandemic, COVID-19 and closure of country borders has caused a halt in hotel activities for a prolonged period. We remain dependent on government policies, in the countries where we operate (vaccinations, new protocols for hotel stays, etc.) and in our feeder markets (coloured tiers for safe travelling of citizens, quarantines upon return, etc.), to re-open borders and re-start our hotel activities.	H	• Our diversification plan through management contracts continues to limit risks of over-dependence on one country/ location only. • Cost reduction measures in place in all our resorts since March 2020.
2	Air Accessibility	We are highly reliant on flights that come to the countries where we operate. Hence our growth is directly linked to air access in these countries and the policies of governments and airlines on air access. The global pandemic has caused many airlines to stop or reduce their operations, while those still in operation are expected to increase their ticket prices, further reducing the spending power of our customer base. In Mauritius, the national carrier represents a fair share of tourist arrivals. The success of the reopening of the borders depends highly on the ability of Air Mauritius to bring tourists to the destination. However, the uncertainty surrounding the future of the national airline leaves us at risk of low occupancy rates in our resorts and additional financial strains.	H	• Our diversification plan through management contracts continues to limit risks of over-dependence on one country/ location only. • We work with authorities via hotelier associations in countries where we manage hotels to ensure that the needs of the industry are taken into account in government policies, including air access policies.
3	Health & Safety Risk	The health and safety of our guests and Team Members is of utmost importance, in order to maintain our reputation and our revenue. However we still face the risk of our infrastructure (leased and managed) not being legally compliant and up to standard, leading to casualties and spread of diseases in our resorts (e.g. legionella). In addition, COVID-19 has forced us to implement costly health and safety measures in all our hotels and resorts, which may sometimes hinder both our guests and Team Members.	H	• COVID-19 safety certifications from trusted service providers such as SGS and Diversey. • Audits by reputable companies and action plan by each resort, which is closely monitored. • Regular trainings on health and safety to all our Team Members, including sanitary protocols with respect to COVID-19.

Risk Governance And Internal Control (continued)

RISK FACTORS (CONTINUED)

4	Macro-Economic Risk	Economic slowdowns in the regions where the Group trades, adversely affect demand for leisure activities, particularly vacation travel. This means that the Group is exposed to the consequences of economic crisis and declines in consumer spending, which affect our growth rates and margins. The global pandemic has affected the spending power of our client base and their ability to travel. COVID related travel protocols vary across countries and can change rapidly (vaccines, PCR tests, quarantines, lockdowns, etc.). This will continue to have an effect on us in the foreseeable future with no clear timeline on recovery.	H	• Diverse geographical operating presence. • International customer base. • Flexible business model that allows targeting marketing spend to relevant customer segments and changing hospitality trends
5	Currency Risk	Our reporting currency is in MUR and our main revenue is in MUR, EURO and USD. Any major fluctuation in USD/EURO affects our revenue, EBITDA and cash flow. The prolonged effect of the global pandemic on the economies of our main markets will put pressure on rates of exchange in currencies where we trade. This has a direct effect on our costs and financial situation.	H	• Diversification plan through management contracts in various locations and currencies.
6	Competition Risk	The Group operates in highly competitive markets, where the differentiating factors are brand recognition, company image, and the price and quality of services offered. Although the Group aims to raise its brand recognition continuously through advertising and promotional activities and by improving the excellence of its services, it faces increasing competition in its various operating regions from new hotels and Airbnb. COVID-19 has heightened competition in a limited, price sensitive market. This could negatively impact our business performance in the near future.	H	• Diversification plan through management contracts. • Continuous innovation to differentiate from our competitors.
7	Reputation Risk	Negative comments made on social media, in the absence of a verification mechanism, including those by disgruntled staff and guests could damage our reputation. In addition, monitoring and management of social media could be costly and force us to divert our resources. Failure to maintain and protect our reputation from social media damage could tarnish our brands and impair our business.	H	• Implementation of a Group-wide social media policy. • Dedicated teams continually monitor the media and social networks to respond to guests and in order to activate a crisis management plan as needed. • Insurance against legal claims

Risk Governance And Internal Control (continued)

RISK FACTORS (CONTINUED)

8	Political Risk	An unstable political situation in our countries of operation could cause a decrease in demand for the destination and hence our properties. This in turn could adversely affect our revenues.	M	• Diversification of our operations to various countries
9	Talent Management Risk	Our growth depends largely on our ability to retain and recruit talented Team Members (TMs) in key positions. If we are unable to recruit and retain sufficient numbers of TMs, our ability to manage and service our properties could be impaired which could reduce guest satisfaction. A shortage of skilled labour could also require higher replacement wages, which increase our operating expenses. The impact of COVID-19 has been two-folds in the hospitality industry: • Retention of TMs has been made easier due to a decrease in demand of man power in this industry; • On the other hand, the attractiveness of the industry has declined for new talents and there is the risk of a brain drain from key TMs to other sectors.	M	• Talent development and management plan in place to retain Team Members. • Be known as the Employer of choice in our countries of operation. • Engage with governments for work permits and marketing of industry.
10	Brand Integrity Risk	Our future success and our ability to manage future growth depend largely upon our ability to protect our reputation and brands, including sub-brands, to continue to attract guests and management contracts. However our strong focus on management contracts in various territories could lead us to engage with wrong partners who do not respect our brand standards which may affect our credibility for future expansion.	M	• Background checks on owners for management contracts. • Management contracts signed with owners with terms and conditions clearly laid out.
11	Legal/ Regulatory	Due to the nature of its business and its international presence, the Group is subject to varied, changing and sometimes contradictory laws and regulations in numerous areas (safety, health, environment, tourism, transportation, taxation, human resources, etc.). The application of these laws and regulations including the new laws on data protection can be a source of operating difficulty and can lead to disputes with suppliers, owners, staff and even local authorities. Changes in laws and regulations applicable to the Group's entities could, in some cases, limit the Group's business activities as well as its ability to grow. These may also involve significant compliance costs, which could negatively affect the Group's results and outlook.	M	• Diversification of our operations to various countries to spread our risks. • Work with reputable local law firms to understand laws in new countries of operation. • Set up internal working groups and procedures to ensure compliance with all relevant regulations.

Risk Governance And Internal Control (continued)

RISK FACTORS (CONTINUED)

12	Technology Disruption Risk	We are not an IT company but technology is important if we want to be known as an innovator in our industry. We face the risk of losing our competitive edge due to obsolescence of our technology, which results in decreased customer loyalty and a loss in market share.	M	• We work with international consultants to keep us updated with the latest technology available in our industry
13	Food Safety Risk	Food safety is a priority for the Group. However, the nature of our business exposes us to food safety risks in all our food outlets. Moreover, the increasing number of food allergens and people with allergic reactions to certain foods increases our risk of food poisoning or allergies in our resorts.	M	• Procedures in place based on HACCP to identify and follow-up on allergies our guests may have.
14	Security Risk	Inappropriate behaviour on the part of our Team Members or suppliers, or the circulation in the media of damaging information could harm the Group's reputation, affect our guests' trust and cause an adverse impact on sales.	M	• Screening measures in place to recruit the right people. • Training of our Team Members in ethics and our values • Controls in place at operational level
15	Cyber Security Risk	Despite our efforts, information networks and systems may be vulnerable to threats such as system, network or internet failures, computer hacking or business disruption, cyber-terrorism, viruses, worms or other malicious software programs, employee error, negligence, fraud, or misuse of systems, or other unauthorised attempts by third parties to access, modify or delete our proprietary and personal information. In addition, the risk of a data breach or misuse is heightened by COVID-19 as there is the potential for: • An increase in targeted phishing campaigns. • New risks linked to working from home. • Increased reliance on third parties supporting critical support services.	M	• Network security and internal controls measures in place. • IT Security audits

Risk Governance And Internal Control (continued)

RISK FACTORS (CONTINUED)

16	Credit Risk	The Group's credit risk is primarily attributable to its trade receivables. We are currently highly dependent on fees receivable from Lux Island Resorts' owned properties.	M	• Diversification through management contracts.
17	Sustainability Risk	There is increased scrutiny of our business by all stakeholders with respect to sustainability practices in place. We remain at risk of not being able to meet the increased demands and costs associated with sustainable growth and the speed at which these changes occur. This could expose us to loss of business and limitations in access to funds if we do not respond to the changes fast enough.	M	• External assurance on sustainability and certifications. • Corporate sustainability management plan.
18	Succession Planning Risk	Our future success depends in large part upon the efforts of our senior management. Competition for such personnel is intense. We may not be prepared to deal with unexpected needs for succession planning of key management positions.	L	• HR strategy on succession planning for senior management, which is discussed at Board level. • TLC moving its headquarters to Singapore gives them access to a greater pool of talent.
19	Third Party Risk	Some of the services provided at our resorts, such as the boathouse and diving services, are outsourced to third party service providers. Although we only work with trusted providers, our reputation is at risk if these providers use old obsolete equipment, if there are accidents at sea while guests are using the services offered by these providers or the third party staff are not adequately trained.	L	• Insurance cover against legal claims. • We only work with reputable service providers who are licenced. • We commission regular independent audits on third parties.
20	Fraud risk	The Group has policies and procedures in place aiming to limit the risk of fraud. However, we still face the risks of collusions between staff and suppliers to defraud the company or the intentional circumventing of controls by staff.	L	• Training of our Team Members in ethics and our values • Controls in place at operational level • Regular audits

Risk Governance And Internal Control (continued)

IT GOVERNANCE

The Group has an IT Security policy in place and relevant parts of this policy are communicated to its Team Members. This is regularly reviewed by the Board and Executive Management to ensure it is up to date with changes in technology and security standards.

The Group is also embracing technological change and is actively pursuing upgrades to its information systems to support its growth strategy across multiple locations and brands. This is being done with data privacy and security at the forefront to ensure that we are compliant with all relevant data protection laws and regulations.

DATA PROTECTION

Regulations on data protection, including the EU General Data Protection Regulation (GDPR) remain a focus area for the Group. The Group ensures that all its operations are compliant with the data protection regulations. This year Deloitte Mauritius was appointed to assist us in implementing additional measures on data protection in our operations. We conducted a two day workshop with all concerned stakeholders to review the access rights on systems and review our data flows.

Accountability And Audit

The Board should present a balanced and comprehensible assessment of the Company's performance, position and prospects.

ACCOUNTABILITY

The Board reviews and approves the results announcements, before the release of each announcement. In presenting the annual and quarterly financial statements to the shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's performance, position and prospects.

For the financial year under review, the Chief Executive Officer and the Vice President Finance have provided assurance to the Board on the integrity of the financial statements of the Company and its subsidiaries. For interim financial statements, the Board gives its approval for the publication of the said accounts.

INTERNAL AUDIT

The Company has an in-house internal audit function. The primary role of the internal auditors is to assist the ARC to ensure that the Company maintains a sound system of internal controls.

The Chief Internal Auditor ("CIA") is independent of Executive Management and reports to the ARC. On administrative matters, the CIA reports to the Chief Executive Officer. The ARC approves the hiring and dismissal of the CIA and ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. The internal audit function works in accordance with the Standards for the Professional Practice of Internal Audit set by the Institute of Internal Auditors.

The annual internal audit plan is established in consultation with, but independently of, Management, and is reviewed and approved by the ARC. The CIA presents audit reports regularly to the ARC and discusses key issues contained therein.
There was no limitation of scope placed on the internal auditors in conducting these audits.

EXTERNAL AUDITOR INDEPENDENCE

The ARC reviews the independence of the external auditors. During this process, the ARC also reviews all non-audit services provided by the external auditors to ensure the nature and extent of such non-audit services do not affect their independence. The ARC confirms that, in its opinion, the non-audit services offered by the external auditors during the financial year, did not affect the external auditor's independence.

In appointing the audit firms for the Group, the ARC is satisfied with the Company's compliance with the provisions of the Companies Act 2001.

Accountability And Audit (continued)

EXTERNAL AUDITOR INDEPENDENCE (CONTINUED)

The ARC has recommended to the Board that the external auditors be nominated for reappointment at the forthcoming Annual General Meeting.

Details of remunerations paid to external auditors are as follows:

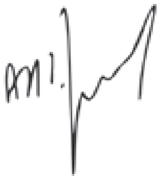
	THE GROUP		THE GROUP	
	30th June 2021	30th June 2020	**30th June 2021**	30th June 2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Ernst & Young				
Audit services	**640**	1,100	**540**	425
Other services - Taxation	**51**	65	**20**	25
	691	1,165	**450**	450
(b) Other Auditors				
Audit services	**518**	177	**-**	-
	518	177	**-**	-
TOTAL	**1,209**	**1,342**	**450**	**450**

Statement Of Compliance

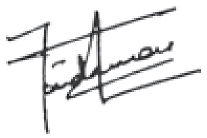
Name of PEI: The Lux Collective Ltd

Reporting period: 30th June 2021

We, the Directors of The Lux Collective Ltd, confirm that to the best of our knowledge, The Lux Collective Ltd has complied with all the obligations and requirements of the Code of Corporate Governance.



Arnaud Lagesse,
Chairperson



Jean de Fondaumière,
Chairperson of the Audit and Risk Committee

Statement Of Directors' Responsibilities In Respect Of The Preparation Of Financial Statements, Internal Control And Risk Management

For the year under review, the directors report that:

- the financial statements fairly present the state of affairs of the Group and the Company as at the end of the financial year and the result of operations and cash flows for that period;
- adequate accounting records and an effective system of internal controls and risk management have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- the financial statements have been prepared in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004;
- the financial statements have been prepared on the going concern basis;
- they are responsible for safeguarding the assets of the Group and of the Company;
- they have taken reasonable steps for the prevention and detection of fraud and other irregularities

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

Approved by the Board of Directors on 27th October 2021

and signed on its behalf by:

Arnaud Lagesse,
Chairperson

Jean de Fondaumière,
Chairperson of the Audit and Risk Committee

GET IN THE SPIRIT OF LUX

The Lux Travel Podcast

The Spirit of Lux started in the midst of a pandemic, when virtual human connection became essential to our wellbeing and sanity.
Our host is Paul Jones, CEO of The Lux Collective. Each episode, he interviews friends, thought leaders, industry heroes and personalities about all and everything that pertains to the travel and hospitality industry.

Join him at **podcast.theluxcollective.com**

Sustainability

Our work in sustainability over the past years have also been slowed down by the impact of COVID-19. In this 2021 report, we look at the data of past achievements and what we intend to do about it. We also present the next steps in sustainability coinciding with the new LUX* Grand Baie, Mauritius (Dec 2021).

Our Management Approach

Our Governance approach follows the 10 Principles of the United Nations Global Compact. The Lux Collective's status moves up from Signatory to Participant in 2021 as we engage in 3 UN Accelerator programs for SDG Ambition with Accenture, Gender Equality and Climate Action with the South African Network of UN Global Compact, whose work we admire and salute.

Our Chief Executive Officer is pleased to present the 3rd Annual Communication on Progress (COP), disclosed within this sustainability report.

The Management approach is Principles-Based (UN Global Compact) and science-based (SB Target Initiative). This report has been prepared in accordance with the GRI Standards: Core option. (content index on page 165). Report also designed to align as far as possible with the principles of IIRC.

As usual, the four content principles of GRI Sustainability Reporting Standards i.e. Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness guide the structure of this report whereas report Quality follows the principles of Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness.

The Financial information disclosure follows the International Financial Reporting Standards (IFRS) and the report considers the New Code of Corporate Governance of Mauritius, particularly:

NCCG Principle 6: Reporting with Integrity
The board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website.

NCCG Principle 8: Relations with Shareholders and Other Key Stakeholders
The board should be responsible for ensuring that an appropriate dialogue take place among the organisation, its shareholders and other key stakeholders. The board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose

At strategic level, The Lux Collective has renewed its GRI Community membership

We remain available and engaged in discussions with our stakeholders as defined by our stakeholder Inclusiveness process on Page 76.

Stakeholder Inclusiveness

	Our People and the Management	Investors and Shareholders	Guests
How we engage with our Stakeholders	• Internal newsletters • Intranet Platform • CEO roadshows • Executive committees • Regular updates via email / Memos • Employee surveys • Induction programs • On-going training and education • Performance management programs	• Regular presentations and roadshows • External newsletters • Integrated reports and financial statements • Media releases and published results • Annual General Meeting • Dedicated analyst and investor presentation • LUX* Resorts & Hotels website	• Online satisfaction surveys (e.g TripAdvisor) • Reward programmes • Dedicated customer relationship managers and call centres • Active website, Twitter and Facebook engagement • Personal, one-to-one interactions • Live Chat
Their Contribution to Value Creation	Team Members are our most important asset and are the foundation of our business by their being productive and elevating guest experiences to Shining level.	Investors provide the financial capital necessary to sustain growth, development and innovation.	Their perceptions and behaviours help us to understand their needs and deliver relevant experiences, leading to brand enhancement and increase in revenue.
What our Stakeholders expect from us and their Concerns	Expectation: Provide a safe, stimulating and rewarding work environment that offers opportunities for personal and career development. Concern: • Health and safety performance • Job security • Performance management • Decent Work & Labour Practices • Equal Opportunity • Gender Equality • Ongoing training programmes and education • Open communication between Team Members and Management • Provision of competitive remuneration and benefits packages	Expectation: Provide sustained returns on investment through sound risk management, strategic growth opportunities and good governance practices. Brand reputation (Responsible Business) Concern: • Deliver sustainable growth and returns • Dividends • Leadership and strategic direction • Corporate governance and ethics • Projects progression • Capital expenditure plans for current and future periods (risks and opportunities of expansion) • Liquidity and gearing	Expectation: Provide consistent quality experiences that meet their expectations and needs. Concern: • Unique, consistent and quality experience • Simple and quick interaction with Team Members • Value offerings • Recognition for loyalty • Innovative products and services
Impact on Objectives and Strategy	Elevate Team Member engagement	• Growth revenue • Cost optimisation • Project development	Brand strength and optimal distribution

Tour Operators & Travel agents, Business sources	Local Community	Accredited Organisations, Government & Legislations	Suppliers
• Meet regularly • Participate in forums • Establish and maintain constructive relationships	• Events and sponsorships • Corporate Social Responsibility programmes • Donations • Media channels	• Establish and maintain constructive relationships • Comment on developments in legislation • Participate in forums • Regulatory surveillance, reporting and interaction • Membership of industry bodies (e.g MTPA)	• One-to-one meetings • Tender and procurement processes • Supplier forums
Tour operators and travel agents are essential to the success of our business since they are at the forefront of attracting guests and generating revenue.	The empowerment of local communities contributes to the long-term viability of our business.	Government and other regulatory bodies provide us with our licence to trade and the regulatory frameworks within which we operate.	Suppliers are vital to the success of our business by enabling us to deliver consistent guest experience.
Expectation: Provide exceptional service to guests and engage in favourable business deals Concern: • Guest Satisfaction • Favourable terms • Timely payment	Expectation: Help provide a better environment by offering job opportunities, organising social events and sponsorships. Concern: • Investment in disadvantaged communities (education, health, poverty and empowerment) • Employment opportunities • Sponsorships	Expectation: Provide incentives for community empowerment through job creation, compliance with laws and regulations, and generate taxation revenue. Concern: • Taxation revenue • Compliance with legislation and licence conditions • Job creation • Investment in public and tourism infrastructure • Investment in disadvantaged • communities • Environmentally-friendly operations and reduction in energy and water consumption	Expectation: Provide a framework for transparent supplier selection and effectuate payments in a timely manner. Concern: • Timely payment and favourable terms • Fair treatment
Elevate the experience	Environmental sustainability and Inclusive Business	Elevate the experience & Stakeholder relationship	Stakeholder Relationship

To Our Shareholders And Stakeholders,

COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

HUMAN RIGHTS

LABOUR

ENVIRONMENT

ANTI-CORRUPTION

I am pleased to confirm that The Lux Collective has recently become a Participant of the United Nations Global Compact. In this annual Communication on Progress (COP) we present pre-COVID data, which paint a realistic picture of regular operations, categorised under the four pillars of the Global Compact: Human Rights, Labour, Environment and Anti-Corruption.

We are proud to include the COP in our Integrated Annual Report 2021, to ensure this information reaches our shareholders and stakeholders using our primary channels of communication.

We are gearing up to pick up speed on our Collective Journey 2030 Plan as we submit our science-based target for approval in October 2021. The Lux Collective will be the first company with such a presence in Mauritius and other vulnerable islands to publicly announce a net-zero emissions target. The defining corporate policy for this Climate Action remains the TLC Ethical Procurement Policy based on the UN SDG 12, Responsible Consumption and Production which will assess ways to engage with and transform our supply chain into an ethical one.

This policy along with the TLC Gender Diversity Charter, currently in development following the Accelerator programs being delivered directly by the United Nations Global Compact, will beef up our existing Guiding Corporate Policies which address the four pillars of UN Global Compact.

Sincerely, always,

Paul Jones
Chief Executive Officer

Scan Me to send your reply

Your opinion matters,
please consider taking some minutes to share your views with us.

"Do you believe sustainable business management and operations are important ?"

www.theluxcollective.com/en/sustainability

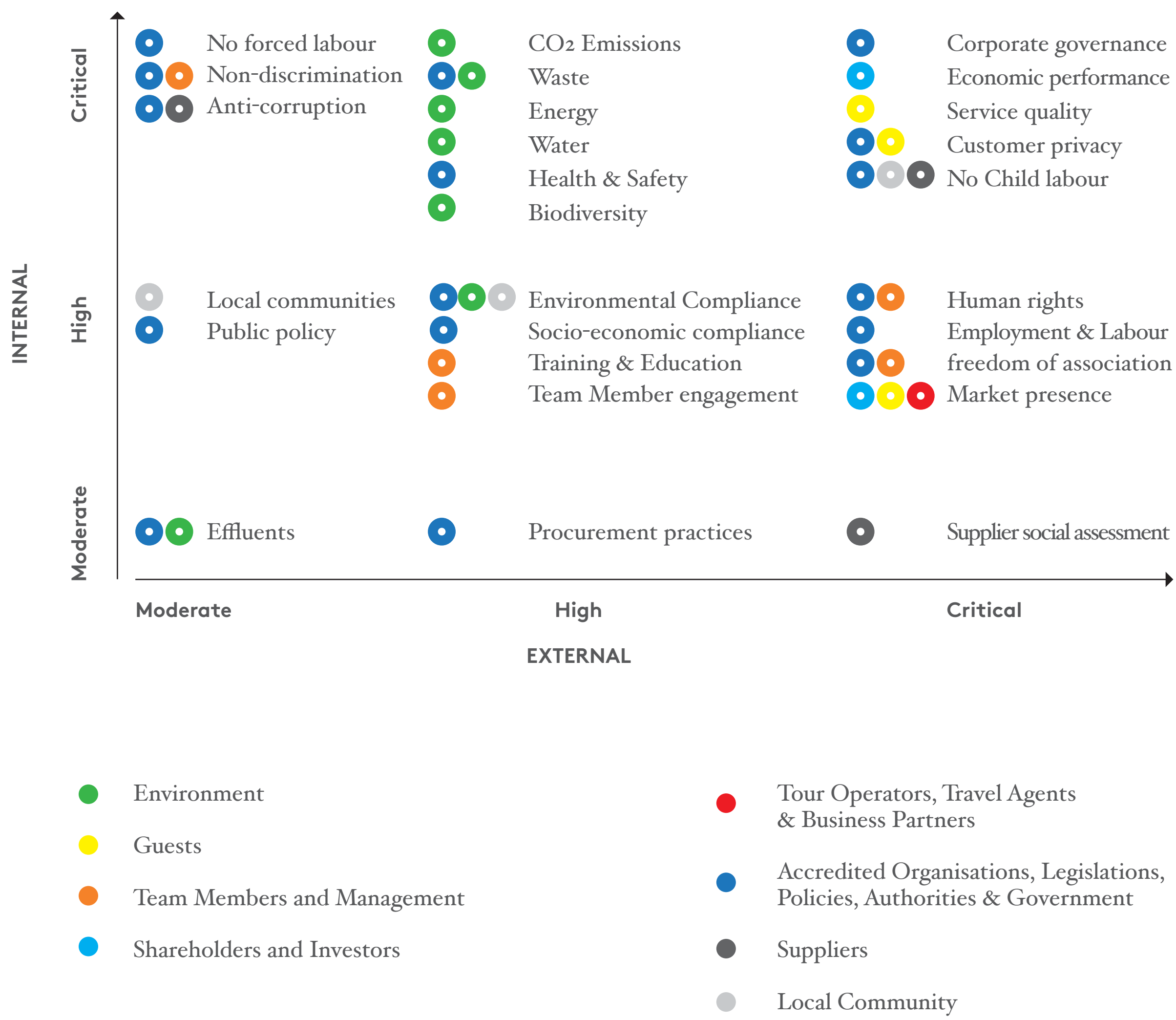
The Reporting Boundary

This report is for July 2020-June 2021.
The boundary for Key Performance Indicators (KPIs) includes the main Regional HQ of The Lux Collective, the managed properties and business units located in Mauritius, Maldives, Reunion Island and China.

The KPIs consist of year-on-year Energy consumption, Water Footprint, Waste in Kg, Carbon Dioxide Emissions, Human Capital ratios in line with the management approach. The data presents pre-COVID data from the FY 2013-14 up to FY 2019-20. The External Assurance exercise suspended since COVID-19 affected business, resumes as from the next reporting cycle 2021-2022.

Materiality Matrix

Site-specific, local, regional and global matters which have significant impact on the business and vice-versa appear on the following matrix, defined by value-chain mapping and multi-criteria analysis (MCA) to determine valid external and internal links.



Strategy For The Goals

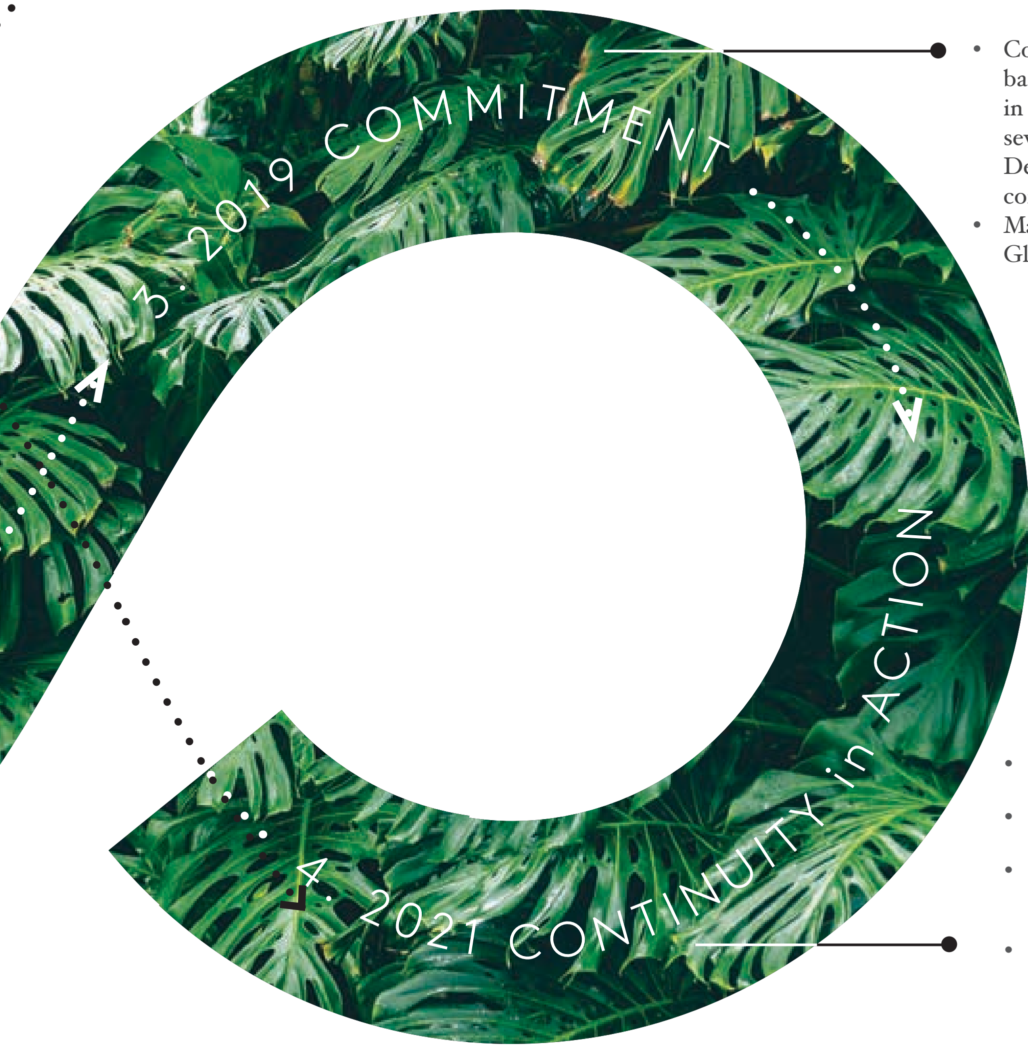
- Creation of Lux Island Resorts Ltd
- Reporting aligned with GRI Sustainability Reporting Standards and other frameworks
- LIR 1st hotel group listed on SEM Sustainability Index
- Properties Green Globe certified
- GRI community member

THE LUX COLLECTIVE IS BORN
(Hotel Management Company)

- Sustainability anchored in company higher purpose We Care About What Matters
- Signatory of United Nations Global Compact
- GRI community member

2030 Journey

- Setting Public net-zero carbon Science-Based Target
- Gender Diversity Charter: embed UN Women Empowerment Principles in Company-wide targets



- Committed to set a science-based target – sole company in Mauritius and representing several Small Islands Developing States altogether to commit
- Mapping 17 SDGs, following 10 Global Compact Principles

PARTNERSHIPS FOR THE GOALS 17

- Setting public science-based target
- CSR Projects increased to 22 projects
- Status upgraded to UN Global Compact Participant
- CEO's representation at UN Global Compact Leaders Summit (Resilience in Tourism panel)
- Renewal of membership with Global Reporting Initiative
- Letter from We Mean Business coalition to G20 leaders endorsed by CEO

EARTHCHECK EVALUATE 2020 EARTH RATING

Our Team Members

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
Principle 2: make sure that they are not complicit in human rights abuses

Human Rights awareness sessions are included in the orientation program of every Team Member.
The trainings illustrate the content of The Human Rights Policy.

- Number of hours of Human Rights trainings FY 2020-2021 = 398.5 hours

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

The Management Company's hiring policy does not enable the hiring of minors, nor is any form of forced labour tolerated.

An independent whistleblowing mechanism is in place to report anonymously on any breach of ethical, moral and legal conduct.

- Number of cases of discrimination flagged during the reporting year: None

Health & Safety

The Human Resources H&S policy also follows the Occupational Safety and Health Act 2005 (OSHA 2005) therefore has H&S Committee meetings every 2 months. 100% of workers are represented.
The Vice Chairperson is the main contact person for all matters pertaining to Health & Safety.

100% of workers are represented.

- lost days due to injuries amounted 1,477.32 and
- the ratio by gender M : F is 1.8 : 1

Principle 4: the elimination of all forms of forced and compulsory labour;

The Management supports the Rights of Workers to Freedom of Association.
This year still, 50% of our properties in Mauritius have recognised Trade Unions. Reunion Island resorts adhere to the local Labour legislations.

Principle 5: the effective abolition of child labour; and
The Lux Collective has established a Child Protection Policy and Standard Operating Procedures internally which also recommends staying alert to risks within neighboring communities.

Principle 6: the elimination of discrimination in respect of employment and occupation
The Management has an equal opportunity policy which covers the entirety of the group, aligned with the Mauritius Equal Opportunity Act against all forms of discrimination.

The Equal Opportunity Policy is included in the Team member handbook and available online.
The whistleblowing mechanism comprises of an external hotline anonymously reachable 24/7 and managed by the NGO Transparency Mauritius.

Total Headcount of 3,054 Team Members, as at end June 2021, includes Singapore Office, Shanghai Office, Mauritius Regional HQ, Regional Offices worldwide, all the properties we managed during the reporting period in Mauritius, Reunion Island, Maldives and China.

- News permanent hires reached 308 with a Male:Female gender ratio of 2.4 : 1
- The Male: Female pay ratio is 1:1 across the board, per employee category, region, corporate and operations level.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
The Company's Anti-Bribery Policy is included in the Team member handbook also available on the intranet.
It is included in orientation programs and verified during independent sustainability audits of the resorts.
A Code of Ethics also published online guides the management and leadership team on their responsibilities.

Tread Lightly

Care For Our Environment

The upcoming section contains elements in response to the UN Global Compact Environment Pillar :

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

The group established since 2011 and formalised as management company The Lux Collective Ltd (distinct from the asset owner company LUX Island Resorts Ltd) implemented the Tread Lightly project in 2013.

The estimated footprint per guest per night equaled 82 kgco2 which we offset entirely through United Nations Framework Convention on Climate Change (UNFCCC) registered projects, the investment is handled independently by the Carbon Finance experts AERA Group (France).

Data From Pre-COVID FY 2019-20

FY 19-20 NET SCOPES 1 + 2 = 23,504 TCO2E
FY 19-20 CARBON EMISSIONS NEUTRALIZED = 23,962 TCO2E
FY 19-20 SCOPE 3 = 1,631 TCO2E

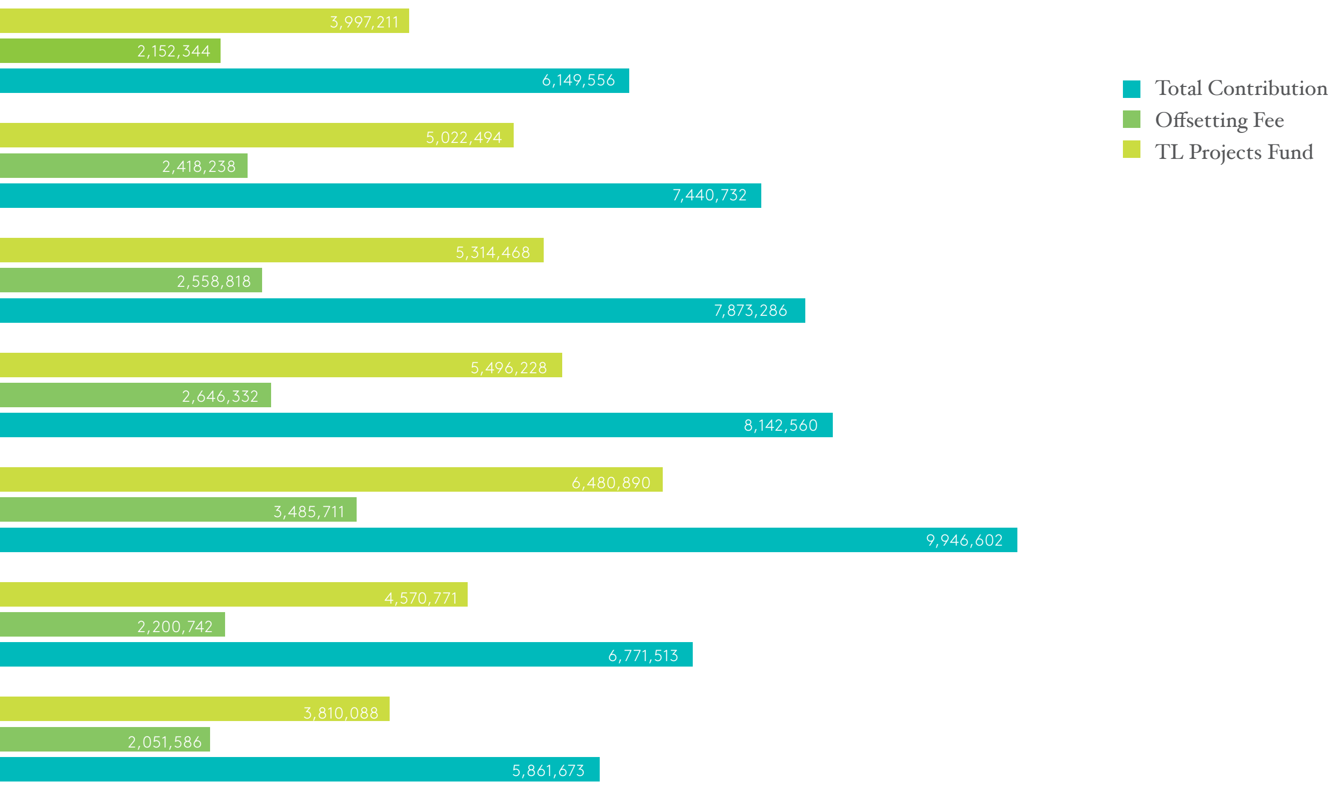
1,000,000

In 2018, the group exceeded its 1,000,000th guest staying with us and wanting to participate in the Tread Lightly program, reaching 1,346,522 guest nights by the end of the FY 2020.

With COVID-19 restrictions, the project was put on hold during the reporting period, with 10 UNFCCC Offsetting Projects located in Africa and Asia having received over 17 M Rupees since the project started.

17m

Tread Lightly Fund (MUR)



The program resumes during the current FY 2021-2022, as Mauritius reopens borders.

Retrospective 2013 – 2020 Of Tread Lightly KPIs

Operations remain conscious of all Sustainability policies in place, which drive responsible management of resources. Trainings are delivered at resort level for our laundry reduction program which involves the participation of our guests,
as well as efficient energy and water use.

Grey water is favoured for all types of irrigation and LUX* Le Morne continues to operate its own desalination plant, which supplies 100% of the hotel's needs.

Monitoring and benchmarking is ongoing.

Data collection for the Reporting FY has been put on hold as not representative of normal consumption levels during usual business. The Energy, Water, Waste statistics from baseline FY 2013-2014 until FY 2019-2020 are diligently disclosed in our Integrated Annual Report 2020, on our website.

Data From Pre-COVID FY 2019-20

ENERGY (KWH/RNS*) : 251 (+71% FROM BASELINE)
WATER (M3/RNS) : 1.5 (- 50% FROM BASELINE)
WASTE (KG/RNS) : 4.5 (-71% FROM BASELINE)
WASTEWATER (M3/RNS) : 0.8 (- 16% FROM BASELINE)

We resume data collection process for the FY 2020-2021.

Tread Lightly: UN SDG 13 Climate Action

“

The Lux Collective is setting a science based target in October 2021. We stand today with hundreds of businesses in a call to urge G20 at COP26 to implement **fair global policies** to accelerate **clean energy transition** and invest in the resilience of the **vulnerable islands and communities.**

PAUL JONES,
CEO THE LUX COLLECTIVE
LUX* SALT TAMASSA SOCIO

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Target For Net Zero Emissions

Our application has been submitted in October 2021 as per the deadline set by Science-based target and We Mean Business Coalition. We prepare to publicly announce our net-zero emissions mid to long term targets, by January 2022.
We recognise that no party can achieve these ambitious goals single-handedly. Transforming the supply chain (a major factor of Carbon Footprint calculations) and the entire business landscape means speaking continuously with stakeholders of the Tourism sector and beyond.
The Lux Collective is a public advocate of cooperation and open dialogue to advance action the Goals in line with United Nations Sustainable Development Goal #17

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Our CORE partnerships in Renewable Energy (photovoltaic) projects remain:

LUX* x IBL Energy: Projects for LUX* Grand Gaube and LUX* Le Morne (Mauritius)

LUX* x Swimsol: Projects for LUX* South Ari Atoll (Maldives)

LUX* x Go Solar: Projects for LUX* Belle Mare, SALT of Palmar and Ile des Deux Cocos (Mauritius)

LUX* Grand Baie x BMW With Leal Co Ltd

Our new partnership with the Leal Group in Mauritius will launch in the year 2021 alongside our flagship LUX* Grand Baie (Dec 2021, Mauritius)

The exciting project brings two forward-thinking companies together, around luxury and sustainable design with an intention to open our resorts to locals who wish to use the facilities while re-charging their vehicles at a LUX* hotel, using the rapid-chargers installed by Leal & Co Ltd and Leal Energy. This places electric chargers across the island in our LUX* properties.

The partnership kicks-off with a fleet of hybrid and/or electric BMWs made available to our Guests and partners, to tour the island with minimal Greenhouse Gas emissions.

Introducing the BMW iX, German design using high quality sustainably sourced materials, **built in solar powered facilities**.

LUX* Grand Baie, The Flagship

LUX* Grand Baie, the flagship, will launch with Earthcheck Sustainability certification and will also boast:

AMENITIES: SUSTAINABLE BY DESIGN

The cooperation with suppliers is essential in order to achieve the most viable solution to waste or unethical sourcing.

Our work with the amenities supplier in Mauritius is an ongoing process of discovering new materials (upcycled plastic that is also recyclable but designed for re-use) and new ingredients which are ideally sourced locally or regionally or internationally for highest quality, purity and organic / fair trade eco-certification)
Several products designed in house, align with the zero-waste naked packaging concepts, are innovative and meet contemporary design aesthetics without compromising on the high-quality experience of our Guests.
Life Cycle Assessments guide our selection of the most circular products and services.

NO SINGLE USE PLASTIC

Refillable and long-lasting Inox bottles will be provided to Guests to refill at the Nordaq water taps.

SPA

Designed to be wheelchair-friendly.
Any wood used in construction is from Responsibly managed forests (FSC certified) Innovative therapies delivered with custom-made certified organic line of products

PEOPLE & SOCIETY

LUX* Grand Baie is considerate of diversity within the workforce and integrates gender parity targets and job opportunities for the disabled

The resort is already sponsoring NGOs which deliver Quality Education to children from disadvantaged economic backgrounds and a social enterprise which provides jobs to the otherwise-abled

ENVIRONMENT

Besides offering carbon-neutral stay options to Guests via our Tread Lightly program, the resort will partner with various ecologist NGOs for marine life conservation and Biodiversity conservation on land

They come with opportunities for Guests to participate and contribute in local environmental-friendly activities

The hotel will include regionally sourced organic honey which supports the livelihoods of fairly remunerated beekeepers who protect this endangered species and biodiversity around the virgin forests of Africa.

Ray Of Light

Care for others

Ray of Light: Social uplift projects

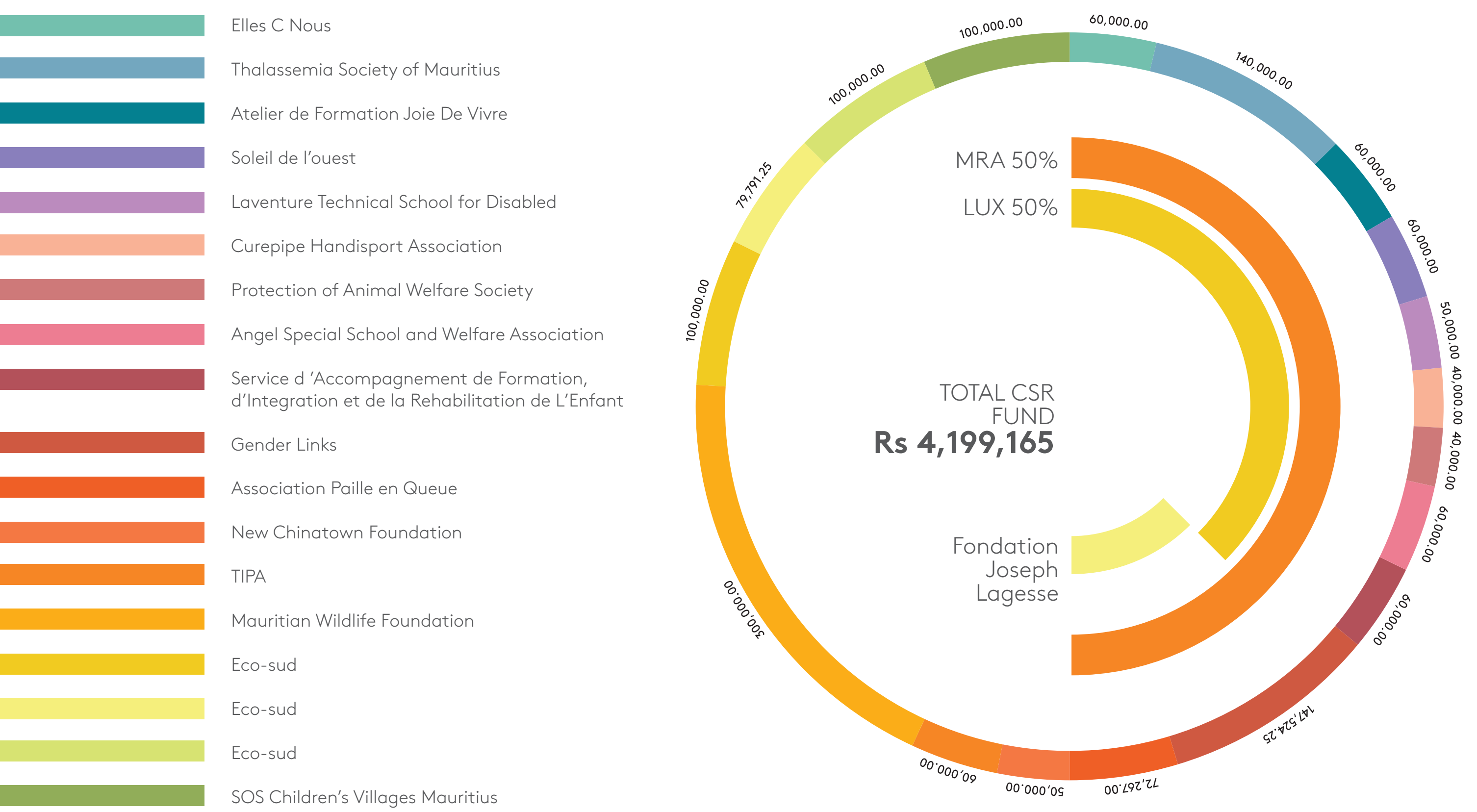
CSR Fund 2021

Ray of Light exists to care and uplift as many People as we can. Funds match the size of the projects and considers avenues to build long term partnerships with the local community.

As per CSR legal requirements, 50% of our CSR fund is remitted to the Mauritius Revenue Authority (MRA) which is then managed by the National Social Inclusion Foundation (NSIF).

CSR Funds are also shared with IBL's Fondation Joseph Lagesse's projects for poverty alleviation through empowerment, quality education and self-sustenance of the People.

LUX AFFILIATE
NGO PARTNERSHIPS



Applications from NGOs for CSR funds are assessed according to their relevance to the United Nations 17 priority goals, national priority areas as well as COVID-19 economic repercussions and our company strategy in line with our Higher Purpose: We Care About What Matters.
Each NGO is affiliated with a resort or our regional corporate office with an intention to create long-term value together, for the beneficiaries.

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 of the Company under the Companies Act 2001 in terms of Section 166 (d).

IBL Management Ltd
Company Secretary

Date: 27th October 2021

Independent Auditor's Report

TO THE MEMBERS OF THE LUX COLLECTIVE LTD - AS AT JUNE 30, 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of The Lux Collective Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 94 to 161 which comprise the statements of financial position as at 30 June 2021, 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 Group and Company as at 30 June 2021, and of its 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 (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Lux Collective Ltd and its subsidiaries Financial Statements for the year ended June 30, 2021", which includes the Annual report and the Company Secretary's Certificate as required by the Companies Act 2001, which we obtained prior to the date of this report, and the Integrated Annual Report, which are expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance (''the Code'') disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Independent Auditor's Report

TO THE MEMBERS OF THE LUX COLLECTIVE LTD - AS AT JUNE 30, 2021

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 2001and 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 intend to liquidate the Group and 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 directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/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 to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

TO THE MEMBERS OF THE LUX COLLECTIVE LTD - AS AT JUNE 30, 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditor's Responsibilities For The Audit Of The Financial Statements (continued)

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.

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 capacity as auditor, 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.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

THIERRY LEUNG HING WAH, F.C.C.A
Licensed by FRC

Date: 6th October 2021

Statement Of Financial Position

AS AT JUNE 30, 2021

	Notes	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**19,208**	86,373	**8,906**	12,419
Right of use assets	18	**14,546**	352,845	**10,245**	15,766
Intangible assets	5	**206,790**	209,504	**6,800**	7,323
Investment in subsidiaries	6	**-**	-	**213,395**	213,395
Investment in other financial assets	7	**4**	4	**-**	-
Deferred tax assets	8(a)	**51,562**	28,987	**49,954**	24,989
Contract assets	9	**77,600**	84,304	**77,600**	84,304
Other non-current assets	11	**3,591**	-	**-**	-
		373,301	762,017	**366,900**	358,196
Current assets					
Inventories	10	**2,490**	10,132	**414**	471
Contract assets	9	**6,700**	6,700	**6,700**	6,700
Trade and other receivables	11	**154,812**	83,744	**143,703**	61,645
Cash in hand and at bank	29	**52,528**	19,293	**47,736**	49
		216,530	119,869	**198,553**	68,865
TOTAL ASSETS		**589,831**	881,886	**565,453**	427,061
EQUITY AND LIABILITIES					
Equity					
Stated capital	12	**390,164**	216,665	**390,164**	216,665
Other reserves	13	**(16,327)**	(5,244)	**(24,823)**	(12,502)
Accumulated losses		**(510,241)**	(275,657)	**(515,269)**	(256,736)
Total equity		**(136,404)**	(64,236)	**(149,928)**	(52,573)
Non-current liabilities					
Employee defined benefit liabilities	14	**18,729**	27,976	**18,617**	23,749
Interest-bearing loans and borrowings	15	**314,479**	555,551	**311,161**	204,521
		333,208	583,527	**329,778**	228,270
Current liabilities					
Interest-bearing loans and borrowings	15	**86,983**	122,996	**78,721**	75,696
Contract liabilities	16(iv)	**-**	1,874	**-**	-
Financial guarantee contracts	16(v)	**85,309**	-	**85,309**	-
Trade and other payables	16	**219,765**	237,001	**221,573**	175,668
Income tax liability	17(b)	**970**	724	**-**	-
		393,027	362,595	**385,603**	251,364
Total liabilities		**726,235**	946,122	**715,381**	479,634
TOTAL EQUITY AND LIABILITIES		**589,831**	881,886	**565,453**	427,061

These financial statements have been approved for issue by the Board of Directors on 6 October 2021 and signed on its behalf by:

ARNAUD LAGESSE
Director

JEAN DE FONDAUMIÈRE
Director

The notes set out on pages 98 to 161 form an integral part of these financial statements. Independent auditor's report on pages 91 to 93.

Statement Of Profit Or Loss & Other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP 2021 Rs'000	THE GROUP 2020 Re-stated* Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Continuing Operations					
Revenue from contracts with customers	19	**191,394**	509,802	**121,634**	410,899
Other operating income	21	**54,011**	45,019	**73,953**	65,885
Total operating income		**245,405**	554,821	**195,587**	476,784
Cost of inventories	20	**(6,103)**	(8,058)	**-**	-
Employee benefit expenses	22	**(303,478)**	(299,614)	**(157,402)**	(163,799)
Depreciation and amortisation	23	**(29,634)**	(31,081)	**(12,514)**	(13,358)
Expected credit loss allowance	25	**(172,189)**	(29,578)	**(48,470)**	(154,218)
Other operating expenses	26	**(124,242)**	(250,121)	**(235,588)**	(350,933)
Total operating expenses		**(635,646)**	(618,452)	**(453,974)**	(682,308)
Operating loss	27	**(390,241)**	(63,631)	**(258,387)**	(205,524)
Finance costs	28	**(19,308)**	(19,578)	**(18,350)**	(17,681)
Loss before tax from continuing operations		**(409,549)**	(83,209)	**(276,737)**	(223,205)
Income tax credit/ (expense)	17	**5,052**	(20,510)	**12,406**	(14,925)
Loss for the year from continuing operations		**(404,497)**	(103,719)	**(264,331)**	(238,130)
Discontinued operations					
Loss after tax for the year from discontinuing operations	6(c)	**(42,293)**	(76,500)	**-**	-
Gains on deemed disposal of subsidiary	6(b)	**206,065**	-	**-**	-
		163,772	(76,500)	**-**	-
Loss for the year		**(240,725)**	(180,219)	**(264,331)**	(238,130)
Other comprehensive income:					
- Other comprehensive loss that may be reclassified to profit or loss subsequently					
Cash flow hedge movement	13	**(13,984)**	(12,781)	**(13,984)**	(12,781)
Released to profit or loss on repayment of loan	13	**(714)**	1,298	**(714)**	1,298
Exchange difference on translation of foreign operations	13	**1,238**	5,188	**-**	-
Deferred tax relating to components of other comprehensive income	8(a)	**2,377**	1,952	**2,377**	1,952
		(11,083)	(4,343)	**(12,321)**	(9,531)
- Other comprehensive income/(loss) that may not be reclassified to profit or loss subsequently					
Actuarial gain/ (loss) on employee defined benefit liabilities - funded	14(i)	**4,213**	(8,323)	**4,213**	(8,323)
Actuarial gain/ (loss) on employee defined benefit liabilities - unfunded	14(r)	**3,185**	(506)	**2,772**	(480)
Deferred tax on employee defined benefit liabilities	8(a)	**(1,257)**	1,519	**(1,187)**	1,497
		6,141	(7,310)	**5,798**	(7,306)
Total other comprehensive loss for the year, net of tax		**(4,942)**	(11,653)	**(6,523)**	(16,837)
Total comprehensive loss for the year, net of tax		**(245,667)**	(191,872)	**(270,854)**	(254,967)
Loss per shares (Basic) (Rs.)	31	**(1.37)**	(1.15)		
Loss per shares (Diluted) (Rs.)	31	**(1.37)**	(1.15)		

* - Certain figures shown here do not correspond to the 2020 financial statements and are re-presented for discontinued operations.

The notes set out on pages 98 to 161 form an integral part of these financial statements. Independent auditor's report on pages 91 to 93.

Statements Of Changes In Equity

FOR THE YEAR ENDED JUNE 30, 2021

THE GROUP

	Notes	Stated capital Rs'000	Other reserves* Rs'000	Accumulated losses Rs'000	Total Rs'000
At 01 July 2019		216,665	(901)	(88,127)	127,637
Loss for the year		-	-	(180,220)	(180,220)
Other comprehensive loss for the year		-	(4,343)	(7,310)	(11,653)
Total comprehensive loss for the year		-	(4,343)	(187,530)	(191,873)
At 30 June 2020		**216,665**	**(5,244)**	**(275,657)**	**(64,236)**
At 01 July 2020		216,665	(5,244)	(275,657)	(64,236)
Loss for the year		-	-	(240,725)	(240,725)
Other comprehensive loss for the year		-	(11,083)	6,141	(4,942)
Total comprehensive loss for the year		-	(11,083)	(234,584)	(245,667)
Issue of shares	12	173,499	-	-	173,499
At 30 June 2021		**390,164**	**(16,327)**	**(510,241)**	**(136,404)**

* Other reserves comprise of foreign exchange translation reserve and cash flow hedge reserve as disclosed in note 13.

THE COMPANY

	Notes	Stated capital Rs'000	Other reserves* Rs'000	Accumulated losses Rs'000	Total Rs'000
At 01 July 2019		216,665	(2,971)	(11,300)	202,394
Loss for the year		-	-	(238,130)	(238,130)
Other comprehensive loss for the year		-	(9,531)	(7,306)	(16,837)
Total comprehensive loss for the year		-	(9,531)	(245,436)	(254,967)
At 30 June 2020		**216,665**	**(12,502)**	**(256,736)**	**(52,573)**
At 01 July 2020		216,665	(12,502)	(256,736)	(52,573)
Loss for the year		-	-	(264,331)	(264,331)
Other comprehensive loss for the year		-	(12,321)	5,798	(6,523)
Total comprehensive loss for the year		-	(12,321)	(258,533)	(270,854)
Issue of shares	12	173,499	-	-	173,499
At 30 June 2021		**390,164**	**(24,823)**	**(515,269)**	**(149,928)**

* Other reserves comprise of cash flow hedge reserve as disclosed in note 13.

The notes set out on pages 98 to 161 form an integral part of these financial statements.
Independent auditor's report on pages 91to 93.

Statements Of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2021

	Notes	THE GROUP 2021 Rs'000	2020 Rs'000	THE COMPANY 2021 Rs'000	2020 Rs'000
OPERATING ACTIVITIES					
Loss before tax from continuing operations		**(409,549)**	(83,209)	**(276,737)**	(223,205)
Loss before tax for the year from discontinued operations		**(42,293)**	(76,500)	**-**	-
Adjustments to reconcile loss before tax to net cash flows from operating activities:					
Depreciation of plant and equipment	4	**16,550**	19,164	**3,907**	4,461
Amortisation of intangible asset	5	**4,436**	6,556	**3,386**	3,067
Amortisation of right of use assets	18	**36,056**	46,695	**5,221**	5,830
Impairment loss on non-current assets	24	**-**	29,410	**-**	-
Loss/ (profit) on scrapped/ sales of assets		**1,571**	(40)	**-**	-
Foreign exchange difference	28	**(714)**	1,298	**(714)**	1,298
Expected credit loss on receivable from former subsidiary	11(iii)	**94,427**	-	**-**	-
Interest expense	28 & 6(c)	**35,335**	45,029	**19,064**	16,383
Gain on rental concession and on termination of leases	18	**(13,959)**	(9,784)	**-**	-
Financial guarantee contracts	15(v)	**85,309**	-	**85,309**	-
Employee defined benefit liabilities		**1,859**	2,090	**1,853**	1,524
Dividend income	21	**-**	-	**(32,300)**	(46,173)
		(190,972)	(19,291)	**(191,011)**	(236,815)
Working capital adjustments:					
Decrease/ (increase) in inventories		**3,155**	519	**57**	(168)
Decrease in contract assets		**6,704**	6,703	**6,704**	6,703
(Increase)/decrease in trade and other receivables		**(84,979)**	32,018	**(82,058)**	127,355
Decrease in contract liabilities		**(1,874)**	(1,859)	**-**	-
Increase in trade and other payables		**75,422**	68,234	**45,905**	78,183
Cash (used in)/ from operations		**(192,544)**	86,324	**(220,403)**	(24,742)
Interest paid		**(35,335)**	(45,029)	**(19,064)**	(16,383)
Income tax paid	17(b)	**(16,225)**	(27,891)	**(11,369)**	(20,273)
Net cash flows (used in)/ generated from operating activities		**(244,104)**	13,404	**(250,836)**	(61,398)
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	4	**(6,445)**	(5,291)	**(94)**	(1,173)
Acquisition of intangible assets	5	**(3,163)**	(1,962)	**(2,863)**	-
Proceeds from sale of property, plant and equipment	29(b)	**2,220**	208	**-**	-
Cash balance of subsidiary disposed	6(b)	**3,066**	-	**-**	-
Dividend received		**-**	-	**32,300**	46,173
Net cash flows (used in)/generated from investing activities		**(4,322)**	(7,045)	**29,343**	45,000
FINANCING ACTIVITIES					
Issue of shares	12	**173,499**	-	**173,499**	-
Proceeds from long term borrowings	15(c)	**125,187**	41,400	**82,500**	30,000
Repayment long term borrowings	15(c)	**(2,369)**	(24,939)	**(1,342)**	(9,816)
Repayment of principal portion of obligation under leases	18(b)	**(23,886)**	(22,022)	**(5,238)**	(5,132)
Net cash flows generated from/(used in) financing activities		**272,431**	(5,561)	**249,419**	15,052
Net increase/ (decrease) in cash and cash equivalents		**24,005**	798	**27,926**	(1,346)
At July 1,		**(44,575)**	(49,474)	**(53,489)**	(52,143)
Exchange difference		**(4,308)**	4,101	**-**	-
At June 30,	29(a)	**(24,878)**	(44,575)	**(25,563)**	(53,489)

The notes set out on pages 98 to 161 form an integral part of these financial statements.
Independent auditor's report on pages 91 to 93

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2021

1. CORPORATE INFORMATION

The Lux Collective Ltd is a public company incorporated in Mauritius and having its registered office situated at 58, Pierre Simonet Street, Floréal. The main activity of the Group and the Company is the provision of hotel management services as well as hotel operation. The Company is a subsidiary of IBL Ltd, a listed company incorporated in Mauritius.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared on a historical cost basis except for the revaluation of investments in financial assets at fair value through other comprehensive income which are stated at their fair values as disclosed in the accounting policies hereafter. The financial statements are presented in Mauritian Rupees and rounded to the nearest Rupee and rounded to the nearest thousands.

Statement of Compliance

The consolidated and separate financial statements of The Lux Collective Ltd have been prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB).

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of The Lux Collective Ltd and its subsidiaries as at June 30, 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

2.3 CHANGES IN ACOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The nature and the effect of changes as a result of adopting these new accounting standards is described below.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amendments to IFRS as from 1 July 2020:

Amendments

IFRS 3 Business Combinations - Amendments regarding definition of a business.

IFRS 7 Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 9 Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform

IAS 1 Presentation of Financial Statements – Amendments regarding the definition of material

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material

IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.3 CHANGES IN ACOUNTING POLICIES AND DISCLOSURES (continued)

Where the adoption of the standards or amendments is deemed to have an impact on the financial statements or performance of the Group, their impact is described below:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 7, IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "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 amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.4 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. The Group would adopt these standards, if applicable, when they become effective. No early adoption of these standards and interpretations is intended by the Board of directors.

New or revised standards		Effective for accounting period beginning on or after
IFRS 17	Insurance Contracts	1 January 2023
Amendments		
IAS 16	Property, Plant and Equipment: Amendments regarding proceeds before Intended Use	1 January 2022
IFRS 1	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
IFRS 3	Business Combinations - Amendments updating a reference to the Conceptual Framework	1 January 2023
IFRS 4	Insurance Contracts - Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021
IFRS 4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	1 January 2023
IFRS 7	Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021
IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	1 January 2022
IFRS 16	Leases - Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021
IFRS 16	Leases - Amended by COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
IFRS 17	Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	1 January 2023
IAS 8	Definition of Accounting Estimates	1 January 2023
IAS 1	Presentation of Financial Statements – Amendments regarding the classification of liabilities	1 January 2023
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	1 January 2022
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021
IAS 41	Agriculture - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements)	1 January 2022

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.4 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

The Group is still assessing the potential impact of those standards and amendments to existing standards on its financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Conceptual framework

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework (effective 1 January 2020)

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Group.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The consolidated and separate financial statements are presented in Mauritian Rupees (“Rs”), which is the parent’s functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the rate of exchange ruling at the reporting date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

These are taken to other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Where the functional currency of the subsidiaries at the reporting date is not the presentation currency of the Group (the Mauritian Rupee), the assets and liabilities of these subsidiaries are translated into Mauritian Rupee at the rate of exchange ruling at the reporting date and, income and expenses are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken through other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful lives. The useful life, residual value and method of depreciation of an item of property, plant and equipment is reviewed at each financial year end and adjusted prospectively if appropriate. The annual rate of depreciation is as follows:

Improvement to leasehold building	10%-20%
Plant and equipment	10% - 20%
Furniture and fittings	10% - 20%
Motor vehicles	20%
Computer equipment	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss when the asset is derecognised.

(c) Investment in subsidiaries

Company financial statements

Investment in subsidiary companies are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquirer. Acquisition-related costs are recognized in profit or loss as incurred. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Business combinations

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

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Business combinations (continued)

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

(e) Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured as the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets and liabilities assumed. If after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, the excess is recognized in profit or loss as a gain on bargain purchase. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or group of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IFRS 8 Segment Reporting.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets (continued)

Goodwill (continued)

Gain on bargain purchase represents the excess of the acquirer's interest in the fair values of the identifiable net assets and liabilities acquired over the cost of acquisition. It is recognised immediately as income in the statement of comprehensive income.

Gain on bargain purchase arising from the acquisition of an associated company is included as income in the determination of the Group's share of the associate's profit or loss of the period in which the associate was acquired.

Other intangible assets including Right to manage hotel

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. The estimated useful life of intangible asset with finite useful life is as follows:

Computer software	-	5 years
Right to manage hotel	-	over the period of the management contract

(f) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (V) (i) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial assets (continued)

Initial recognition and measurement

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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial assets (continued)

Other income

The Group earns other income such as interest income on its bank accounts and earns dividend income from investee companies.

- Interest income - as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.

(g) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Such financial assets are carried at amortised cost using the effective interest rate method.

(h) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, less directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement

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

Trade and other payables and, Loans and borrowings

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 fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Derecognition of financial assets and liabilities

Financial assets

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

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

Where the Company or the Group has transferred its rights to receive cash flows from an asset 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 Company's or the Group's continuing involvement in the asset.

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 Company or the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

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, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Impairment of financial assets

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 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.

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of financial assets (continued)

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.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. As the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party. As for the exposure at default, it includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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.

(k) Offsetting of financial instruments

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

(l) Fair value of financial instruments

Determination of fair value

The Group determines the fair value of its financial instruments, such as equities, debentures and other interest bearing investments and derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Fair value of financial instruments (continued)

Determination of fair value (continued)

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.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

Where the Group has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception provided in IFRS 13 to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

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

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

(m) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(n) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Hedge accounting (continued)

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group currently has only cash flow hedges which are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remains separately in equity until the forecast transaction or firm commitment affects profit or loss.

The hedge on the foreign currency revenue by the foreign currency loans are treated as cash flows hedge and the purpose is to hedge the foreign currency risk relating to the Euro. Refer to note 13 for further details on the risk management policies.

(o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Non-financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the non-financial asset, the estimated future cash flows of the investment has been affected. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of 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.

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of non-financial assets

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are accounted for on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where 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 any provision is presented in 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Retirement benefit obligations

The Group operates a defined benefit plan for some of its employees. For the remaining employees, the Group contributes to a unitised defined contribution pension scheme that was established on 1 July 2002. The employer contributes 9% of salaries less their contribution to the National Pensions Scheme in respect of members of the fund. Members contribute 6% of salaries less their contribution to the National Pensions Scheme. In each case the minimum monthly contribution is Rs. 100.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Retirement benefit obligations (continued)

Defined benefits schemes

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'employee benefit expenses' in profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Defined contributions schemes

Payments to defined contribution retirement plans are charged as an expense as they fall due. Unpaid contributions are recognized as a liability.

Other retirement benefits

For employees who are not covered by the above plan, the net present value of gratuities payable under the Employment Rights Act 2008 is calculated and a liability accounted for. The obligations under this item are not funded.

Liabilities with respect to above schemes are calculated by Swan Life Ltd (Actuarial Valuer) annually.

Right of set off

The Group does not offset the asset relating to one plan against a liability relating to another plan as it:

- does not have a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and
- does not intend to either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

(s) Taxes

Current tax

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Taxes (continued)

Deferred tax

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

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

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

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

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

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

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, expected credit loss allowances, tax losses carried forward and retirement benefit obligations.

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Taxes (continued)

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

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

(t) Leases

Group as lessee

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

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 amortisation 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 shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and building Period of the lease (between 4 to 12 years)
- Plant and equipment 5 to 7 years
- Motor vehicle 5 years

If ownership of the lease 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 asset are assessed for impairment losses.

(ii) Lease liabilities

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

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Leases

Group as lessee

(ii) Lease liabilities (continued)

Variable lease payments that do not depend on an index or rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payment, 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.

(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.

(iv) COVID-19-Related Rent Concessions

The Group early adopted the amended to IFRS 16 relating to COVID-19-Related Rent Concessions last year.

The Group has applied the practical expedient to all rent concessions that meet the conditions and recognised an amount of Rs 64,000 in profit or loss in the prior year to reflect changes in lease payments that arise from rent concessions. No additional rent concession has been obtained during the year.

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

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

(v) Revenue recognition

(i) Revenue from contracts with customers

The Group is in the business of hotel management and hotel operation. Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

Recognition of management and brand fees

Management and brand fees are recognised and accrued for when the amount of revenue can be measured reliably and it is probable that the economic benefits will flow to the entity.

Recognition of packages sales to tour operators.

The Group derives package revenue (room revenue and food and beverage revenue) via tour operators ("TO") from its hotel operation activities. The TOs receives or retains a percentage of the package revenue – usually called a commission - collected from the guests. Revenue from packages sales are recognised net of commission.

The main stream of hotel operations revenue of the Group is as follows:

Room Revenue

Recognised as revenue when performance obligation performed, i.e. once the guests check-in at the hotel premises. Revenue is recognised daily over time.

Food & Beverage revenue

F&B revenue is generated from packaged sales (e.g. half boards, full boards or All-inclusive) or through direct sales (at a point in time) at the restaurants or bars. Unlike direct sales, packaged sales are recognised over time as revenue daily when it is probable that the future economic benefits will flow to the entity and those benefits can be measured reliably, i.e, upon consumption.

Other Operating Departments

Other operating departments include the provision of services such as laundry, spa and boutique sales. The Group acts as an agent from time to time (e.g. for diving, big game fishing, horse riding, etc.).

In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result on increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead revenue is the amount of commission.

(ii) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Key money, representing amounts paid to Hotel owners to secure management contracts was capitalized as contract assets and released over the life of the related contracts.

These payments are treated as 'consideration payable to a customer' and therefore recorded as a contract asset and recognized as a deduction to revenue over the contract term.

(iii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (f) Financial instruments – initial recognition and subsequent measurement.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Revenue recognition (continued)

(iv) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(w) 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 Group classifies all other liabilities as non-current.

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

(x) 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. In the case of the Government Wage Assistance Scheme (GWAS), this is recognised as income monthly to matched against the payroll costs it relates.

2. ACCOUNTING POLICIES (continued)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Non-current assets held for sale and discontinued operations

The Group classifies non-current 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.

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

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(a) Judgements (continued)

(i) Determination of functional currency

The determination of functional currency of the Group is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. Despite the fact that prices of the services in the tourism industry are generally denominated and settled in foreign currency, the actual underlying computation to arrive at those prices significantly depend on the country's competitive forces, which, in line with IAS21 para 9(a) gives a strong indication that the Mauritian Rupee is the functional currency. Besides, in line with IAS21 para 9(b) the currency in which labour, material and costs of providing services is materially the MUR. Furthermore, the shareholders of the Company are looking for returns in Mauritian Rupee and the Group's performance is evaluated in Mauritian Rupee. Therefore, management considers Mauritian Rupee as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

(ii) Going concern

During the year, the Group made a loss of Rs 241m (2020: Rs 180m) and at 30 June 2021 its total liabilities exceeded its total assets by Rs 136m (2020: shareholders' deficit of Rs64m).

The Group provides mainly hospitality management services to related parties and third parties that is based on hotel revenues and performance. The Group has a history of losses since FY18.

The COVID-19 pandemic outbreak of early 2020 continues to significantly affect the main markets in which the Group operates, mainly Mauritius and Maldives. Borders have remained closed in Mauritius since March 2020, while though opened in other destinations, various travel restrictions and strict sanitary protocols negatively impacted demands. Mauritius has announced the re-opening of borders, without restrictions, as from October 2021 and management is closely monitoring the situation and evaluating the impact on revenue forecast of the Group.

Due to the extent of cash needs since the outbreak of the COVID-19 pandemic, the Company carried out a right issue during the year, which was fully subscribed for Rs175M and successfully arranged for a loan facility of Rs250M, out of which Rs45M was disbursed prior to June 30, 2021. Both the above rights issue and loan facility cover for the funding requirement of Rs425M estimated in the prior year.

The duration and direct impact of the COVID-19 pandemic has been longer than initially expected and management have had to continually adjust cash flow forecasts and re-adapt to new challenges. This involves continued strict cost monitoring and as well as minimizing non-essential services. In addition, the Group applies for rescheduling of terms of bank loans to order to remain within the terms of banks covenants as well as avails itself of available financial assistance and relief due to COVID-19.

Since the announcement of borders opening for Mauritius, the recovery space has been very slow. As at date of this report, there remains uncertainties around when the hospitality sector will return back to the pre-COVID-19 performance levels. Management has prepared its budget and cash flow forecast taking into account these factors based on a slow recovery scenario of expected recovery. Management's assessments assume that, following the successful COVID vaccination campaigns carried out in our main feeder markets as well as in Mauritius, international travels restrictions and barriers will be lifted and the level of travels and international tourists will gradually normalized by the end of FY23.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(a) Judgements (continued)

(ii) Going concern (continued)

Uncertainties exist about the timing of the group to generate profits. These are related to the speed and extent of the recoveries of the industry which is impacted by unknown changes in consumer travel behaviour, travel restrictions globally and the progression of the pandemic. Whilst positive outcomes are hoped for given the progression globally thus far, at the time of the issuance of these financial statements, little evidence exists for how quickly the industry will recover. Reductions in revenues of the hotels would directly impact the ability of the Company and Group to generate profits.

Subsequent to year end, the Group has entered into negotiation in relation to the notice received for early termination of one Hotel Management Agreement (HMA) signed with one hotel in Maldives. Negotiations, on compensations payable under the HMA ended with the signing of a Deed of Termination of HMA on 30 August 2021. To date, all the payment milestones as set out in the Deed of Termination has been respected which has improved cashflow reserves.

Management has prepared a cash flow forecast for the medium term, based on the prevailing conditions in the different market where the Group operates and taking into consideration the compensation described above. Based on the cash flow forecasts and having regard of the remaining undrawn loan and overdraft facilities from its main banker, management has concluded that it is still appropriate to prepare the financial statements on a going concern basis as the Group has sufficient cash and facilities to sustain future losses until the company is expected to generate profits. That basis presumes that the assets will realise and the liabilities will be discharged in the ordinary course of business.

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Employee benefit liabilities

The cost of defined benefit pension plans and related provision, as disclosed in Note 14 to the financial statements requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimates in respect of inter-alia, discount rate, expected return on plan assets, future salary increases, mortality rate and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The Group's net employee liability at 30 June 2021 is Rs.19 Million (2020: Rs. 28 Million). Further details are set out in Note 14.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Recoverability of deferred tax assets have been assessed for each subsidiary based on the forecasted taxable profit to be generated during the next financial period.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Main assumptions used in the determination of future taxable profits include inter-alia: occupancy rates and room rates of hotels under management. At 30 June, the status of unused tax losses of the Group and the Company was as follows:

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(b) Estimates and assumptions (continued)

(ii) Deferred tax assets (continued)

	2021	
	THE GROUP	**THE COMPANY**
	Rs'000	**Rs'000**
Tax losses	**315,999**	**292,961**

	2020	
	The Group Rs'000	The Company Rs'000
Tax losses	351,798	207,295

(iii) Impairment of goodwill

Goodwill is tested on an annual basis for impairment loss in accordance with IAS 36. This requires an estimation of the "value in use" of the cash generating units to which goodwill is allocated. Estimating a value in use amount requires management to make estimates of the expected future cash flows from the cash generating unit and the selection of suitable discount rate in order to compute the present value of expected cash flow. The carrying amount of goodwill as at 30 June 2021 amounted to Rs. 199.8 Million (2020: Rs. 199.8 Million). Further details are given in Note 5.

(iv) Provision for expected credit losses of trade receivables

For trade and other receivables, 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 assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 34.

(v) Provision for expected credit losses on financial guarantee contracts

During the financial year one of the subsidiary of the Company was placed under voluntary administration as the subsidiary was in a continuous loss-making situation, and was facing major solvency and liquidity issues. In the past, the Company has provided various corporate guarantees as well as payment guarantees to suppliers as financial assistance and support for the on-going operation of the subsidiary. Based on the state of affairs of the subsidiary at the time of administration, it is more than likely that these guarantees will turnout in actual liability for the Company at the end of the administration. Management has therefore recognised, based on his best assessment of the situation, an ECL provision on financial guarantees given of Rs85.9M, refer to Note 16(v) of the financial statements.

However, the administration is still ongoing and the administrator has yet to formally submit a finite solution and have same approved by the creditors of the subsidiary. The present ECL provision on financial guarantees is subject to uncertainty until the creditors approve a proposed solution to the administration.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Improvement to leasehold building Rs'000	Plant and equipment Rs'000	Furniture and fittings Rs'000	Motor vehicle Rs'000	Computer equipment Rs'000	Total Rs'000
COST						
At July 1, 2019						
- As previously reported	27,838	69,691	35,000	9,544	51,755	193,828
- Transfer to right of use assets (Note 18)	-	(15,934)	(5,729)	(3,130)	(6,231)	(31,024)
- As restated	27,838	53,757	29,271	6,414	45,524	162,804
Additions	1,145	1,889	1,150	-	1,107	5,291
Disposal	-	(2,354)	(111)	-	(212)	(2,677)
Exchange difference	1,226	24	27	-	574	1,851
At June 30, 2020	30,209	53,316	30,337	6,414	46,993	167,269
Additions	76	2,347	342	-	3,680	6,445
Transfer from right of use assets (Note 18)	-	7,094	-	3,130	-	10,224
Disposal	(10,401)	(9,085)	(1,626)	-	(433)	(21,545)
Disposal of subsidiary (Note 6(b))	-	(41,638)	(16,756)	(109)	(7,981)	(66,484)
Exchange difference	1,195	40	28	-	558	1,821
At June 30, 2021	**21,079**	**12,074**	**12,325**	**9,435**	**42,817**	**97,730**
DEPRECIATION						
At July 1, 2019						
- As previously reported	10,012	16,101	7,419	8,366	29,147	71,045
-Transfer to right of use assets (Note 18)	-	(4,147)	(382)	(2,191)	(695)	(7,415)
- As restated	10,012	11,954	7,037	6,175	28,452	63,630
Charge for the year	1,907	8,459	3,198	63	5,537	19,164
Disposal	-	(2,352)	(111)	-	(46)	(2,509)
Exchange difference	390	21	15	-	185	611
At June 30, 2020	12,309	18,082	10,139	6,238	34,128	80,896
Charge for the year	4,016	4,647	2,273	27	5,587	16,550
Transfer from right of use assets (Note 18)	-	5,379	-	2,830	-	8,209
Disposal	(2,169)	(6,923)	(1,604)	-	(140)	(10,836)
Disposal of subsidiary (Note 6(b))	-	(10,658)	(4,068)	(109)	(2,456)	(17,291)
Exchange difference	638	37	19	-	300	994
At June 30, 2021	**14,794**	**10,564**	**6,759**	**8,986**	**37,419**	**78,522**
NET BOOK VALUES						
At June 30, 2021	**6,285**	**1,510**	**5,566**	**449**	**5,398**	**19,208**
At June 30, 2020	17,900	35,234	20,198	176	12,865	86,373

(i) Bank borrowings are secured on the assets of the Group.

(ii) No borrowing costs were capitalised during the year (2020: nil).

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

4. PROPERTY, PLANT AND EQUIPMENT (continued)

THE COMPANY	Plant and equipment Rs'000	Furniture and fittings Rs'000	Motor vehicle Rs'000	Computer equipment Rs'000	Total Rs'000
COST					
At July 1, 2019					
- As previously reported	10,511	4,990	3,130	36,470	55,101
-Transfer to right of use assets (Note 18)	-	-	(3,130)	(800)	(3,930)
- As restated	10,511	4,990	-	35,670	51,171
Additions	43	194	-	936	1,173
Disposal	(2,230)	-	-	-	(2,230)
At June 30, 2020	8,324	5,184	-	36,606	50,114
Additions	80	-	-	14	94
Transfer from right of use assets (Note 18)	-	-	3,130	-	3,130
At June 30, 2021	**8,404**	**5,184**	**3,130**	**36,620**	**53,338**
DEPRECIATION					
At July 1, 2019					
- As previously reported	6,794	2,183	2,191	26,820	37,988
-Transfer to right of use assets (Note 18)	-	-	(2,191)	(333)	(2,524)
- As restated	6,794	2,183	-	26,487	35,464
Charge for the year	651	489	-	3,321	4,461
Disposal	(2,230)	-	-	-	(2,230)
At June 30, 2020	5,215	2,672	-	29,808	37,695
Charge for the year	606	469	-	2,832	3,907
Transfer from right of use assets (Note 18)	-	-	2,830	-	2,830
At June 30, 2021	**5,821**	**3,141**	**2,830**	**32,640**	**44,432**
NET BOOK VALUES					
At June 30, 2021	**2,583**	**2,043**	**300**	**3,980**	**8,906**
At June 30, 2020	3,109	2,512	-	6,798	12,419

(a) Bank borrowings are secured on the assets of the Company.

(b) No borrowing costs were capitalised during the year (2020: nil).

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

5. INTANGIBLE ASSETS

THE GROUP	Goodwill Rs'000	Right to manage hotel Rs'000	Software Rs'000	Total Rs'000
COST				
At June 30, 2019	199,850	31,503	32,345	263,698
Additions	-	-	1,962	1,962
At June 30, 2020	199,850	31,503	34,307	265,660
Additions	-	-	3,163	3,163
Disposal of subsidiary (note 6(b))	-	(31,503)	(5,375)	(36,878)
At June 30, 2021	**199,850**	**-**	**32,095**	**231,945**
AMORTISATION				
At July 1, 2019	-	1,764	18,426	20,190
Charge for the year	-	2,625	3,931	6,556
Transfer	-	(14)	14	-
Impairment loss	-	27,128	2,282	29,410
At June 30, 2020	-	31,503	24,653	56,156
Charge for the year	-	-	4,436	4,436
Disposal of subsidiary (note 6(b))	-	(31,503)	(3,934)	(35,437)
At June 30, 2021	**-**	**-**	**25,155**	**25,155**
NET BOOK VALUES				
At June 30, 2021	**199,850**	**-**	**6,940**	**206,790**
At June 30, 2020	199,850	-	9,654	209,504

Goodwill

This goodwill arise on the acquisition of investment in Lux Island Resorts Seychelles Ltd and has an indefinite life. Impairment assessment is performed on an annual basis.

Impairment test on goodwill

The recoverable amount of the Cash Generating Unit (CGU) has been determined based on the 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 CGU, taking into consideration the time value of money and individual risks of these underlying assets that have not been incorporated in the cash flow estimate. 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 7% to 12% for the various entities of the Group. 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 serve.

A terminal growth rate of 3% has been assumed in the calculation.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of the CGU to at least maintain its market share. No impairment loss has been identified this financial year.

Any reasonable possible change in key assumptions on which management has based its determination of recoverable amounts of CGU are not expected to cause their carrying amount to exceed the recoverable amounts.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

5. INTANGIBLE ASSETS (continued)

THE COMPANY	Computer software 2021 Rs'000	2020 Rs'000
COST		
At July 1,	**28,042**	28,042
Additions	**2,863**	-
At June 30,	**30,905**	28,042
AMORTISATION		
At July 1,	**20,719**	17,652
Charge for the year	**3,386**	3,067
At June 30,	**24,105**	20,719
Net book value at June 30,	**6,800**	7,323

6. INVESTMENT IN SUBSIDIARIES

THE COMPANY	2021 Rs'000	2020 Rs'000
At cost		
At July 1,	**213,395**	213,395
Additions	**-**	-
At June 30,	**213,395**	213,395

a. Details of the investments which are unquoted are as follows:

Name of companies	Country of incorporation	% Held 2021	2020
Island Light Vacations Ltd	Mauritius	**100.00%**	100.00%
LIRTA Ltd	Mauritius	**100.00%**	100.00%
Lux Island Resorts Seychelles Ltd	Seychelles	**99.98%**	99.98%
Lux Hotel Management (Shanghai) Co Ltd	China	**100.00%**	100.00%
The Lux Collective Pte Ltd	Singapore	**100.00%**	100.00%
Salt Hospitality Ltd (note (b))	Mauritius	**100.00%**	100.00%
Café Lux Ltd	Mauritius	**100.00%**	100.00%
The Lux Collective UK Ltd	UK	**100.00%**	100.00%
Palm Boutique Hotel Ltd	Mauritius	**100.00%**	100.00%

The directors have reviewed the financial position and performance of the above subsidiaries. They are of the opinion that the estimated recoverable amount of the investments are not lower than their carrying amount.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

6. INVESTMENT IN SUBSIDIARIES (continued)

b. On 19 February 2021, Salt Hospitality Ltd, a subsidiary company, went under voluntary administration. The directors consider that they do not have any more power over the investee company and hence decided to consolidate the results of the subsidiary company up to that date and deconsolidate thereafter.

The carrying value of the net assets of Salt Hospitality Ltd at date of derecognition (deemed disposal) were as follows:

	19-Feb-21 Rs'000
Carrying value of net assets derecognised	
Property, plant and equipment (note 4)	**49,193**
Right of use assets (note 18 (a))	**295,460**
Intangible assets (note 5)	**1,441**
Inventories	**4,487**
Trade and other receivables	**17,238**
Intercompany receivables	**15,134**
Interest-bearing loans and borrowings	**(489,586)**
Employee defined benefit liabilities (note 14(p))	**(3,708)**
Trade and other payables	**(92,658)**
Cash and bank balances	**(3,066)**
Net deficit of assets disposed	**(206,065)**
Fair value of consideration	-
Gain on deemed disposal of subsidiary	**206,065**

	THE GROUP 2021 Rs'000
b. Cash Flow Impact of the deemed disposal is as follows:	
Cash consideration	(3,066)
Cash and bank balances	**3,066**

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

6. INVESTMENT IN SUBSIDIARIES (continued)

c. *Discontinued Operations*

The results of the subsidiary company, Salt Hospitality Ltd, up to the date of deconsolidation were as follows:

	2021 Rs'000	2020 Rs'000
Revenue from contracts with customers	30,134	121,092
Other operating income	26,429	25,449
	56,563	146,541
Cost of inventories	(9,333)	(23,148)
Employee benefit expenses	(28,722)	(54,233)
Depreciation and amortisation	(27,408)	(70,744)
Impairment loss on non-current assets	-	(29,410)
Expected credit loss allowance	4,777	(3,938)
Other operating expenses	(22,857)	(17,204)
Total operating expenses	(83,543)	(198,677)
Operating loss	(26,980)	(52,136)
Finance costs	(15,313)	(24,364)
Loss before and after tax from discontinued operations	(42,293)	(76,500)
The net cash flows of Salt Hospitality Ltd were as follows:		
-Operating activities	(23,384)	(23,744)
-Investing activities	(6,110)	(4,762)
-Financing activities	32,283	39,153
Net increase in cash flows	2,789	10,647

7. INVESTMENT IN OTHER FINANCIAL ASSETS

	THE GROUP	
	2021 Rs'000	2020 Rs'000
Financial assets at fair value through other comprehensive income.		
- Quoted shares		
At July 1	4	4
Movements	-	-
At June 30,	4	4

The fair value of quoted ordinary shares (classified as Level 1 as detailed in Note 34) is determined by reference to published price quotations in an active market at the reporting date.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

8. INCOME AND DEFERRED TAX

(a) Deferred tax asset

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2020: 17%). The movement in the deferred tax account is as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
At July 1,	**28,987**	18,871	**24,989**	16,192
Recognised in profit or loss (Note 17 (a))	**21,455**	6,645	**23,775**	5,348
Recognised in other comprehensive income	**1,120**	3,471	**1,190**	3,449
At June 30,	**51,562**	28,987	**49,954**	24,989

Deferred income tax relates to the following:

The Group	Balance		Movement	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
Accelerated depreciation	**16,253**	17,821	**(1,568)**	2,448
Employee defined benefit liabilities	**3,184**	4,120	**(936)**	1,785
Right of use assets/lease liabilities	**255**	180	**75**	180
Hedge reserve	**4,956**	2,579	**2,377**	1,952
Expected credit losses	**2,923**	4,287	**(1,364)**	4,287
Tax losses	**23,991**	-	**23,991**	(536)
	51,562	28,987	**22,575**	10,116
Recognised as follows:				
- in profit or loss			**21,455**	6,645
- in other comprehensive income			**1,120**	3,471
Total movement for the year			**22,575**	10,116

Deferred tax assets have been recognised on tax losses amounting to Rs 141m (2020: nil) out of total tax losses of Rs457m (2020: Rs.352m). The directors estimate that it is highly probable that the Group will have sufficient taxable profit in the next financial year to utilise the losses to the extent recognised. Refer to Note 3 (b) (ii).

The Company	Balance		Movement	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
Accelerated depreciation	**14,745**	13,956	**789**	1,041
Employee defined benefit liabilities	**3,165**	4,037	**(872)**	1,755
Right of use assets/lease liabilities	**174**	131	**43**	131
Hedge reserve	**4,956**	2,579	**2,377**	1,952
Expected credit losses	**2,923**	4,286	**(1,363)**	4,286
Tax losses	**23,991**	-	**23,991**	(368)
	49,954	24,989	**24,965**	8,797
Recognised as follows:				
- in profit or loss			**23,775**	5,348
- in other comprehensive income			**1,190**	3,449
Total movement for the year			**24,965**	8,797

Deferred tax assets have been recognised on tax losses amounting to Rs 141m (2020: nil) out of total tax losses of Rs434m (2020: Rs.207m). The directors estimate that it is highly probable that the Group will have sufficient taxable profit in the next financial year to utilise the losses to the extent recognised. Refer to Note 3 (b) (ii).

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

9. CONTRACT ASSETS

	THE GROUP AND THE COMPANY	
	2021	2020
	Rs'000	Rs'000
Analysed as follows		
Current	**6,700**	6,700
Non-Current	**77,600**	84,304
At June 30,	**84,300**	91,004

This represents advance payment to hotel owners to operate the hotel in Maldives and which will generate management fee income in the future.

10. INVENTORIES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Food and beverage	**2,076**	6,785	**-**	-
Spare parts and consumables	**414**	3,202	**414**	471
Others	**-**	145	**-**	-
	2,490	10,132	**414**	471

All inventories are stated at the lower of cost and net realisable value. There were no write down of inventories during the year (2020: Nil). Bank borrowing is secured by floating charges on the assets of the Group including inventories.

11. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**55,337**	55,510	**42,065**	38,518
Trade receivables from fellow subsidiaries (note 30)	**101,812**	29,697	**91,546**	11,810
Due from subsidiaries (note 30)	**-**	-	**26,233**	153,699
Due from other related company	**94,427**	-	**94,427**	-
Deferred considerations (note 29(b)(ii))	**6,918**	-	**-**	-
Other receivables and prepayments	**17,410**	35,549	**6,811**	11,836
	275,904	120,756	**261,082**	215,863
Less expected credit losses	**(117,501)**	(37,012)	**(117,379)**	(154,218)
	158,403	83,744	**143,703**	61,645
Analysed as follows:				
Non-current trade and other receivable	**3,591**	-	**-**	-
Current trade and other receivable	**154,812**	83,744	**143,703**	61,645
	158,403	83,744	**143,703**	61,645

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

11. TRADE AND OTHER RECEIVABLES

(i) Trade receivables are not secured, non-interest bearing and are generally on 30 days term. Impairment of receivables have been assessed on an individual basis and also on a collective basis under the 'Expected Credit Loss' model.

(ii) At June 30, 2021, the ageing analysis of un-impaired trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Not past due	**20,825**	7,616	**16,067**	24,376
Due less than 30 days	**7,646**	110	**17,899**	84
More than 30 and less than 60 days	**8,094**	843	**13,896**	733
More than 60 and less than 90 days	**32,241**	4,483	**42,665**	24,616
More than 90 days	**65,269**	35,143	**46,365**	-
	134,075	48,195	**136,892**	49,809

None of the above balances have been impaired.

(iii) The movement in expected credit losses on trade and other receivables were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables				
At July 1	**37,012**	3,223	**25,218**	-
(Reversal)/charge for the year	**(12,324)**	33,516	**(2,266)**	25,218
Disposal of subsidiary (note 6(b))	**(2,383)**	-	-	-
Exchange difference	**769**	273	-	-
At June 30	**23,074**	37,012	**22,952**	25,218

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Other receivables	**Stage 3**	Stage 3	**Stage 3**	Stage 3
At July 1	**-**	-	**129,000**	-
(Reversal)/charge for the year	**94,427**	-	**(34,573)**	129,000
At June 30	**94,427**	-	**94,427**	129,000

Refer to note 34 for the related credit risk disclosures.

(iv) Prepayments amounting to Rs 6,574,270 (2020 :Rs 4,084,430) for the Group and Rs 1,898,371 (2020: Rs 3,185,192) for the Company have been included in the total balance for trade and other receivables.

(v) For terms and conditions relating to related party receivables, refer to note 30.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

12. STATED CAPITAL

	2021 Number of shares	2020 Number of shares	2021 Rs'000	2020 Rs'000
Stated capital - No par value shares				
At July 1,	**156,082,273**	156,082,273	**216,665**	216,665
Right issue during the year	**76,087,860**	-	**173,499**	-
At June 30,	**232,170,133**	156,082,273	**390,164**	216,665

13. OTHER RESERVES

THE GROUP	Cash flow hedge reserve Rs'000	Foreign exchange translation reserve Rs'000	Total Rs'000
At July 01, 2019	(2,971)	2,070	(901)
Cash flow hedge on foreign currency loan	(12,781)	-	(12,781)
Released to profit or loss on repayment of loan	1,298	-	1,298
Currency translation difference	-	5,188	5,188
Tax on other comprehensive income	1,952	-	1,952
At June 30, 2020	(12,502)	7,258	(5,244)
Cash flow hedge on foreign currency loan	(13,984)	-	(13,984)
Released to profit or loss on repayment of loan	(714)	-	(714)
Currency translation difference	-	1,238	1,238
Tax on other comprehensive income	2,377	-	2,377
At June 30, 2021	**(24,823)**	**8,496**	**(16,327)**

THE COMPANY	Cash flow hedge reserve Rs'000	Total Rs'000
At July 01, 2019	(2,971)	(2,971)
Cash flow hedge on forecast transactions	(12,781)	(12,781)
Released to profit or loss on repayment of loan	1,298	1,298
Tax on other comprehensive income	1,952	1,952
At June 30, 2020	(12,502)	(12,502)
Cash flow hedge on forecast transactions	(13,984)	(13,984)
Released to profit or loss on repayment of loan	(714)	(714)
Tax on other comprehensive income	2,377	2,377
At June 30, 2021	**(24,823)**	**(24,823)**

Nature and purpose of other reserves

Foreign exchange translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries into the reporting currency.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

13. OTHER RESERVES (continued)

Cash flow hedge reserve

The hedge reserve is used to record the exchange differences arising on the Euro loans taken by the Group and which have been designated as hedging instruments against future revenues of the Group in Euro. The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group. The hedging strategy is to enter into loan agreements (the "hedging instruments"), in Euro with future principal payments that will be matched by the future remittances from customers in Euro. The movement for the year is in respect of exchange difference on conversion of loan in EURO at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss.

The portion of the foreign currency revenues being hedged by the loans is less than 25% of the total annual revenue in the respective currencies. In other words, the respective future revenues in EURO is at least 4 times the amount of the loans to be disbursed annually in EURO. Based on that and based on past trends, it is considered as highly probable. The designated budgeted cash flows in foreign currency until maturity of the loans amount Rs.389 million (2020: Rs.281 million). The foreign currency loans have a maturity of up to the year 2029 and therefore, the cash flows are expected to occur and affect profit or loss throughout this period. During the financial year 2021, Rs. 14.7 million was recognised in other comprehensive income (2020: Rs.11.5 million).

14. EMPLOYEE DEFINED BENEFIT LIABILITIES

(a) The benefits of employees of the Group and the Company fall under three different types of arrangements:

(i) A defined benefit scheme which is funded. The plan assets are held independently by a pension fund;

(ii) A defined contribution scheme; and

(iii) Retirement benefits as defined under the Employment Rights Act 2008 and which are unfunded.

(b) The liabilities in respect of the defined benefit obligations (i) and (iii) above are analysed as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Funded obligation *(note (c - n))*	**6,424**	10,219	**6,424**	10,219
Unfunded obligation *(note (o - u))*	**12,305**	17,757	**12,193**	13,530
	18,729	27,976	**18,617**	23,749

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (continued)

FUNDED OBLIGATION

The Group and the Company

		2021 Rs'000	2020 Rs'000
(c)	The amounts recognised in the statement of financial position in respect of the funded obligation are as follows:		
	Present value of funded obligation (note (g))	**19,313**	21,175
	Fair value of plan assets (note (f))	**(12,889)**	(10,956)
	Liability in the statement of financial position	**6,424**	10,219
(d)	Movement in the statement of financial position:		
	At July 01,	**10,219**	1,823
	Total expenses (note (e))	**970**	706
	Actuarial (gains)/losses recognised in other comprehensive income	**(4,213)**	8,323
	Contributions paid	**(552)**	(633)
	At June 30,	**6,424**	10,219
(e)	The amounts recognised in the statement of profit or loss are as follows:		
	Current service cost	**716**	564
	Net interest cost	**337**	84
	Scheme (reversal)/expenses	**(32)**	15
	(Reversal)/cost of insuring risk benefits	**(51)**	43
	Total included in staff costs	**970**	706
(f)	Changes in the fair value of plan assets are as follows:		
	At July 01,	**10,956**	9,268
	Interest on plan assets	**383**	515
	Employer's contribution	**552**	633
	Scheme expenses	**32**	(15)
	Cost of insuring risk benefits	**51**	(43)
	Actuarial gains	**915**	598
	At June 30,	**12,889**	10,956
(g)	Changes in defined benefit obligation are as follows:		
	At July 01,	**21,175**	11,091
	Current service cost	**716**	563
	Interest cost	**719**	599
	Actuarial (gains)/losses	**(3,297)**	8,922
	At June 30,	**19,313**	21,175
(h)	The main categories of plan assets are as follows:		
	Local equities	**2,918**	2,685
	Overseas equities	**3,805**	2,773
	Fixed interest	**3,517**	5,412
	Properties	**2,649**	86
	Total market value of assets	**12,889**	10,956

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (continued)

FUNDED OBLIGATION (continued)

The Group and the Company (continued)

		2021 Rs'000	2020 Rs'000
(i)	Analysis of amount recognised in other comprehensive income		
	Gains on pension scheme assets	**(916)**	(599)
	Experience (gains)/losses on the liabilities	**(842)**	4,321
	Changes in assumptions underlying the present value of the scheme	**(2,455)**	4,601
	Actuarial (gains)/losses recognised in other comprehensive income	**(4,213)**	8,323
(j)	Sensitivity analysis		
	Decrease in defined benefit obligation due to 1% increase in discount rate	**2,024**	2,508
	Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**253**	478

The sensitivity analysis above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

The plan is a defined benefit arrangement, with benefits based on final salary, it provides for a pension at retirement and a benefit on death or disablement in service before retirement.

(k) (i) The assets of the plan are invested in IBL Pension Fund which includes a diversified portfolio of asset classes. In view of exposure to equities, some volatility in the return from one year to the other is expected.

(ii) As the fund is expected to produce a smooth return, a fairly reasonable indication of the future returns can be obtained by looking at historical ones. Therefore, the long term expected return on asset assumption has been based on historical performance of the fund.

(iii) The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at June 30, 2020.

(l) Employer's contributions to be paid in the next reporting period is estimated at Rs. 0.54m (2020: Rs. 1.5m) and the weighted average duration of the defined benefit obligation is 9 years. The funding policy is to pay benefits out of the reporting entity's cash flow as and when due. The plan entitles the employees to a lump sum and pension payments at retirement age.

(m) Risk Associated with the Plans

The Defined Benefit Plans expose the Company to actuarial risks such as interest rate risk and salary risk.

Interest rate risk

If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

Salary risk

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

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (continued)

FUNDED OBLIGATION (continued)

The Group and the Company (continued)

		2021 %	2020 %
(n)	The principal actuarial assumptions with respect to the Funded Scheme used for accounting purposes were:		
	Discount rate	**4.20**	3.40
	Expected return on plan assets	**4.20**	3.40
	Future guaranteed pension increase	**0.00**	0.00
	Future long term salary increase	**2.00**	4.00
	Post retirement mortality tables	**PA92**	PA92

UNFUNDED OBLIGATION

(o) The amounts recognised in the statement of financial position in respect of unfunded obligation are as follows:

		THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
	Present value of unfunded obligation	**12,305**	17,757	**12,193**	13,530
(p)	Movement in the liability recognised in the statement of financial position:				
	At July 01,	**17,757**	15,234	**13,530**	11,599
	Total expenses (note (q))	**1,646**	2,017	**1,435**	1,451
	Actuarial (gains)/losses recognised in other comprehensive income	**(3,185)**	506	**(2,772)**	480
	Payment	**(205)**	-	**-**	-
	Transfer on disposal of subsidiary (Note 6 (b))	**(3,708)**	-	**-**	-
	At June 30,	**12,305**	17,757	**12,193**	13,530
(q)	The amounts recognised in the statement of profit or loss are as follows:				
	Current service cost	**1,126**	1,145	**935**	790
	Interest cost	**520**	872	**500**	661
	Total included in staff costs	**1,646**	2,017	**1,435**	1,451
(r)	Amount recognised in other comprehensive income				
	Actuarial (gains)/losses	**989**	(4,595)	**1,257**	(3,510)
	Changes in assumptions	**(4,174)**	5,101	**(4,029)**	3,990
		(3,185)	506	**(2,772)**	480

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (continued)

UNFUNDED OBLIGATION (continued)

		THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
(s)	Changes in defined benefit obligation are as follows:				
	At July 01,	**17,757**	15,234	**13,530**	11,599
	Current service cost	**1,126**	1,145	**935**	790
	Interest cost	**520**	872	**500**	661
	Actuarial losses	**(3,185)**	506	**(2,772)**	480
	Payment	**(205)**	-	**-**	-
	Transfer on disposal of subsidiary (Note 6 (b))	**(3,708)**	-	**-**	-
	At June 30,	**12,305**	17,757	**12,193**	13,530
(t)	Sensitivity analysis				
	Decrease in defined benefit obligation due to 1% increase in discount rate	**2,606**	4,432	**2,573**	3,513
	Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**3,138**	4,045	**3,098**	3,284

(u) The principal actuarial assumptions with respect to the unfunded scheme used for accounting purposes were as follows:

	2021	2020
	%	%
Discount rate	**4.80**	3.70
Future salary increases	**2.50**	3.00

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

15. INTEREST BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank overdraft (note 29)	**77,406**	63,868	**73,299**	53,538
Bank loans (note (b))	**41**	23,465	**-**	16,939
Lease liabilities (note (a))	**9,536**	35,663	**5,422**	5,219
	86,983	122,996	**78,721**	75,696
Non-current				
Bank loans (note (b))	**308,287**	223,657	**305,387**	193,306
Lease liabilities (note (a))	**6,192**	331,894	**5,774**	11,215
	314,479	555,551	**311,161**	204,521
Total interest bearing loans and borrowings	**401,462**	678,547	**389,882**	280,217

(a) Lease Liabilities				
Lease liabilities - minimum lease payments:				
Within one year	**10,126**	58,530	**5,954**	6,092
Later than one year and not later than two years	**6,170**	55,789	**5,966**	5,953
Later than two years and not later than five years	**237**	140,213	**-**	5,966
Later than five years	**-**	249,911	**-**	-
	16,533	504,443	**11,920**	18,011
Future finance charges on leases	**(805)**	(136,887)	**(724)**	(1,577)
Present value of lease liabilities	**15,728**	367,556	**11,196**	16,434
The present value of lease liabilities may be analysed as follows:				
Within one year	**9,536**	34,876	**5,422**	5,239
Later than one year and not later than two years	**5,961**	34,676	**5,774**	5,422
Later than two years and not later than five years	**231**	89,308	**-**	5,773
Later than five years	**-**	208,696	**-**	-
	15,728	367,556	**11,196**	16,434

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

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

15. INTEREST BEARING LOANS AND BORROWINGS (continued)

(b) Bank loans can be analysed as follows:-

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loan repayable:				
- Within one year	**41**	23,465	**-**	16,939
- After one year and before two years	**29,070**	33,249	**28,575**	25,433
- After two years and before five years	**141,659**	101,327	**139,756**	78,791
- After five years	**137,558**	89,081	**137,056**	89,082
	308,328	247,122	**305,387**	210,245

			THE GROUP		THE COMPANY	
Denomination	**Effective interest rate**	**Maturity**	**2021**	2020	**2021**	2020
			Rs'000	Rs'000	**Rs'000**	Rs'000
EURO	EURO LIBOR +4%	Sep-29	**128,270**	115,628	**128,270**	115,628
MUR	Fixed rate 1.5%	Sep-24	**37,500**	-	**37,500**	-
GBP	Fixed rate 2.5%	Dec-26	**2,941**	-	**-**	-
MUR	PLR	Apr-32	**29,617**	29,617	**29,617**	29,617
MUR	PLR	Dec-24	**-**	26,477	**-**	-
MUR	PLR	Sep-30	**65,000**	65,000	**65,000**	65,000
MUR	6.65%	Jun-25	**-**	10,400	**-**	-
MUR	PLR	Jun-30	**45,000**	-	**45,000**	-
Total bank loans			**308,328**	247,122	**305,387**	210,245

(c) The movement on bank borrowings is as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**247,122**	218,881	**210,245**	177,280
Proceeds from new loans	**125,187**	40,400	**82,500**	30,000
Repayment long term borrowings	**(2,369)**	(24,939)	**(1,342)**	(9,816)
On disposal of subsidiary (note 6(b))	**(75,851)**	-	**-**	-
Exchange differences	**14,238**	12,780	**13,984**	12,781
At June 30,	**308,327**	247,122	**305,387**	210,245

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

16. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade and other payables				
Trade payables (note (i))	**86,984**	113,406	**83,650**	71,748
Accruals and other payables (note (ii))	**76,154**	55,376	**54,121**	39,859
Due to fellow subsidiaries (note 32)	**56,627**	68,219	**49,415**	54,117
Due to group companies (note 32)	**-**	-	**34,387**	9,944
	219,765	237,001	**221,573**	175,668
Financial guarantee contracts (note (v))	**85,309**	-	**85,309**	-
Contract liabilities (note (iv))	**-**	1,874	**-**	-

(i) Trade and other payables are non-interest bearing and are normally settled in the next financial year.

(ii) Accruals and other payables comprises mainly of provision for payroll related costs, accrued expenses and other provisions made in the normal course of business.

(iii) For terms and conditions relating to related parties, refer to Note 30.

(iv) *Contract liabilities*

The contract liabilities are in respect of deposits collected from customers for future stay in our hotels. During the year, an amount of Rs1.9M was recognised as revenue.

(v) *Financial guarantee contracts*

This is in respect of corporate guarantees given to third parties as well as a payment guarantee on a lease agreement entered on behalf of one subsidiary company. The subsidiary is presently under voluntary administration and management considered that these guarantees are more than likely to result in an actual liability for the Group and the Company.

The movement on the financial guarantee contracts was as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**-**	-	**-**	-
Expected credit losses recognised as a provision	**85,309**	-	**85,309**	-
At June, 30	**85,309**	-	**85,309**	-

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

17. TAXATION

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Income tax charge for the year				
Income tax charge	**1,106**	1,827	**-**	-
(Over)/under provision of tax in previous year	**(17)**	118	**-**	-
Deferred tax movement (Note 8(a))	**(21,455)**	(6,645)	**(23,775)**	(5,348)
Withholding tax	**15,314**	25,210	**11,369**	20,273
Income tax (credit)/charged	**(5,052)**	20,510	**(12,406)**	14,925
Reconciliation between tax expense and accounting profit is as follows:				
Loss before tax	**(245,777)**	(83,209)	**(276,737)**	(223,205)
Tax calculated at the rate of 17% (2020: 17%)	**(41,782)**	(14,146)	**(47,045)**	(37,945)
Effect of different tax rates (note (i))	**(5,877)**	(7,356)	**-**	-
Add expenses not deductible for tax purposes (note (iii))	**12,479**	2,964	**11,180**	1,797
Exempt income	**(7,821)**	(455)	**(4,393)**	(6,278)
(Over)/under provision of tax in previous year	**(17)**	118	**-**	-
Deferred tax assets not recognised	**-**	13,859	**-**	37,078
Unrecognised/(utilisation of unused) tax losses (note (ii))	**22,786**	(1,254)	**16,484**	-
Withholding tax (note (iv))	**15,314**	25,210	**11,368**	20,273
Tax impact on dividend from group companies	**-**	1,570	**-**	-
Tax rebate	**(134)**	-	**-**	-
Income tax (credit)/charged	**(5,052)**	20,510	**(12,406)**	14,925

(i) Different tax rates arise on the taxation of foreign units located overseas.

(ii) Tax losses utilised relates to tax losses in respect of Lux Hotel Management Shanghai Ltd, where every year part of the unused tax losses are utilised against tax charge arising for the year. This also includes tax losses recognised for deferred tax purposes as disclosed under note 8(a).

(iii) Non deductible expenses include mainly provisions and non-qualified expenses.

(iv) Withholding tax arise on the management fee charged to overseas hotels in Reunion Island and Maldives.

(b) Statement of financial position

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**724**	1,324	**-**	-
Charge for the year	**1,106**	1,827	**-**	-
(Over)/ under provision of tax in previous year	**(17)**	118	**-**	-
Withholding tax	**15,314**	25,210	**11,368**	20,273
Paid during the year	**(16,225)**	(27,891)	**(11,369)**	(20,273)
Exchange difference	**68**	136	**-**	-
At 30 June	**970**	724	**-**	-

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

18. LEASES

(a) Right of use assets

Group as a lessee

The Group has lease contracts for various plant, equipment and vehicles as well as buildings, with leases terms varying from 4 years to 10 years. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The Group has options to purchase certain equipment for a nominal amount at the end of the lease term.

The Group has also certain leases of equipment with lease terms of 12 months or less or/ and of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Below are the carrying amount of right-of-use assets recognised and the movements during the year for the Group and the Company.

THE GROUP	Land & Building Rs'000	Plant and Equipment Rs'000	Furniture & Fittings Rs'000	Computer Equipment Rs'000	Motor Vehicles Rs'000	Total Rs'000
COST						
At July 1, 2019						
- As previously reported	-	-	-	-	-	-
- Effect of adopting IFRS 16	353,318	-	-	-	-	353,318
- Transfer from PPE (note 4)	-	15,934	5,729	6,231	3,130	31,024
- As restated	353,318	15,934	5,729	6,231	3,130	384,342
New leases	21,151	-	-	771	-	21,922
Exchange difference	1,108	-	-	50	-	1,158
At June 30, 2020	**375,577**	**15,934**	**5,729**	**7,052**	**3,130**	**407,422**
Derecognised on termination	(7,101)	-	-	-	-	(7,101)
Transfer to PPE (note 4)	-	(7,094)	-	-	(3,130)	(10,224)
On disposal of subsidiary (note 6 (b))	(328,379)	(8,840)	(5,729)	(5,431)	-	(348,379)
Exchange difference	1,762	-	-	35	-	1,797
At June 30, 2021	**41,859**	**-**	**-**	**1,656**	**-**	**43,515**
AMORTISATION						
At July 1, 2019						
- As previously reported	-	-	-	-	-	-
- Transfer from PPE (note 4)	-	4,147	382	695	2,191	7,415
- As restated	-	4,147	382	695	2,191	7,415
Charge for the year	42,713	1,952	573	831	626	46,695
Exchange difference	459	-	-	8	-	467
At June 30, 2020	**43,172**	**6,099**	**955**	**1,534**	**2,817**	**54,577**
Charge for the year	33,628	1,511	382	522	13	36,056
Derecognised on termination	(1,787)	-	-	-	-	(1,787)
Transfer to PPE (note 4)	-	(5,379)	-	-	(2,830)	(8,209)
On disposal of subsidiary (note 6(b))	(48,252)	(2,231)	(1,337)	(1,099)	-	(52,919)
Exchange difference	1,227	-	-	24	-	1,251
At June 30, 2020	**27,988**	**-**	**-**	**981**	**-**	**28,969**
NET BOOK VALUE						
At June 30, 2021	**13,871**	**-**	**-**	**675**	**-**	**14,546**
At June 30, 2020	332,405	9,835	4,774	5,518	313	352,845

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

18. LEASES (continued)

(a) Right of use assets (Continued)

The Company as a lessee	Land & Building Rs'000	Computer Equipment Rs'000	Motor Vehicles Rs'000	Total Rs'000
COST				
At July 1, 2019				
- As previously reported	-	-	-	-
- Transfer from PPE (note 4)	-	800	3,130	3,930
- As restated	-	800	3,130	3,930
New leases	20,190	-	-	20,190
At June 30, 2020	**20,190**	**800**	**3,130**	**24,120**
Transfer to PPE (note 4)	-	-	(3,130)	(3,130)
At June 30, 2021	**20,190**	**800**	**-**	**20,990**
AMORTISATION				
At July 1, 2019				
- As previously reported	-	-	-	-
- Transfer from PPE (note 4)	-	333	2,191	2,524
- As restated	-	333	2,191	2,524
Charge for the year	5,044	160	626	5,830
At June 30, 2020	**5,044**	**493**	**2,817**	**8,354**
Charge for the year	5,048	160	13	5,221
Transfer to PPE (note 4)	-	-	(2,830)	(2,830)
At June 30, 2020	**10,092**	**653**	**-**	**10,745**
NET BOOK VALUE				
At June 30, 2021	**10,098**	**147**	**-**	**10,245**
At June 30, 2020	15,146	307	313	15,766

(b) Lease liabilities

The carrying amount of the lease liabilities (included under interest-bearing loans and borrowings) and the movement during the year is set out below.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
At July 1,				
- As previously reported	**367,556**	22,413	**16,434**	1,376
- Effect of adopting IFRS 16	**-**	353,318	**-**	-
- As restated	**367,556**	375,731	**16,434**	1,376
New leases during the year	**-**	22,922	**-**	20,190
Accretion of interest	**15,652**	25,298	**854**	1,184
Gains on rental concessions	**(13,501)**	(9,784)	**-**	-
Payments	**(39,538)**	(47,320)	**(6,092)**	(6,316)
On termination of leases	**(5,772)**	-	**-**	-
On disposal of subsidiary (note 6(b))	**(309,236)**	-	**-**	-
Exchange difference	**567**	709	**-**	-
As at June 30,	**15,728**	367,556	**11,196**	16,434

The maturity analysis of lease liabilities are disclosed in Note 15.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

18. LEASES (continued)

The following amounts have been recognised in the statement of profit or loss for the year:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amortisation of right-of-use assets	**36,056**	46,695	**5,221**	**5,830**
Interest expense on lease liabilities	**15,652**	25,298	**854**	**1,184**
Gains on rental concessions	**(13,501)**	(9,784)	**-**	**-**
Expenses relating to short-term leases (included in administrative expenses)	**2,257**	2,142	**-**	**444**
Expenses relating to leases of low-value assets (included in administrative expenses)	**1,086**	1,836	**943**	**1,465**
Total net amount recognised in profit or loss	**41,550**	66,187	**7,018**	**8,923**
Attributable to:				
- Continued operation	**20,412**	22,822	**7,018**	8,923
- Discontinued operation	**21,138**	43,365	**-**	-
	41,550	66,187	**7,018**	8,923

The following amounts are recognised in the statement of cash flows.

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Lease liability payments	**39,538**	22,022	**6,092**	5,132
Interest on lease liabilities	**15,652**	25,298	**854**	1,184
Short term/ low value operating lease payments	**3,343**	7,595	**943**	1,909
Total cash outflows	**54,915**	44,715	**8,225**	6,314

The Group had one lease contract that includes extension option throught a former subsidiary (Salt Hospitality Ltd). This option has been negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether the extension option is reasonable certain to be exercised.

Set out below is the undiscounted potential future rental payments relating to periods following the exercise date of the extension option that are not included in the lease term:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
More than five years				
Extension option expected not to be exercised	**-**	**627,872**	**-**	-

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

	THE GROUP		THE COMPANY	
	2021	2020 Re-stated*	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Hotel Services- Management and brand fees	**181,016**	436,537	**121,634**	381,098
Hotel Services- Marketing fee income	**-**	27,941	**-**	27,941
Other operations	**9,330**	43,464	**-**	-
Other administration and commission income	**1,048**	1,860	**-**	1,860
	191,394	509,802	**121,634**	410,899
Timing of revenue recognition				
- Products and services transferred at a point in time	**23,888**	50,372	**8,109**	30,623
- Products and services transferred over time	**167,506**	459,430	**113,525**	380,276
	191,394	509,802	**121,634**	410,899
Primary geographical market				
- Mauritius	**30,097**	328,916	**19,558**	294,413
- Maldives	**102,502**	112,364	**63,054**	62,994
- Reunion	**39,022**	51,606	**39,022**	51,606
- Others	**19,773**	16,916	**-**	1,886
	191,394	509,802	**121,634**	410,899

* Figures do not correspond to the 2020 financial statements and are re-presented for discontinued operations (note 6).

20. COST OF INVENTORIES

	THE GROUP		THE COMPANY	
	2021	2020 Re-stated*	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Food, beverages and room supplies	**6,103**	8,058	**-**	-

* Figures do not correspond to the 2020 financial statements and are re-presented for discontinued operations (note 6).

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

21. OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2021	2020 Re-stated*	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	**-**	-	**32,300**	46,173
Government Grant- GWAS	**22,218**	7,562	**21,499**	6,340
Foreign exchange gains	**11,281**	18,523	**9,233**	1,315
Profit on disposal of property, plant and equipment	**-**	40	**-**	-
Gain on rental concessions	**-**	64	**-**	-
Gain on derecognition of right of use assets	**458**	-	**-**	-
Recharge of administrative and logistic costs	**18,854**	14,332	**10,921**	11,854
Write back of creditors balances	**-**	2,349	**-**	-
Others **	**1,200**	2,149	**-**	203
	54,011	45,019	**73,953**	65,885

* Figures do not correspond to the 2020 financial statements and are re-presented for discontinued operations (note 6).

** Others include recharged for administrative costs to a related company as mutually agreed by the relevant parties.

22. EMPLOYEE BENEFIT EXPENSES

	THE GROUP		THE COMPANY	
	2021	2020 Re-stated*	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**282,745**	279,145	**144,304**	148,793
Social security costs	**13,018**	10,055	**5,858**	5,021
Pension costs:				
- Defined contribution scheme	**5,099**	7,691	**4,835**	7,828
- Defined benefit scheme (Note 14 (e))	**970**	706	**970**	706
- Other retirement benefit (Note 14 (q))	**1,646**	2,017	**1,435**	1,451
	303,478	299,614	**157,402**	163,799

* Figures do not correspond to the 2020 financial statements and are re-presented for discontinued operations (note 6).

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

23. DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
Depreciation on property, plant and equipment	**16,550**	19,164	**3,907**	4,461
Amortisation of right of use assets	**36,056**	46,695	**5,221**	5,830
Amortisation of intangible assets	**4,436**	6,556	**3,386**	3,067
	57,042	72,415	**12,514**	13,358
Attributable to:				
- Continuing operations	**29,634**	31,081	**12,514**	13,358
- Discontinued operation	**27,408**	41,334	**-**	-
	57,042	72,415	**12,514**	13,358

24. IMPAIRMENT LOSS ON NON-CURRENT ASSETS

The Group was seriously affected by the outbreak of the COVID-19 in the last year's second semester. With the consequential effect of the pandemic on the economic outlook of our main source market and challenges in the industry, management carried out a review of recoverable amount of one of its subsidiary, The SALT of Palmar's business unit plant and equipment and other assets, as there were indications of impairment. The review led to the recognition of an impairment loss of Rs29.4M, which has been recognised in the statement of profit or loss as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
Intangible assets	**-**	29,410	**-**	
	-	29,410	**-**	-
Attributable to:				
- Continuing operations	**-**	-	**-**	-
- Discontinued operation	**-**	29,410	**-**	-
	-	29,410	**-**	-

The recoverable amount as at June 30, 2020 was based on the value in use and was determined at the level of the CGU. In determining the value in use of the CGU, management has considered the following assumptions and judgement:

- the expected future cash flow based on reasonable assumptions and challenging conditions of the industry.
- pre-tax discount rate of 9.3% , which takes into account prevailing market conditions, risk and past performance of the business unit.
- the renew option under the lease contract would not be exercised at the end of the initial lease terms.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

25. EXPECTED CREDIT LOSS ALLOWANCE

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Movement on ECL for trade debtors	**(12,324)**	33,516	**(2,266)**	25,218
Movement on ECL for other receivables	**94,427**	-	**(34,573)**	129,000
Movement on ECL for financial guarantee contracts	**85,309**	-	**85,309**	-
	167,412	33,516	**48,470**	154,218
Attributable to:				
- Continued operation	**172,189**	29,578	**48,470**	154,218
- Discontinued operation	**(4,777)**	3,938	**-**	-
	167,412	33,516	**48,470**	154,218

26. OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
		Re-stated*		
	Rs'000	Rs'000	**Rs'000**	Rs'000
Utilities	**3,451**	5,380	**2,302**	2,476
Motor vehicle running expenses	**5,524**	4,971	**4,563**	4,254
Repairs and maintenance	**5,454**	5,162	**4,511**	4,720
Printing, postage and stationeries	**485**	923	**353**	747
Marketing expenses	**52,000**	133,958	**73,427**	166,036
Project costs	**951**	4,934	**951**	4,934
IT and communication expenses	**20,682**	31,588	**19,761**	29,643
Professional fees	**12,242**	15,500	**6,137**	8,463
Trade mark licences	**285**	2,357	**48**	1,319
Refund regional office costs	**-**	-	**110,595**	104,339
Insurance	**908**	1,085	**812**	941
Training cost	**2,394**	-	**2,394**	
Overseas travelling	**1,641**	16,648	**-**	4,500
Security expenses	**2,938**	1,747	**2,312**	1,238
Low value items and short term leases	**3,343**	7,001	**943**	1,909
Loss on disposal of PPE	**1,571**	-	**-**	-
Sundry expenses	**10,373**	18,867	**6,479**	15,414
	124,242	250,121	**235,588**	350,933

* Figures do not correspond to the 2020 financial statements and are re-presented for discontinued operations (note 6).

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

27. OPERATING LOSS

	THE GROUP		THE COMPANY	
	2021	2020 Re-stated*	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
The operating loss for the year is arrived at after				
crediting:				
Dividend income	-	-	**32,300**	46,173
and charging:				
(Profit)/Loss on disposal of property, plant and equipment	**1,571**	(40)	-	-
Depreciation and amortisation of non-current assets	**29,634**	31,081	12,514	13,358
Operating lease payment recognised as expense	**3,343**	7,001	**943**	1,909

* Figures do not correspond to the 2020 financial statements and are re-presented for discontinued operations (note 6).

28. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021	2020 Re-stated*	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on:				
- Bank overdraft	**3,303**	3,455	**3,298**	3,455
- Bank loan	**9,046**	7,443	**9,046**	7,443
- Finance charges on leases	**1,790**	2,672	**853**	1,184
Foreign exchange losses	**5,883**	4,710	**5,867**	4,301
Cash flow hedge released to profit or loss on repayment of loan	**(714)**	1,298	**(714)**	1,298
	19,308	19,578	**18,350**	17,681

* Figures do not correspond to the 2020 financial statements and are re-presented for discontinued operations (note 6).

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

29. NOTES TO THE STATEMENT OF CASH FLOWS

		THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
		Rs'000	Rs'000	**Rs'000**	Rs'000
(a)	**Cash and cash equivalents**				
	Bank overdraft (Note 15)	**(77,406)**	(63,868)	**(73,299)**	(53,538)
	Cash in hand and at bank	**52,528**	19,293	**47,736**	49
		(24,878)	(44,575)	**(25,563)**	(53,489)
(b)	**Non-cash transactions**				
(i)	Part of the acquisition of property, plant and equipment and intangible assets as follows:				
	Total amount acquired	**9,608**	7,253	**94**	1,173
	Financed by cash	**(9,608)**	(7,253)	**(94)**	(1,173)
	Amount financed by leases	**-**	-	**-**	-
(ii)	Part of the disposal of property, plant and equipment as follows:				
	Disposal consideration	**9,138**	208	**-**	-
	Cash received	**(2,220)**	(208)	**-**	-
	Deferred consideration (note 11)	**6,918**	-	**-**	-

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

30. RELATED PARTY DISCLOSURES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Related party transactions are as follows:				
Purchases of goods or services				
Subsidiaries	**-**	-	**110,595**	119,451
Entities over which directors have control/ significant influence	**10,173**	9,463	**9,738**	7,540
Sales of goods or services				
Subsidiaries	**-**	-	**1,209**	8,962
Fellow subsidiaries	**107,072**	412,171	**67,625**	362,800
Other income (dividend income)				
Subsidiaries	**-**	-	**32,300**	46,173
Amounts payable to related companies				
Subsidiaries	**-**	-	**34,387**	9,944
Fellow subsidiaries	**56,627**	68,219	**49,415**	54,117
Amounts receivable from related companies				
Subsidiaries	**-**	-	**26,233**	153,699
Fellow subsidiaries	**101,812**	29,697	**91,546**	11,810
Compensation to key management personnel	**94,387**	109,295	**35,361**	41,237

(a) Fellow subsidiaries are entities over which the ultimate holding company, IBL Ltd, exercises control.

(b) Amount receivable from fellow subsidiaries and amount due to fellow subsidiaries are interest free and repayable at call.

(c) Amount due to and receivable from subsidiaries are unsecured, interest free and settlement occurs in cash and there is no fixed repayment terms.

(d) Key management personnel includes executive directors and top level management personnel. The emoluments include contribution to pension scheme for post retirement benefit of Rs.0.6 million (2020: Rs. 0.7 million).

(e) An impairment provision of Rs 100.2m (2020: Rs129M) has been recognised on balances receivable from subsidiary companies while an amount of Rs 12m (2020: nil) has been recognised on balances receivable from fellow subsidiaries.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

31. LOSS PER SHARE

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Loss for the year from continuing operations	**(404,497)**	(103,719)
Profit/(loss) for the year from discontinued operations	**163,772**	(76,500)
	(240,725)	(180,219)
Weighted average number of ordinary shares during the year	**175,104,238**	156,082,273

No other class of shares or conversion options exist that have any dillutive effect on the weighted average number of shares.

Loss per share - Basic		
-From continuing operations	**(2.31)**	(0.66)
-From discontinued operations	**0.94**	(0.49)
Total loss per share - Basic	**(1.37)**	(1.15)
Loss per share - Diluted		
From continuing operations	**(2.31)**	(0.66)
From discontinued operations	**0.94**	(0.49)
Total loss per share - Diluted	**(1.37)**	(1.15)

32. CONTINGENT LIABILITIES

The Group and The Company

(a) Bank guarantees amounting to Rs 1.6m as at June 2021 (2020: Rs1.4M) given by the Company to a shipping company for custom clearance of marketing materials from which it is anticipated that no material losses will arise.

(b) Bank guarantees of up to Rs40.4M given on behalf of related company (former subsidiary) arising in the ordinary course of business. Refer to Note 16(v) for the expected credit losses on the financial guarantee contracts.

(c) Payment guarantee on a lease agreement entered into by a related company (former subsidiary) representing an unexpired commitment of Rs384M. Commitment in respect of past due rentals as at 30 June 2021, has been recognised as expected credit losses on the financial guarantee contracts for an amount of Rs37.3M (refer to Note 16(v)). Given the context of the restructuring of the related company, the Directors have assessed the implication of this guarantee on the Company's financial statements. Accordingly, the Directors consider that there will be no additional provision arising from this payment guarantee.

The Company

(d) The Company has issued a letter of financial support for one subsidiary which posted a net current liabilities situation last year which extends to at least the next 12 months from issue. Based on assessment made, the Directors consider that there will be no provision arising from this payment guarantee.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

33. ULTIMATE HOLDING COMPANY

The ultimate holding company is IBL Ltd, a listed company incorporated in Mauritius. The registered office is situated at 4th Floor, IBL House, Le Caudan Waterfront, Port Louis.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy has been re-adapted to the COVID-19 situation as more fully explained in the paragraph on liquidity risk below.

Gearing ratio

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Company includes within net debt, interest bearing loans and borrowings, less cash in hand and at bank. The Company's policy is to keep the gearing ratio below 45% in line with Group policy.

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Debt (i)	**401,462**	678,547	**389,882**	280,217
Cash in hand and at bank	**(52,528)**	(19,293)	**(47,736)**	(49)
Net debt	**348,934**	659,254	**342,146**	280,168
Equity (ii)	**(136,404)**	(64,236)	**(149,928)**	(52,573)
Total equity plus debt	**212,530**	595,018	**192,218**	227,595
Gearing ratio	**164%**	111%	**178%**	123%

(i) Debt is defined as long and short term borrowings, as disclosed in Note 15.
(ii) Equity includes all capital and reserves of the Group.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Financial assets at fair value through OCI	**4**	4	**-**	-
Financial assets at amortised cost	**198,778**	74,509	**188,757**	52,802
	198,782	74,513	**188,757**	52,802
Financial liabilities				
Financial guarantee contracts	**85,309**	-	**85,309**	-
Financial liabilities at amortised cost	**467,067**	864,685	**477,947**	417,221
	552,376	864,685	**563,256**	417,221

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Categories of financial instruments (continued)

Financial liabilities at amortised cost consist of trade and other payables and interest-bearing loans and borrowings.

At the reporting date there are no significant concentrations of credit risk for financial assets at amortised cost. The carrying amount reflected above represents the Group's maximum exposure to credit risk for the trade and other receivables.

Financial risk management

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

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposure. Foreign currency risk is managed primarily through borrowings denominated in the relevant foreign currencies.

The currency profile of the financial assets and financial liabilities at 30 June 2020 and 2021 is as follows:

	THE GROUP		THE COMPANY	
	Financial assets Rs'000	**Financial liabilities** Rs'000	**Financial assets Rs'000**	**Financial liabilities** Rs'000
30 June 2021				
Euro	**28,983**	**155,500**	**28,495**	**155,500**
US$	**84,469**	**16,602**	**82,747**	**16,410**
GBP	**535**	**12,313**	**-**	**5,473**
Mauritian Rupee	**39,242**	**330,745**	**77,515**	**383,603**
Others	**45,553**	**37,216**	**-**	**2,270**
Total	**198,782**	**552,376**	**188,757**	**563,256**
30 June 2020				
Euro	16,802	138,238	4,659	137,930
US$	17,343	24,876	14,006	23,484
GBP	14,364	12,508	-	10,500
Mauritian Rupee	19,223	674,278	34,137	243,430
Others	6,781	15,057	-	1,877
Total	74,513	864,957	52,802	417,221

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Sensitivity analysis

The following table details the Company's sensitivity to a 5% decrease in the Mauritian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and equity where the Mauritian Rupee depreciates 5% against the relevant currency. There would be an equal and opposite impact on the profit and equity, if the Mauritian Rupee strengthens by 5% against the relevant currency.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
EURO				
Effect on profit	**88**	(290)	**63**	(882)
Effect on equity	**(2,537)**	(5,781)	**(6,414)**	(5,781)
US$				
Effect on profit	**3,393**	(377)	**3,317**	(474)
Effect on equity	**-**	-	**-**	-
GBP				
Effect on profit	**(589)**	93	**(274)**	(525)
Effect on equity	**-**	-	**-**	-

Interest rate risk

The Group is exposed to interest rate risk, as entities in the Group borrows funds at variable interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rates borrowings.

The Group analyses its interest rate exposure on a dynamic basis. The Group considers various scenarios in assessing its interest rate exposure, including refinancing, renewal of existing facilities, alternative financing and hedging. Based on these scenarios, the Group calculates the sensitivity of the Group's profit before tax to a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Interest rate sensitivity analysis

Based on the simulation performed, the impact on pre-tax loss of an increase/decrease of 1% in the average interest rate for the year, with all other variables held constant, would be to decrease/increase loss before tax by Rs.3,452,901 (2020: Rs. 2,533,829).

Credit risk

The Group's credit risk is primarily attributable to its trade receivables and financial guarantees given. The amounts presented at the reporting date are net of allowances for credit losses, estimated by the Group's management based on prior experience and the current economic environment.

The Group's main source of income represent management fees receivable from related companies for hotel management services and from Tour operators and on-line travel agents for hotel operation and others. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to clients with an appropriate credit history.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Expected credit losses on trade receivables is based on simplified approach while that on balances due from subsidiaries/ fellow subsidiaries/ related company is based on the general approach. In respect of the trade receivable and trade receivables due from related companies, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The provisions are based on days past due for groupings of the customer segment with similar loss patterns (i.e. Tour Operators, Ground Handlers, Online Travel Agents, customers with special credit agreements). The calculation reflects the probability-weighted outcome that is available at the reporting date about past events, current conditions and future economic conditions. Generally trade receivables are written-off if past due for more than one year except for customers with special credit agreement.

The trade and other receivable exposure to credit risk is set out below:

THE GROUP

30 June 2021	**Total Rs'000**	**Current Rs'000**	**<30 days Rs'000**	**<60 days Rs'000**	**<90 days Rs'000**	**>90 days Rs'000**
Expected credit loss rate	**15%**	**0%**	**9%**	**14%**	**16%**	**19%**
Carrying amount	**157,149**	**20,825**	**8,365**	**9,420**	**38,252**	**80,287**
Expected credit loss	**23,074**	**-**	**719**	**1,326**	**6,011**	**15,018**

30 June 2020	Total Rs	Current Rs	<30 days Rs	<60 days Rs	<90 days Rs	>90 days Rs
Expected credit loss rate	43%	0%	0%	0%	0%	51%
Carrying amount	85,207	7,616	110	843	4,483	72,155
Expected credit loss	37,012	-	-	-	-	37,012

THE COMPANY

30 June 2021	**Total Rs'000**	**Current Rs'000**	**<30 days Rs'000**	**<60 days Rs'000**	**<90 days Rs'000**	**>90 days Rs'000**
Expected credit loss rate	**14%**	**0%**	**4%**	**6%**	**14%**	**23%**
Carrying amount	**159,844**	**16,067**	**18,634**	**14,827**	**49,814**	**60,502**
Expected credit loss	**22,952**	**-**	**735**	**931**	**7,149**	**14,137**

30 June 2020	Total Rs'000	Current Rs'000	<30 days Rs'000	<60 days Rs'000	<90 days Rs'000	>90 days Rs'000
Expected credit loss rate	76%	0%	0%	0%	100%	82%
Carrying amount	75,027	24,376	84	733	40,339	9,495
Expected credit loss	25,218	-	-	-	15,723	9,495

Cash and cash equivalent which are neither past due nor impaired are placed with or entered into with reputable financial institutions, with no history of default. Counterparty credit limits are reviewed by the directors throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

In addition, the Group is exposed to credit risk in relation to corporate guarantees given to third parties as well as a payment guarantee on a lease agreement entered on behalf of one subsidiary company. The subsidiary is presently under voluntary administration and management considered that these guarantees are in default stage and therefore Lifetime ECL has been provided on credit-impaired financial guarantee contracts. The gross carrying amount represents the maximum amount the Group/Company have guaranteed under the respective contracts, and this equals the net loss allowance recognised for these contracts.

During the year, following the COVID-19 crisis, the balances due from other related company (other receivables) was considered as having shown a significant increase in credit risk (SICR) and has been assessed as credit impaired with a probability of default of 100%. As the recoverable was nil, the lifetime expected credit loss was on the full amount of Rs 94.4m.

Overall the changes in loss allowance is mainly due to receivable from related companies originated during the year of Rs 106.4m mitigated by derecognition of trade receivables that have been recovered for Rs 24.3m.

Liquidity risk

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 reliable credit lines available.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. The tool considers the maturity of both its financial assets and projected cash flows from operation.

The COVID-19 Pandemic outbreak of early 2020 continued to affect the hospitality sector, with travel restrictions and other barriers affecting the demand side and thus impacting the liquidity position of the Group and the Company.

A number of measures introduced during FY 2020 have been maintained in order to preserve the liquidity position of the Group and the Company and include the followings:

- strategies to reduce non-essential costs
- a voluntary pay reduction scheme for employees earning above Rs50,000
- postponing non-essential building and system maintenance
- minimising fixed costs and cutting non-essential services
- rescheduling of loans repayments
- manage payment to suppliers
- apply for all available financial assistance and relief
- closed monitoring of cash flow forecast, with base and downside scenarios to react promptly to meet lending covenants

Despite the adverse impact of the pandemic, management is satisfied that no loan covenants have been breached.

The Company has successfully carried out a right issue during the year, which was fully subscribed for Rs175M and successfully arranged for a loan facility of Rs250M, out of which Rs45M was disbursed prior to June 30, 2021. The drawdowns of the loan are being closely monitored, based on updated cash flow forecast to ensure the Group and the Company maintain its liquidity position until full recovery from the COVID-19 pandemic.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The Directors are aware that there remain significant uncertainties regarding around when the hospitality sector will fully recover from the pandemic, however the successful vaccination campaigns in our main feeder markets as well as the lifting of travel restrictions as from 1st October 2021, in our main destination, Mauritius, are all positive improvements from previous financial years.

With the positive outcome of the termination of one Hotel Management Agreement, after the reporting date and the available loan facilites arranged for, the Directors are confident and satisfied that the Company have arranged for adequate resources to be available to continue operating in the near future until the hospitality sector recovered to a sustainable level.

Liquidity and interest risk tables

The Group's objective is to maintain a flexibility between continuity of funding and flexibility through the use of bank overdraft, bank loans and finance leases.

The amounts included in the following table for financial guarantee contracts are the maximum amount the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee (see note 16). Based on expectations at the end of the reporting period, the Group considers that it is more likely that the full amount will be payable under the arrangement.

Liquidity and interest rate risk tables - financial liabilities - undiscounted

	THE GROUP						
Financial Liabilities	Weighted average effective interest rate %	Less than 1 month Rs'000	1 to 3 months Rs'000	3 months to 1 year Rs'000	1 to 5 years Rs'000	More than 5 years Rs'000	Total Rs'000
30 June 2021							
Non-interest bearing liabilities		**65,605**	**-**	**-**	**-**	**-**	**65,605**
Fixed rate instruments	**1.63%**	**46**	**2,624**	**8,070**	**47,607**	**574**	**58,921**
Financial guarantee contracts		**-**	**-**	**-**	**85,309**	**-**	**85,309**
Variable rate instruments	**3.30%**	**78,350**	**1,858**	**8,314**	**165,248**	**148,743**	**402,513**
		144,001	**4,482**	**16,384**	**298,164**	**149,317**	**612,348**
30 June 2020							
Non-interest bearing liabilities		186,138	-	-	-	-	186,138
Fixed rate instruments	6.23%	203	15,038	45,722	455,645	-	516,608
Variable interest rate instruments	4.41%	64,701	1,640	28,702	151,323	95,687	342,053
		251,042	16,678	74,424	606,968	95,687	1,044,799

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

Fair value of financial instruments

Except where stated elsewhere, the carrying amounts of the Group's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved. The interest-bearing loans and borrowings' carrying amounts approximate their fair values. They are classified as level 2 items in the fair value hierarchy, with the significant input in determining fair value being the applicable interest rates. The technique used to determine the fair value is the discounted cash flow method."

THE COMPANY

Financial Liabilities	Weighted average effective interest rate %	Less than 1 month Rs'000	1 to 3 months Rs'000	3 months to 1 year Rs'000	1 to 5 years Rs'000	More than 5 years Rs'000	Total Rs'000
30 June 2021							
Non-interest bearing liabilities		**173,374**	**-**	**-**	**-**	**-**	**173,374**
Fixed rate instruments	**7.96%**	**542**	**1,085**	**5,385**	**44,661**	**-**	**51,673**
Financial guarantee contracts		**-**	**-**	**-**	**85,309**	**-**	**85,309**
Variable rate instruments	**3.50%**	**74,243**	**1,858**	**8,314**	**165,248**	**148,743**	**398,406**
		248,159	**2,943**	**13,699**	**295,218**	**148,743**	**708,762**
30 June 2020							
Non-interest bearing liabilities		137,004	-	-	-	-	137,004
Fixed rate instruments	6.23%	508	1,015	4,569	11,919	-	18,011
Variable rate instruments	4.41%	54,279	1,459	23,225	127,944	95,687	302,594
		191,791	2,474	27,794	139,863	95,687	457,609

Fair value of financial instruments

Except where stated elsewhere, the carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved. The interest-bearing loans and borrowings' carrying amounts approximate their fair values. They are classified as level 2 items in the fair value hierarchy, with the significant input in determining fair value being the applicable interest rates. The technique used to determine the fair value is the discounted cash flow method."

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value of financial instruments (continued)

A summary of the carrying amounts and fair values of the financial instruments at 30 June 2021 and 30 June 2020 are as follows:

		THE GROUP			
		2021		2020	
	Fair value hierarchy	**Carrying value Rs'000**	**Fair value Rs'000**	Carrying value Rs'000	Fair value Rs'000
Financial assets:					
Financial assets at fair value through other comprehensive income	Level 1	**4**	**4**	4	4
Trade and other receivables	Level 2	**146,250**	**146,250**	55,216	55,216
Cash in hand and at banks	Level 2	**52,528**	**52,528**	19,293	19,293
		198,782	**198,782**	74,513	74,513
Financial liabilities:					
Interest-bearing loans and borrowings	Level 2	**401,462**	**401,462**	678,547	678,547
Trade and other payables	Level 2	**65,605**	**65,605**	186,138	186,138
		467,067	**467,067**	864,685	864,685

		THE GROUP			
		2021		2020	
	Fair value hierarchy	**Carrying value Rs'000**	**Fair value Rs'000**	Carrying value Rs'000	Fair value Rs'000
Financial assets:					
Trade and other receivables	Level 2	**141,021**	**141,021**	52,753	52,753
Cash in hand and at banks	Level 2	**47,736**	**47,736**	49	49
		188,757	**188,757**	52,802	52,802
Financial liabilities:					
Interest-bearing loans and borrowings	Level 2	**389,882**	**389,882**	280,217	280,217
Trade and other payables	Level 2	**88,065**	**88,065**	137,004	137,004
		477,947	**477,947**	417,221	417,221

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There has been no transfers between the hierarchy levels in the current and prior year.

Notes To The Financial Statements (continued)

FOR THE YEAR ENDED JUNE 30, 2021

35. EVENTS AFTER THE REPORTING DATE

After the reporting date, the Group received a termination notice of one Hotel Management Agreement (HMA) for a hotel in Maldives. Negotiations, on compensations payable under the HMA ended with the signing of a Deed of Termination of HMA on 30 August 2021.

The deed of termination of the HMA fixes the effective termination date to 29 September 2021 and provides for the following payments as full and final settlement for all obligations, claims and liabilities under the HMA:

- refund of unexpired portion of contract asset advance to the client as at termination date;
- full settlement of any sum due on branding, management, marketing and incentive fees up to 29 September 2021;
- full termination compensation fee computed in accordance with the provision of the HMA.

Notice To Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of the Company will be held at its Registered Office, Pierre Simonet Street, Floréal, on Friday 17th December 2021 at 9.30 with the following agenda:

Resolutions

1. To consider and approve the audited financial statements for the year ended 30th June 2021
2. To receive the auditors report
3. To consider the annual report
4. To re-elect Mr Arnaud Lagesse as Director of the Company **
5. To re-elect Mr Paul Jones as Director of the Company, as per section 138 of the Companies Act 2001 **
6. To re-elect Mr Scott J. Woroch as Director of the Company **
7. To re-elect Mr Julian Hagger as Director of the Company **
8. To re-elect Mr Alexis Harel as Director of the Company **
9. To re-elect Mr Jean de Fondaumière as Director of the Company **
10. 1To re-elect Mr Hans Olbertz as Director of the Company **
11. To re- elect Mr David Amsellem as Director of the Company **
12. To ratify the remuneration paid to the auditors for the year ended 30th June 2021
13. To appoint the auditors under Section 200 of the Companies Act 2001 and to authorise the Board to fix their remuneration
14. To approve the remuneration of the Non- Executive Directors for the year ended 30th June 2021

By Order of the Board

IBL Management Ltd
Company Secretary

27th October 2021

** Biography of the directors can be found at pages 10 - 13.

A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a shareholder company, by way of a written board resolution), whether a member or not, to attend and vote on his behalf.

The instrument appointing a proxy, any general power of attorney or the written resolution appointing a representative should reach the registered office of the Company, Pierre Simonet Street, Floréal, Mauritius, not less than twenty four hours before the time appointed for the holding of the meeting or adjourned meeting. In default, the instrument of proxy shall not be treated as valid.

A proxy form is included in this annual report and is also available at the registered office of the Company.

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 and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 18.11.2021.

The Board of The Lux Collective Ltd accepts full responsibility for the accuracy of the information contained in this notice.

Proxy Form

I/We

of

being a shareholder of The Lux Collective Ltd hereby appoint

of

or failing him/her,

of

or failing him/her the Chairperson of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of Shareholders of the Company to be held at the Registered Office, Pierre Simonet Street, Floréal on Friday 17th December 2021 commencing at 9.30 and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner:

	Resolutions	For	Against	Abstain
1	To consider and approve the audited financial statements for the year ended 30th June 2021	☐	☐	☐
2	To receive the auditors report	☐	☐	☐
3	To consider the annual report	☐	☐	☐
4	To re-elect Mr Arnaud Lagesse as Director of the Company **	☐	☐	☐
5	To re-elect Mr Paul Jones as Director of the Company ** as per section 138 of the Companies Act 2001	☐	☐	☐
6	To re-elect Mr Scott J. Woroch as Director of the Company **	☐	☐	☐
7	To re-elect Mr Julian Hagger as Director of the Company **	☐	☐	☐
8	To re-elect Mr Alexis Harel as Director of the Company **	☐	☐	☐
9	To re-elect Mr Jean de Fondaumière as Director of the Company **	☐	☐	☐
10	To re-elect Mr Hans Olbertz as Director of the Company **	☐	☐	☐
11	To re-elect Mr David Amsellem as Director of the Company **	☐	☐	☐
12	To ratify the remuneration paid to the auditors for the year ended 30th June 2021	☐	☐	☐
13	To appoint the auditors under Section 200 of the Companies Act 2001 and to authorise the Board to fix their remuneration	☐	☐	☐
14	To approve the remuneration of the Non- Executive Directors for the year ended 30th June 2021	☐	☐	☐

Signed this Signature

Registered Office - Pierre Simonet Street Floréal

ANNEX 1: GRI Standards Content Index

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standard	Index Disclosure		Page References and Remarks 2020	Mapping with Sustainable Development Goals (SDGs)
GRI STANDARD DISCLOSURES 'in accordance' Core option GRI 101: Foundation 2016				SDG 8
GRI 102 General Disclosures 2016	102-1	Name of the organization	Page 1	
	102-2	Primary brands, products, and services.	Pages 25 - 31	
	102-3	Location of the organization's headquarters.	Page 7	
	102-4	Number of countries where the organization operates	Pages 19 - 21	
	102-5	Nature of ownership and legal form	Page 5	
	102-6	Markets served, and types of customers and beneficiaries	CEO's Report Pages 18 - 23	
	102-7	Scale of the organisation	Pages 4 - 5 and Pages 36 -37	
	102-8	Total number of employees by employment contract, gender and region	Page 85	
	102-9	Description of supply chain	CEO's Report Pages 18 - 23	
	102-10	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain		
	102-11	Whether and how the precautionary approach or principle is addressed by the organisation	Pages 75 - 80, 84 - 85	
	102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Pages 77 - 87 - 89	
	102-13	Memberships in associations and national/ international advocacy organisations		

GRI Standard	Index Disclosure		Page References and Remarks	Mapping with Sustainable Development Goals (SDGs)
GRI 102 General Disclosures 2016	102-14	Statement from senior decision-maker about the relevance of sustainability and organisation's strategy	Chairperson's Statement Pages 15 - 17	SDG 8
	102-15	Key impacts, risks, and opportunities	Pages 63 - 69	
	102-16	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Page 60	
	102-18	Governance structure of the organisation, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts.	Pages 54 - 59	
	102-40	List of stakeholder groups engaged by the organisation	Pages 76 - 77	
	102-41	Percentage of total employees covered by collective bargaining agreements	Page 83	
	102-42	Basis for identification and selection of stakeholders with whom to engage	Pages 34 - 35	
	102-43	Organisation's approach to stakeholder engagement	Page 52	
	102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Pages 76 - 77	
	102-45	All entities included in the organisation's consolidated financial statements or equivalent documents	Page 4 , Page 23	
	102-46	Process for defining the report content and the Topic Boundaries; and how the organisation has implemented the Reporting Principles for Defining Report Content	Page 79	
	102-47	All the material topics identified in the process for defining report content.		
	102-48	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No restatements for the FY 20-21 report	

GRI Standard	Index Disclosure		Page References and Remarks	Mapping with Sustainable Development Goals (SDGs)
GRI 102 General Disclosures 2016	102-49	Significant changes from previous reporting periods in the Scope and Topic Boundaries	No significant changes in Scope or Topic Boundaries	SDG 8
	102-50	Reporting period for information provided	Page 1	
	102-51	Date of most recent previous report	THE LUX COLLECTIVE LTD AND ITS SUBSIDIARIES - INTEGRATED ANNUAL REPORT 2020	
	102-52	Reporting cycle	Page 79	
	102-53	Contact point for questions regarding the report or its contents	evita.fakun@theluxcollective.com	
	102-55	GRI Index with “in accordance” option chosen and references to External Assurance Reports	Pages 165	
	102-54	Claims of reporting in accordance with the GRI Standards	Pages 75	
	102-56	Organisation’s policy and current practice with regard to seeking external assurance for the report	Pages 79	

GRI Standard	Index Disclosure		Page References and Remarks	Mapping with Sustainable Development Goals (SDGs)
Material Topics *This reference to GRI 103: Management Approach 2016 and Disclosures 103-1, 103-2 and 103-3 applies to all material topics covered by the topic-specific GRI Standards listed below.*				
GRI 103 Management Approach 2016	103-1	Explanation of Material Topic and its boundaries	Page 75 The Lux Collective Ltd follows reporting principles of Materiality, Completeness, Balance, Compatibility, Accuracy, Timeliness, Clarity, Reliability and Stakeholder Inclusiveness. The GRI topics that are material to LIR as reported in this index are: health & safety, water, corporate governance, emissions, energy, waste, anti-corruption, service quality, team members' engagement, customer privacy, economic performance, local communities, biodiversity, public policy, environmental compliance, training & education, child labour, freedom of association, forced or compulsory labour, human rights, employment & labour, non-discrimination, market presence, effluents, procurement practices, socio-economic compliance, supplier social assessment.	SDG 8
	103-2	The Management Approach and its Components		
	103-3	Evaluation of the Management Approach		

GRI Standard	Index Disclosure		Page References and Remarks	Mapping with Sustainable Development Goals (SDGs)
SPECIFIC STANDARD DISCLOSURES ENVIRONMENT				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Page 85	SDG 8
	302-2	Energy consumption outside of the organization		
	302-3	Energy intensity		
	302-4	Reduction of energy consumption		
	302-5	Reductions in energy requirements of products and services		
GRI 303: Water 2016	303-1	Total water withdrawal by source	Page 85	SDGs 3,12, 13,14,15
	303-2	Water sources significantly affected by withdrawal of water		
GRI 304: Biodiversity 2016	304-3	Biodiversity	Page 79 - 88	SDGs 14,15
GRI 305: Emissions 2016	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)in metric tons of CO_2 equivalent	Pages 84 - 85	SDG 13
	305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2):		
	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)		
	305-4	Greenhouse gas (GHG) emissions intensity ratio: direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3).		
	305-5	Reduction of greenhouse gas (GHG) emissions		
GRI 306: Effluents & Waste 2016	306-1	Total water discharge by quality and destination	Page 85	SDGs 3,6,12
	306-2	Total weight of waste by type and disposal method		
SOCIAL				
HUMAN RIGHTS				
GRI 412: Human Rights Assessment 2016	412-2	Total hours of employee training on human rights policies or procedures	Pages 84	SDG 8
GRI 406: Non-discrimination 2016	406-1	Total number of incidents of discrimination and corrective actions taken		

GRI Standard	Index Disclosure		Page References and Remarks	Mapping with Sustainable Development Goals (SDGs)
LABOR PRACTICES & DECENT WORK				
GRI 401: Employment 2016	401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Pages 83	
GRI 403: Occupational Health and Safety 2016	403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Pages 83	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee by gender, and by employee category	Page 48	SDG 8
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group	Page 83	
	405-2	Ratio of basic salary and remuneration of women to men by employee category		
SOCIETY				
GRI 413: Local Communities 2016	413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Page 89	SDGs 1,2,3,4, 5,14,15,16,17
ECONOMIC				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 89	SDGs 2,5,7,8,9
	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Pages 84 - 85	SDG 13

Notes

Notes

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