WE MAKE EACH MOMENT MATTER

WE CARE ABOUT WHAT MATTERS

2020 Integrated Annual Report

The Lux Collective LTD and its subsidiaries

THE LUX COLLECTIVE

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 2020. This report was approved by the Board of Directors on 16 November 2020.

ARNAUD LAGESSE
Chairman

Our Purpose

WE MAKE EACH MOMENT MATTER WE CARE ABOUT WHAT MATTERS

CONTENTS

OUR HOSPITALITY BRANDS

THE LUX COLLECTIVE

	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.

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THE LUX COLLECTIVE

THE LUX COLLECTIVE LTD

- 100% — **LUX ISLAND RESORTS (SEYCHELLES) LTD** — MANAGEMENT COMPANY
- 100% — **LIRTA LTD** — TRAINING ACADEMY
- 100% — **ISLAND LIGHT VACATIONS LTD** — ONLINE TOUR OPERATOR
- 100% — **LUX HOTEL MANAGEMENT (SHANGHAI) CO LTD** — MANAGEMENT COMPANY
- 100% — **SALT HOSPITALITY LTD** — OPERATOR SALT OF PALMAR
- 100% — **PALM BOUTIQUE HOTEL LTD** — BOUTIQUE OPERATOR
- 100% — **THE LUX COLLECTIVE PTE LTD** — SINGAPORE OFFICE
- 100% — **CAFÉ LUX LTD** — OPERATOR CAFÉ LUX*
- 100% — **LUX ISLAND RESORTS (UK) LTD** — LONDON OFFICE

BOARD AND COMMITTEES

Board of Directors

Directors

Arnaud Lagesse *(Chairman)*
Paul Jones *(Chief Executive Officer)*
Hans Olbertz
Jean de Fondaumière
Alexis Harel
Julian Hagger
Scott J. Woroch
David Amsellem *(appointed on* 30.04.2020)
Karen Lai Yong *(resigned on 17.01.2020)*
Marie-Laure Ah-You *(resigned on 17.01.2020)*
Christof Zuber *(deceased in February 2020)*

Audit and Risk Committee

Jean de Fondaumière
Alexis Harel
Hans Olbertz

Corporate Governance and Nomination Committee

David Amsellem *(appointed as Chairman on 21.10.2020)*
Arnaud Lagesse
Alexis Harel

Remuneration Committee

David Amsellem *(appointed as Chairman on 21.10.2020)*
Arnaud Lagesse
Alexis Harel
Jean de Fondaumière

Company Secretary

IBL Management Ltd

Registered office

58, Pierre Simonet Street Floreal, Mauritius

Alternate Directors

Dev Poolovadoo
Dominik Ruhl *(resigned on 17.01.2020)*

MANAGEMENT

Management and 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 Yong – Senior Vice President – Global Business Development
Nitesh Pandey – Chief Operating Officer – Asia Pacific
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 & E-Distribution
Kerensa Langitan – Group Spa & Wellness Manager
Maggie Derblay- Group Wellbeing, Health & Fitness Manager
Smita Modak – Group Training Manager
Evita Fakun – Group Sustainability & CSR Executive
Ashish Modak – Regional General Manager – LUX* Belle Mare, LUX* Grand Gaube & LUX* Grand Baie
Jérémie de Fombelle – General Manager – LUX* Le Morne
Frits Hannenberg – General Manager – LUX* Grand Gaube
Steven Phillips – General Manager – LUX* Grand Baie
John Rogers – General Manager – LUX* North Malé Atoll
Mohamed Mamoun – Resort Manager – LUX* South Ari Atoll
Raj Reedoy – General Manager – SALT of Palmar
Stephan Anseline – General Manager – Tamassa
Patrice Hudebine – Acting General Manager – LUX* Saint Gilles

Legal Advisors

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)
The Mauritius Commercial Bank Ltd

DIRECTORSHIP

	CAFÉ LUX LTD	ISLAND LIGHT VACATIONS LTD	LIRTA LTD	LUX HOTEL MANAGEMENT (SHANGHAI) CO LTD		LUX ISLAND RESORTS SEYCHELLES LTD	LUX ISLAND RESORTS (UK) LIMITED	PALM BOUTIQUE HOTEL LTD	SALT HOSPITALITY LTD	THE LUX COLLECTIVE LTD	THE LUX COLLECTIVE PTE LTD
Ah-You Marie-Laure	•			•							•
Amsellem David										•	
Autrey Nicolas			•								
De Fondaumière Jean										•	
Hagger Julian				•					•	•	
Harel Alexis										•	
Hoareau Daniela						•					
Germain Stéphanie						•					
Jones Paul	•	•	•	•			•	•	•	•	•
Julie Bernadette Suzanne (Alternate to Daniela Hoareau and Stéphanie Germain)						•					
Lagesse Arnaud	•	•				•	•	•	•	•	•
Olbertz Hans										•	
Thumiah Ruben			•								
Valet Guillaume		•						•			
Woroch Scott J.										•	
Zuber Christof (deceased in February 2020)										•	
Poolovadoo Dev (Alternate to Julian Hagger)								•			

DIRECTORS' PROFILES

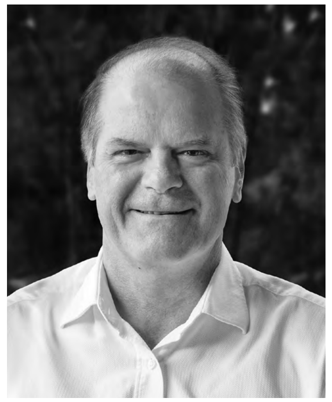
JULIAN HAGGER EXECUTIVE DIRECTOR

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 Swiss 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

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 Chairman of the Audit Committee in April 2004, then as Chairman 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.

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 years until he retired as the CEO of the Swan Group at the end of 2006. He is a past Chairman 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 Chairman of the Audit and Risk Committee, and member of the Remuneration Committee.

Directorship in Mauritian listed companies: Constance La Gaieté Company Ltd.

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:

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

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

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

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

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

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 in 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 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

PAUL JONES EXECUTIVE DIRECTOR

With more than 4 decades of international hotel management experience, Paul Jones joined LUX* in 2010, where he quickly established his mark as a charismatic leader with a unique and passionate approach to hospitality management, centered around People, Culture and Service.

Paul Jones' rich career covers various key leadership positions, having served for almost 20 years as Managing Director of the Sun Resorts Group, and later, as President of One&Only Resorts & Hotels, where he was instrumental in successfully launching and growing the brand on a global basis.

Recognized as a leading figure in the establishment and development of the hotel and tourism industry in Mauritius, Paul Jones was conferred the Dignity of Companion of the Order of Saint Michael and Saint George 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 Jones directly overseas the Company's overall strategic direction, spearheading the Group's global development plans. He is personally involved in every aspect of the business ensuring that the concept development of each new property not only respects the ethos of the four brands: LUX*, Tamassa, SALT and Socio, but is also innovative and differentiated.

He successfully completed the Final Membership of the HCIMA at 'Courtfield', part of Blackpool Technical College and holds an MBA with distinction from the University of Surrey. He followed the Program for Management Development (PMD) at Harvard Business School.

He is a Fellow of the Institute of Hospitality in the UK.

He was appointed as Chief Executive Officer of the Group on 1st October 2010. Following the separation of the Management Company, The Lux Collective Ltd, from the real estate and property holding company, Lux Island Resorts Ltd, in January 2019, Mr Paul Jones remained the Chief Executive Officer of the Management Company, The Lux Collective Ltd.

Directorship in Mauritian listed companies: none

CHAIRMAN'S STATEMENT

Dear stakeholder,

Over the past year, the world's travel and tourism industry has come under extraordinary pressure from a health and economic crisis of historic proportions. The Covid-19 pandemic has brought international travel to a virtual standstill. The United Nations World Tourism Organisation estimates that demand for air travel fell by 67% worldwide in the first half of the year. At current rates, international arrivals are set to decline by around 70% for 2020 overall.

Like most other hospitality groups, The Lux Collective (TLC) has been deeply affected by this crisis. Our results have been more severely impacted than at any other time in our history, and all of our destinations, without exception, have felt the pandemic's devastating effects. Yet, thanks to years of sound planning and financial management, our Company's foundations going into this crisis remain strong. Our people have come together and risen to this challenge as never before. Though the situation remains fluid and the outlook uncertain, I have full confidence in TLC's ability to emerge from this difficult period stronger and more competitive, ready to capitalise on the travel and tourism sector's future recovery.

Positioned for growth

TLC separated from Lux Island Resorts, our sister property management and development entity, in FY 2018. Our resulting positioning as an asset-light management company, alongside our headquarters' relocation to Singapore, have given us the agility and flexibility to pursue new management contracts, mainly across Asia and the Indian Ocean region. In China alone, TLC signed 4 new projects along the LUX* Tea Horse Road during the FY19-20 (including a cluster of 4 small retreats), all scheduled to open between Oct 20 - Jul 21.

TLC currently manages 13 properties and is home to a portfolio of well-established brands that include:

- LUX* Resorts & Hotels, an award-winning luxury hotel brand that consistently ranks among the top 25 worldwide,
- SALT, a unique, eco-friendly, designer boutique hotel brand, which despite a slightly challenging start, has broken new ground with its concept and marketing approach,
- Tamassa, a well-established 4-star, family-style hotel brand,
- SOCIO, a new urban resort concept due to open in Mauritius in 2022, and
- Café LUX*, a franchise offering premium coffee and related products.

Performance

While TLC's new strategy and business model has started to bear fruit, with our Company enjoying excellent results between June 2019 and February 2020, the Covid-19 pandemic began to have a substantial impact on our performance from the first quarter of 2020 onwards. The crisis affected us in stages, with our operations in China being impacted first, followed by an abrupt decline in tourist arrivals and occupancy rates in both Mauritius and the Maldives between February and March.

TLC proactively took immediate measures to secure our cash flow and reduce operating costs. We also sought support from the national authorities where help was available and obtained substantial concessions from our banking partners.

While these efforts have helped to mitigate the impact of Covid-19 on our business so far, they have unfortunately not prevented losses for the year under review.

Financial results as at June 30, 2020:

Total Revenue
Rs 701M

Operating Loss
Rs 113M

Managing the Covid-19 crisis

Throughout this crisis, TLC's priorities have been to:

- Ensure the safety of our team members and our guests,
- Safeguard our business and our 3000+ team members' jobs, and
- Support national authorities, healthcare workers, and the most vulnerable in our communities.

In March 2020, TLC's management team formed a Covid-19 crisis management committee in partnership with Lux Island Resorts. In addition to cost management measures, the committee implemented heightened sanitary protocols across all our operations to keep our team members and guests safe and well. The committee continues to meet twice a week to assess the latest Covid-19-related developments and manage their implications for our business.

Three non-scheduled Board meetings were also held to ensure oversight of operational and financial decision-making, and to inform Directors of TLC's discussions with commercial banks, national authorities, and the Mauritius Investment Corporation.

As Chairman of the Board, I continued working closely with Mr Paul Jones, to provide the Company with all the necessary support and assistance.

Strategic priorities

Alongside the measures taken to ensure the Company's ongoing stability, TLC continued working on improving its offer, with a new range of "Collectable Experiences" that allow guests to experience our destinations like locals. In addition, the several months of closure were judiciously used to carry out maintenance works at LUX* Grand Gaube, as well as uplift LUX* Le Morne and LUX* Belle Mare, in partnership with Lux Island Resorts.

As each of our hotels reopened, we applied our new 'Collective Care' programme, consisting of strict hygiene and sanitation protocols, to ensure the safety and wellbeing of all guests and team members. We intend to welcome our guests back with the high-quality offer they expect and provide services that reflect the "new normal" of travel, complete with enhanced safety measures.

In Mauritius, in light of ongoing restrictions on international travel, the team at TLC continued to work on multiple attractive offers to drive occupancy on the domestic market.

Globally, TLC continues on its expansion strategy, with a number of exciting new openings in the pipeline, including:

- LUX* Grand Baie Resort & Residences, now slated for completion in late 2021;
- Six new properties due to open in China between 2021 and 2023;
- LUX* Phu Quoc, Resort & Villas, due to open in Vietnam in 2022;
- SOCIO Tribecca, Mauritius, due to open in 2022;
- LUX* Resort & Residences, La Baraquette, France, due to open in 2023

Outlook

Our operating context remains extremely volatile, requiring new levels of agility and flexibility from the Group's Board and management as well as from its people. It is clear that it will take some time for the tourism industry to return to its pre-pandemic performance. For the moment, restrictions on travel, quarantine measures, and economic downturns worldwide are limiting the sector's recovery.

Despite currently having one of the most open border policies in the world, tourist arrivals in the Maldives remain a fraction of their pre-Covid-19 levels; while in Mauritius, which has had no cases of community transmission for months, national authorities are weighing the need to restart the tourism sector against the risk of reimporting cases of Covid-19.

In the medium term, the way in which our guests travel and plan their holidays, and what they expect from their stays with us, is likely to change in both subtle and significant ways. The most likely future scenario is a prolonged period of safety protocols and social distancing, which in turn will depress demand in the hospitality sector. It is impossible to know what impact this will ultimately have on our industry and our business.

Yet, despite the challenging situation we find ourselves in, the Board of Directors and I have complete faith in TLC's brands, management and people. We are also confident in the enduring appeal of the destinations in which we operate. Thanks to the engagement and creativity of our team members – and the efforts we have made to improve our commercial offer and upgrade our property portfolio – I am confident that TLC will emerge from this crisis stronger and more resilient, able to take advantage of the opportunities that are emerging from this new landscape and to welcome our guests back, safely and securely, when they start travelling again.

Acknowledgements

Above all else, the Board and I would like to thank TLC's team members for their commitment and efforts during the most difficult year in our Company's history. Paul Jones and his management team have been agile, proactive and tireless in their efforts to mitigate the impact of this crisis. They retain the full confidence of the Board.

The Board and I also wish to express our appreciation to our shareholders and financial partners for their patience and understanding in what has, we realise, been a disappointing year.

On a personal note, I am grateful to my fellow Board members for their support and valuable insights throughout this period.

The Board thanks Karen Lai and Marie Laure Ah-You, who resigned as Directors in January 2020, for their contributions to TLC. We also welcome David Amsellem, who was appointed by the Board in April 2020.

It is with deep regret that I must inform you of the passing of Christof Zuber, who served as a Non-Executive Independent Director of TLC. Mr Zuber was a highly valued and respected member of our Board. He will be sorely missed by his fellow Directors and all those at TLC who had the privilege of knowing and working with him.

Arnaud Lagesse
Chairman of the Board

CHIEF EXECUTIVE OFFICER'S REPORT

The second half of the financial year ended June 2020 has been dominated by the global Covid-19 pandemic, when the world experienced its greatest health crisis in a century. What began as an outbreak in Wuhan, China, rapidly became a global pandemic bringing the world to its knees. The Covid-19 pandemic continues to affect every country, inflicting its toll on human life as well as the economy, and few sectors have been as hard-hit as the travel and tourism industry. The novel coronavirus has laid bare the fact that most countries were unprepared for the pandemic that caused many to shut down their economic activity and society in general, in a way unprecedented in human history.

Although the hospitality industry has undergone several downturns in the past, this challenge is on a significantly different scale to anything experienced before. One can point to 9/11 and the financial crash of 2008, both of which caused global shocks. The Covid-19 pandemic, whilst reinforcing the interconnectedness of all people, no matter which country they live in, has produced economic damage rivalling that of the Great Depression. Against a backdrop of grounded flights, closed borders worldwide, and widespread lockdown, most of our hotels and offices have been forced to shut down temporarily. Pandemic-related closures have meant significant booking cancellations, drastically reduced budgets, and halting many scheduled projects.

Performance

As at the end of the first semester the majority of the group's hotels under management were enjoying good growth in occupancy with the exception of the Maldives which was down by 5 points on the prior year. Mauritius was particularly strong showing a 10-point gain. Rates were modestly up, again with the exception of the Maldives which recorded a 6% drop. Overall RevPAR for all managed hotels averaged a growth of 7% largely due to the strong contribution of 15% growth from Mauritius.

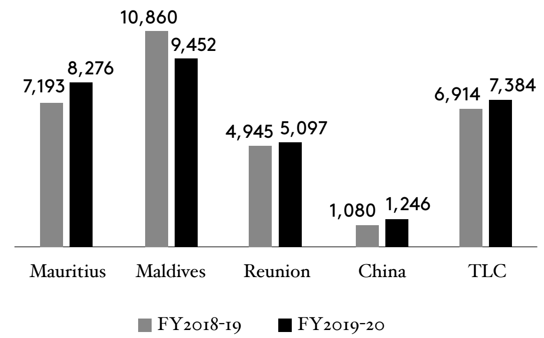
Whilst Mauritius maintained its strong performance in both January and February 2020, Maldives continued the downward trend accelerated by the impact of the closure of the China borders due to the Covid-19 outbreak. The properties in La Reunion were able to compensate their drop in occupancies with gains in average rate. Overall the RevPAR for the group hotels under management improved on that of the prior year for the first two months of the calendar year.

March 2020 witnessed the dramatic reduction in demand due to the impact of the Covid-19 pandemic across all markets. All properties experienced a significant drop in occupancies and rates leading to the inevitable closure of most of our managed properties.

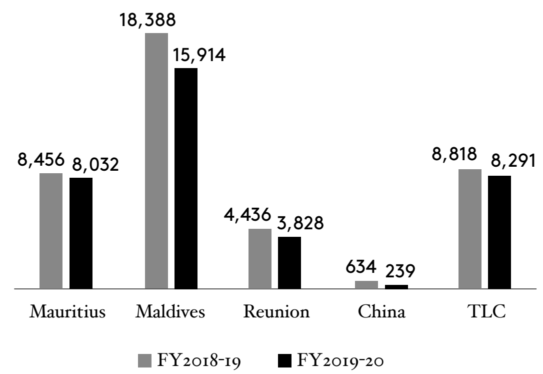
The charts below provide the RevPAR for first Semester and quarter 3 of the financial year:

Performance

Semester 1 - RevPAR (MUR)



Quarter 3 - RevPAR (MUR)



In Mauritius alone, tourist arrivals fell almost 13% in the quarter January to March 2020, as compared to the same period last year. For the nine months ended 31st March 2020, tourist arrivals to Mauritius amounted to 1.1 million, a decrease of 6% as compared to the same period last year. In the Maldives, the number of tourist arrivals for the quarter January to March registered a decrease of 16% and for the 9-month period a decrease of 1% was noted on last year to reach 1.2 million.

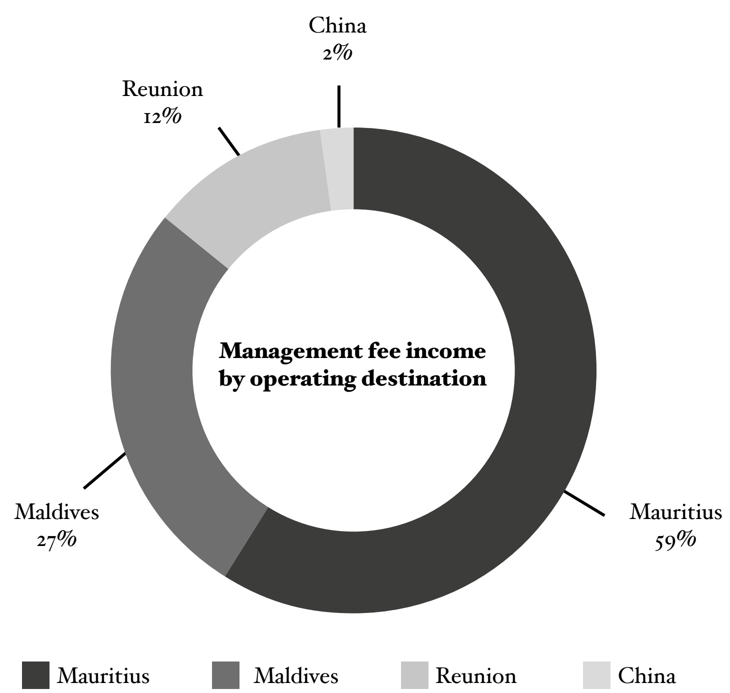
Against the background of hotel closures, the income stream of the group during quarter 4 was severely impacted, when compared to last year. Our hotels and resorts in Mauritius, Reunion and LUX* South Ari Atoll in the Maldives, had no alternative than to close and cease operations temporarily, while LUX* North Male Atoll remained open throughout the pandemic and continued to serve our guests. Our China operations resumed in February 2020.

Financial Overview

	Year ended 30 June		
	2020	**2019**	**Variance**
The Group	**Rs'000**	**Rs'000**	**Rs'000**
Revenue	**701,362**	**746,390**	**(45,028)**
Fees from hotel management and other services	466,338	602,319	(135,981)
Hotel Operations	164,556	93,297	71,259
Other income	70,468	50,774	19,694
Operating expenses	(705,325)	(756,817)	(51,492)
Normalised EBITDA	**(3,963)**	**(10,427)**	**6,464**
Operating lease charges	(7,595)	(40,700)	33,105
Impairment of non-current assets	(29,410)	-	(29,410)
EBITDA	**(40,968)**	**(51,127)**	**10,159**
Depreciation and amortisation	**(72,415)**	**(24,617)**	**(47,798)**
On right of use assets	(46,695)	(5,216)	(41,479)
On property, plant and equipment and intangible assets	(25,720)	(19,401)	(6,319)
Operating loss	**(113,383)**	**(75,744)**	**(37,639)**
Net Finance costs	**(46,327)**	**(11,655)**	**(34,672)**
On leases with respect of right of use assets	(25,298)	-	(25,298)
On bank loans and other borrowings	(21,029)	(11,655)	(9,374)
Gain on bargain purchase	**-**	**25,843**	**(25,843)**
Loss before tax	**(159,710)**	**(61,556)**	**(72,311)**
Income Tax Charge	(20,510)	(11,661)	(8,849)
Loss after tax	**(180,220)**	**(73,217)**	**(107,003)**

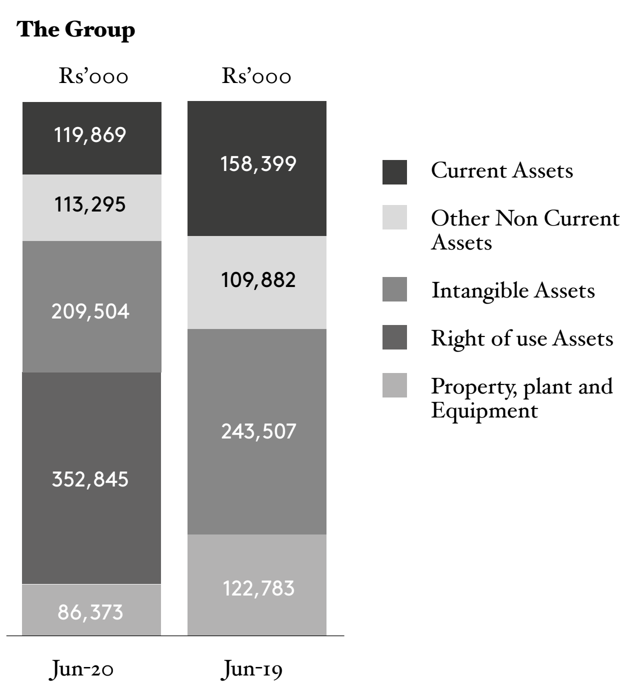
For the nine months period ended 31st March 2020, the group posted growth on revenue and EBITDA and with the impact of Covid-19, this has been eroded. Revenue from management fees for the year decreased by Rs 135.9 million to reach Rs 466.3 million. Revenue from hotel operations and other services increased by Rs 71.3 million and is not comparable to last year as SALT of Palmar was operational for eight months last year. Normalised EBITDA for the group was negative at Rs 3.9 million as compared to negative Rs 10.4 million last year. The group posted a loss after tax of Rs 180.2 million against a loss after tax of Rs 73.2 million last year.

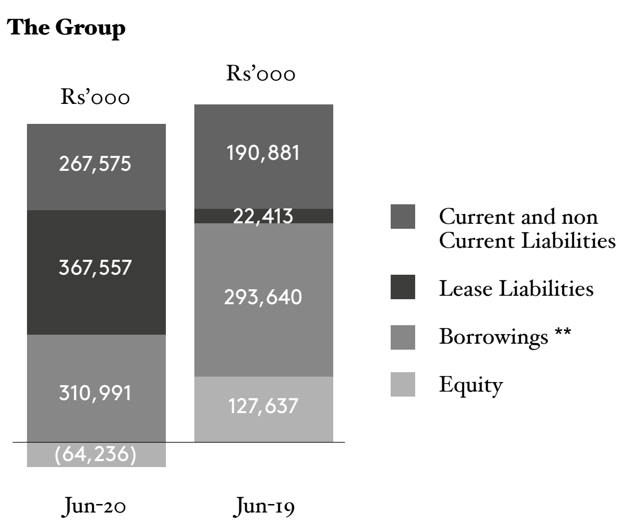
Financial Overview



Impairment of Non-Current Assets

With the Group seriously affected by the outbreak of the Covid-19 in the second semester of the financial year, and its consequential effect on the economic outlook of our main source markets coupled with challenges in the industry, a review was carried out of the recoverable amount of the SALT of Palmar 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 Rs 29.4 million, which has been recognised in the Statement of profit or loss.





Borrowings** - excludes lease liabilities.

THE LUX COLLECTIVE LTD AND ITS SUBSIDIARIES - INTEGRATED ANNUAL REPORT 2020 19

With the impairment of Rs 29.4 million, total assets before right of use assets decreased from Rs 634.5 million to Rs 529 million.

With the adoption of IFRS 16, leases, previously classified as operating lease in the Statement of profit or loss, are now recognised as "right of use assets" in the Statement of Financial Position and treated as an asset, and the corresponding lease obligation over the term of the lease is treated as a lease liability. The amount recognised in the Statement of Financial Position is Rs 352.8 million and amortisation of the asset for the year is Rs 46.6 million, accounted in the Statement of profit or loss.

Borrowings relating to interest bearing debts amounted to Rs 310.9 million, an increase of Rs 17.3 million on last year due to additional facility contracted to finance working capital requirement.

Group Cash Flow

Net cash generated from operations amounted to Rs 13.2 million. Recurrent capital expenditure in plant and equipment and computer software amounted to Rs 7.2 million. Borrowing of Rs 41.4 million was contracted during the year to finance working capital for SALT of Palmar. With capital expenditure and debt servicing, free cash flow generated was Rs 0.6 million.

Safeguarding our business

The challenges of the Covid-19 lockdown have required us to think differently, to pause, and examine deeply how to navigate these uncertain times for business survival and continuity, both in the immediate term as well as in the coming months.

In March 2020, we set up a 'TLC Covid-19 Response Team', which has been meeting bi-weekly since, to review the continuously evolving situation, discuss Emergency Planning and Crises Scenarios, in view of the deteriorating health crisis in our main markets, border closures, and their direct negative impact on our business.

Our asset-light business model (the result of our separation in 2017-18 from Lux Island Resorts, our sister asset management company), allowed us to immediately reduce certain costs while preserving as many jobs as possible. Some of these measures include:

- The temporary closure of the majority of our hotels and resorts
- Halting non-essential capital expenditure and minimising fixed cost.
- Temporary Voluntary salary reductions averaging 30% for the Management Team
- Negotiating repayment schedules with creditors, including Tour Operators, who have been particularly hard-hit by the pandemic

In Mauritius and Reunion, we benefitted from a Wage Assistance Scheme (WAS) from the respective Governments, to help pay salaries for the hotels. TLC also benefitted from the WAS, Job Support and Furlough schemes for our overseas offices. This represented 3% of our wage bill at TLC. It should be noted we have managed to retain all our team avoiding layoffs through schemes that have been implemented by most hotel operators and management coupled across the world.

With the closure of our hotels and the uncertainty on the timing of the phased reopening of the borders in Mauritius, the Group has worked on a five year plan based on different assumptions of recovery to be able to establish the potential funding requirements in order to sustain its operations and developments. With the Group total liabilities exceeding its total assets by Rs 64 million at 30 June 2020, it is estimated that the liquidity shortfall could worsen over the next two financial years.

In order to bridge the gap in the liquidity shortfall, the Group could require up to Rs 425 million to continue its operations. This will be funded by its shareholders by way of a rights issue for an amount of Rs 175 million and its main shareholder IBL Ltd has committed to an underwriting of Rs 125 million. We have been in negotiations with lending institutions for the funding of the balance of Rs 250 million and are pleased to announce that we have finalised the terms of the funding. In addition, interest and capital repayment on existing banking facilities have been rescheduled. For the long term, we are confident that we will weather the crisis and continue to operate as a going concern.

In all of our destinations, we continue to work closely with the local authorities while maintaining regular contact with the various commercial banks and other financial institutions.

We Care About What Matters

With the world changing rapidly on account of Covid-19, it has never been more important for us to develop a deeper understanding and application of CARE in our business, in line with our Purpose 'We Care About What Matters'.
In June 2020, about 200 Team Members across TLC worldwide participated in a series of interactive webinars under the theme 'Built to Care' working together with our close collaborator, Ron Kaufman. A rich collection of creative ideas was generated, to show care for not only ourselves, but our guests, our community, our stakeholders, and our environment. We mapped out these ideas in a proprietary framework which we named 'TLC Circle of Care'. We have been working actively on the creative execution of each idea and stand ready to apply our 'Care in Action'.

TLC Circle of Care

Caring for our Team Members

Since the start of the Covid-19 outbreak, TLC's priority has been to protect the health, safety and wellbeing of our teams, safeguarding our business and the livelihood of our Team Members. In line with our Purpose 'We Care About What Matters', TLC launched 'Collective Care', a set of rigorous health and safety protocols aimed at keeping both our guests and Team Members, as well as their families, safe. Apart from common measures such as daily temperature checks, wearing of disposable gloves and protective masks, or hand sanitisers placed in strategic locations, as well as all regulatory protocols required by the local authorities, we also introduced a number of enhanced sanitary measures at the hotels, including:

- contactless check-in/check-out process
- safety screens on counters
- 24-hour interval before next guests check into a room, after it has been sanitised
- seating adjustments for safe distancing in restaurants and public areas
- electrostatic sprayers & UV technology to ensure maximum cleanliness of high-touch points

Alongside these heightened sanitary measures, we trained our Team Members on various aspects of Covid-19, including transmission, prevention, and symptoms.

It should be noted that with the support of our board, we prioritised the safe guarding of employment. We are happy to report that none of our team members have been made redundant or furloughed.

During the time when most of us were in a national lockdown situation, emphasis was placed on the psychological wellbeing of our Team Members. We shared Wellness Tips videos, organised a series of psychological health webinars, and provided remote mental health support to the entire group, including a 24/7 Counselling Hotline in Mauritius. Internal communication was adapted to ensure all Team Members received regular updates about the evolution of the pandemic and TLC's response, including video messages from the CEO and General Managers.

Learning and development continued as much as possible throughout confinement, with monthly online training provided since April 2020, covering topics such as personal development, language skills, product knowledge enhancement, or Revenue Management for 150+ managers. A Global Collective Learning Week consisting of virtual workshops and expert sessions was held in May 2020, to help teams acquire new skills and new hobbies, while enhancing their role-related knowledge. We finally closed the year with an average of 161.41 training man-hours against a target of 180 man-hours, due to the closure of our resorts and the decision to allocate meaningful and substantial time to the team, staying connected, keeping together, and providing mental support, all while not being able to be physically present with them.

Caring for our Community

Our resort teams in Mauritius launched a number of extraordinary outreach projects in support of the local community. Team members from LUX* Resorts & Hotels, SALT, and Tamassa Resorts, came together to help provide food and homemade face masks to local communities and first responders. 'Ray of Light', TLC's flagship CSR programme, took on a more significant dimension in the context of the pandemic. CSR funds, consisting of 2% of TLC and Lux Island Resorts' joint profit, were distributed to twice the number of CSR partners compared to the previous year. These funds were invested in food security and job creation projects.

To express our gratitude to the Mauritian first responders for their selfless service rendered during the country's confinement, over a thousand cupcakes were baked and distributed, while our PR team launched a campaign to thank healthcare heroes with a pampering stay in one of our 5-star properties.

Caring for our Guests

While our destinations were in lockdown, we spent time talking directly to our guests, keeping them informed of the evolving situation in each of our destinations. We talked more about life than business, spreading joyful memories and positivity. They could see the intent in our hearts and expressed their gratitude for our care and concern, especially in these particularly stressful times. Many of them conveyed to us how eagerly they are awaiting updates on travel restrictions in order to visit us again.

Continuing to enhance the Guest Experience

During the lockdown period, The Lux Collective continued to work on creative ways to enhance our hospitality offer through 'Collectable Experiences', a collection of delightful encounters curated by local experts, aimed at providing meaningful stories and memories. These experiences also allow guests to enjoy holidays that give back to the destination – a key part of The Lux Collective's circular economy commitment.

Alongside this, we've taken the Tamassa brand further upmarket, completely reviewing its identity and positioning. We intend to market its new offer in the coming financial year.

In line with our strategy to consolidate our position in the Indian Ocean, The Lux Collective, in partnership with Lux Island Resorts, took the opportunity of the several months of closure of its managed hotels, to help carry out maintenance projects as well as uplift 2 of its flagship properties, namely LUX* Le Morne and LUX* Belle Mare in Mauritius. At LUX* Le Morne, guests will be delighted to discover the many exciting changes when we reopen: rooms that are brighter and lighter in design, a completely redesigned bar with distinctive day & evening ambiance, a new Café LUX*, to name a few, while still enjoying the intimate and exclusive feel of the resort that is so loved by everyone. At LUX* Belle Mare, the pool and surrounding area, as well as the popular Beach Rouge have all been revamped, while at Tamassa, upgrading works continue in various areas.
We are confident that all these exciting changes, aimed at continuously enhancing the guest experience, will win everyone's appreciation.

Sustainability

At a time when sustainability is in the spotlight, the purpose that we articulated last year, namely,

We Make Each Moment Matter
We Care About What Matters

has never felt more relevant.

The Covid-19 pandemic has demonstrated just how vulnerable our world is, and how exposed the travel and tourism industry in particular is to systemic health and climate-related risks. As restrictions on travel ease and the hospitality sector prepares for a gradual reopening, it is crucial that we learn lessons from this pandemic and commit to an ethical and responsible recovery informed by circular economy solutions.

It is a fact that businesses with a strong focus on sustainability are viewed increasingly favourably by clients and, in the long run, outperform their competitors

by being more adaptable and agile, with better governance, risk management and employment conditions.

As a member of the United Nations Global Compact, we have signed a statement on "Climate Action: Uniting Business and Governments to Recover Better", urging governments around the world to align their Covid-19 economic aid and recovery efforts with the latest climate science. We are also taking concrete steps to change the way we do business, such as offering guests carbon-neutral stays and respecting human rights wherever we operate. We will hold ourselves accountable with clear, science-based targets set out in our Collective Sustainability Journey 2030, including via our commitment to a 1.5°C-compliant business model, mapping out how our activities support the UN Sustainable Development Goals, and measuring and reducing our footprint year on year via our group-wide Tread Lightly programme. Alongside this, our revamped Sustainability Management Plan will include public targets relating to gender equality following our parent company's commitment to the United Nations Women Empowerment Principles.

Outlook

Worldwide, signs of recovery remain limited. Covid-19 continues to spread and it is still too early to predict its full impact on the world of travel and tourism, and on TLC as a business. (So far, the United Nation's World Tourism Organisation (UNWTO) estimates that global travel could fall by 60% – 80% in 2020, representing a loss of $910 billion – $1.2 trillion in export receipts from tourism, and as many as 120 million direct jobs in the tourism sector being at risk.)

The world gasped an enormous collective sigh of relief at the breaking news early November that finally a breakthrough had been achieved offering humanity a way out of the Covid-19 pandemic.

BioNTech , a German research company, had successfully developed a vaccine candidate that their partner, Pfizer had declared 90% effective following stage 3 clinical trials. Such a level being far higher efficacy than the widely used flu shots was acclaimed by the scientific community around the world.

The vaccine still awaits regulatory approval from both the USA & European authorities. Pfizer have announced that they will produce 50 million doses in 2020 & 1.3 billion doses in 2021.This vaccine is required to be taken in 2 doses three weeks apart. It is anticipated that, following regulatory approvals the vaccine will become available during December 2020. Countries around the world are also working on the detailed logistical issues surrounding the required cold chain to be maintained at minus 70 degrees C. in order to be able to receive the vaccine. We also learn that Pfizer are working on the development of a powder version which would dispense with the need for such stringent cooling.

There is also news of nine other candidate vaccines that are on the verge of a breakthrough following advance stage testing ; all of which adds to the confidence with which we may face the future of the travel & tourism industry & our own hospitality management company.

Of the 9 candidate vaccines in final trials Moderna announced on the 16th November 2020 that their vaccine had completed stage 3 trials proving to be 94.5% effective. It is anticipated that this will become available for people to be vaccinated early in 2021 following approvals. This is of course excellent news on top of the Pfizer vaccine announcement.

We now have two vaccines proven to be more than 90% (Pfizer 90% and Moderna 94.5%) effective and ready for regulatory approvals

TLC's prospects are heavily reliant on the reopening of borders, travel restrictions being lifted, and our destinations being recognised as "safe" by the World Travel and Tourism Council. We are also mindful of the need for ongoing support from financial institutions and national authorities. We therefore remain vigilant and continue to adapt and innovate to stay relevant to each market and destination.

We successfully reopened our hotels in China and Reunion in February and June 2020 respectively, with rising occupancy and revenue per available room, driven by domestic markets in each destination. LUX* South Ari Atoll in Maldives reopened in August 2020, while in Mauritius, we reopened the SALT of Palmar on 15th June 2020, LUX* Grand Gaube on 31st July 2020 and LUX* Belle Mare on 2nd October 2020, all targeting the local market. LUX* Le Morne should reopen during the month of December 2020.
The government of Mauritius has announced a phased reopening commencing October 2020 with a compulsory 14-day quarantine for arriving passengers, indicating that a full recovery will be unlikely in the last quarter of 2020. As at date, we do not have any news of the full opening of the borders.

Despite this setback,

we continue to work diligently to prepare for the opening of LUX* Grand Baie Resort & Residences, a stunning brand new 6-star luxury resort due to welcome guests in October 2021.

This unique property features stylish interiors by renowned Interior Designer Kelly Hoppen, MBE and a contemporary architecture from the talented Mauritius Architect Jean Francois Adam that melds seamlessly into the tropical surroundings of the island's most vibrant coastal region, fronted by a world class white sand beach and turquoise lagoon.
Our new urban resort brand, SOCIO, is now set to launch in Mauritius in 2022, with the construction of the SOCIO Tribecca central hotel already underway.

In China, where we continue our steady growth, 4 new projects were signed along the LUX* Tea Horse Road during the FY19-20 (1 of which is a cluster of 4 small retreats). These properties are all scheduled to open between Oct 20 - Jul 21. January 2021 will also see the opening of LUX* Chongzuo, Guangxi, a luxury property set in the midst of an amazing site, showcasing incredible landscape & magnificent scenery. We are confident that these new openings will continue to grow brand awareness in Asia, as well as reach new markets.

Our development pipeline reflects the meaningful progress TLC has made in Asia, especially in China.

Despite the current uncertainty and global slowdown in hotel development worldwide arising from the Covid-19 pandemic, TLC continues to be actively engaged in securing new management contracts, as well as discussing several serious leads, focusing on exclusive resort destinations and primary cities worldwide. We aim at driving competitive returns for our hotel investors and owners on their asset investments, through the numerous bespoke experiences that our LUX* brand has become known for. We will continue steadily on our expansion pace and remain confident we will see further gains in the near future.

Acknowledgements

I am very proud of how our Team Members have come together during this challenging time, to care for our guests, support one another, and serve our communities. This is indeed a vital time to give of our very best and we will keep on doing what we do, showing care for our guests, Team Members & local community, spreading joy, memories and positivity.

As Covid-19 continues to create a world of uncertainty, I have unwavering faith that every step taken together in the right direction, can form a path for us to emerge stronger from the crisis.

My deep gratitude goes to all our Team Members - You are at the heart of our business, and it is thanks to your efforts and hard work that The Lux Collective will be able to chart the best course for its future.

A special word of acknowledgement for board member Christof Zuber who sadly departed this world earlier this year. His contribution particularly in his role as Chairman of the Remuneration Committee was very much appreciated.

May I end by thanking our Chairman, Mr Arnaud Lagesse who has been a strong support to me, as well as the board members of The Lux Collective Ltd for their continued encouragement

Paul Jones
Chief Executive Officer

LUX*

RESORTS & HOTELS

PURPOSE

Helping people celebrate life.

VALUES

People,
Passion,
Integrity,
Creativity,
Leadership.

BRAND TAG LINE

*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

Maldives
LUX* South Ari Atoll Resort & Villas
LUX* North Malé 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* Chongzuo, Guangxi
LUX* Zhuhai
LUX* Luxelakes, Chengdu

LUX* Tea Horse Road, China
LUX* Dali
LUX* Pu'er
LUX* Stone Town

DISCOVER MORE ON LUXRESORTS.COM

salt

PURPOSE

Connecting people to local people and places.

VALUES

Human
Transformational
Local
Simple
Curious

BRAND TAG LINE

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.

RESORT IN OPERATION

Mauritius
SALT of Palmar

DISCOVER MORE ON SALTRESORTS.COM

tamassa

PURPOSE

Bringing people together.

VALUES

Joyful,
Vibrant,
Generous,
Thoughtful,
Creative.

BRAND TAG LINE

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.

RESORT 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.

BRAND TAG LINE

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.

OPENING SOON

Mauritius
Socio Tribecca

DISCOVER MORE ON SOCIOHOTELS.COM

SUSTAINABLE BUSINESS MODEL

Capital

Inputs/ Actions/ Activities

Financial
- 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

Human
- 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

Natural
- Physical Location
- Ensure energy efficiency
- Reduce water use
- Increase resource productivity
- Lessen carbon footprint
- Reduce and manage waste

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

Key Business Processes

HOTEL MANAGEMENT
HOTEL OPERATIONS
FOOD AND BEVERAGES
SOCIAL RELATIONSHIP MANAGEMENT

FINANCE
SALES AND MARKETING
MAINTENANCE & ENGINEERING
HUMAN RESOURCES & TRAINING
INFORMATION TECHNOLOGY
LEGAL AND SECRETARIAL
SUSTAINABILITY & CORPORARE SOCIAL RESPONSIBILITY
PROPERTY DEVELOPMENT
OPERATIONS

Results/ Outcomes

Financial
- 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

Natural
- Efficient utilisation of resources
- Optimised costs
- Enhanced corporate reputation as Responsible Business
- Maximised positive impact
- Sustainable growth
- Light footprint

Products and Services
- 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

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

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

MATERIAL ELEMENTS AND CONNECTIVITY OF STRATEGIC PLANS

Value Drivers

	Financial Sustainability	Human Capital	Products and Services	Natural Capital	External Relationships
Objectives	Grow revenue Optimise cost Project investment and development	Put people's welfare first	Brand strength and optimal distribution	Environmental sustainability	Elevate the experience
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**	**Energy**; **Water**; **Waste and effluents**; **Emissions**; **Biodiversity**	**Guests**; **Government and environmental bodies**; **Tour operators**; **Suppliers**; **Corporate social investment**

Material & Significant Matters

Value Driver / Outcome	Short Term	Medium Term	Long Term
Financial Sustainability	Manage exchange rate impact Optimal level of working capital		Strategic acquisitions into new territories Optimal funding sources
Profitable growth Earnings per share		Grow into new markets and entering into management contracts with third party owners Improve international competitiveness	
Capital and cost efficiencies		Efficient capital structure Cost optimisation and cost reduction programs	
Company Culture	Employ highly talented and fully engaged people Continuous investment in management time to give the best education to our Team	Core skills and talent management Retention of talented staff through training initiatives and provision of competitive remuneration package	Engage professional services firm committed to create value through leadership and talent as well as aligning organisation capability
Company Culture		Develop and adopt 'one company' culture based of Equality	
Best in class hotel operators		Effective communication of Purpose, Values, Vision and Mission to Team Members and guests	
Sustain and enhance a well established brand name		New, refreshed, reinvented properties with enhanced amenities and a continuous focus on guest experience and the LUX* Hospitality Standards	
Sustain and enhance a well established brand name	Positive feedback on platforms such as TripAdvisor (high guest satisfaction)	Higher promotion and responsible marketing Win industry awards	Unique experiences for each and every guest
Energy	Implementation of energy management systems to reduce energy consumed by heating and air conditioning		Invest in technologies to reduce energy consumption
Water	Optimise use of fresh water and ensure efficient consumption Grey water reuse		Comply with law for water quality and perform regular testing
Waste and effluents / Emissions	Reduce paper use (Online Management System)	Plan for net-zero emissions targets Generate less waste by building awareness Integrate local suppliers in value chain	Attract & implement renewable energy production partnerships
Biodiversity	"Continuous deployment of the "Tread Lightly" initiative	Invest in conservation of endangered species with expert partners Environmental initiatives via enhancement in Environment Management System	
Guests	Guest-centered solutions		
Government and environmental bodies	Go beyond compliance		
Guests / Government and environmental bodies		Partnerships for the Goals, Climate Action through collaborative positive initiatives for environment. Society and economic development	
Tour operators	Consolidate relationships with tour operators		Supply contemporary sustainable products and services
Suppliers	Supplier consolidation and management Enhance zero-child labour requirements	Empower local suppliers	Encourage Responsible Consumption & Production via supply chain
Corporate social investment	Tackle immediate social and environmental needs	Community investment	Prosperous destinations Long-term partnerships

October 2020

LUX* Tea Horse Road Peach Valley, China

LUX* Tea Horse Road Sangushui, China

LUX* Tea Horse Road Daju Village, China

December 2020

LUX* Tea Horse Road Stone Town, China

January 2021

LUX* Chongzuo, Guangxi, China, Resort & Villas

April 2021

LUX* Tea Horse Road Dali, China

July 2021

LUX* Tea Horse Road Pu'er, China

October 2021

LUX* Grand Baie, Mauritius, Resort & Residences

2022 Onwards

2022

SOCIO Tribecca, Mauritius

LUX* Zhuhai, China

LUX* Phu Quoc, Vietnam, Resort & Villas

2023

LUX* La Baraquette, France, Resort & Residences

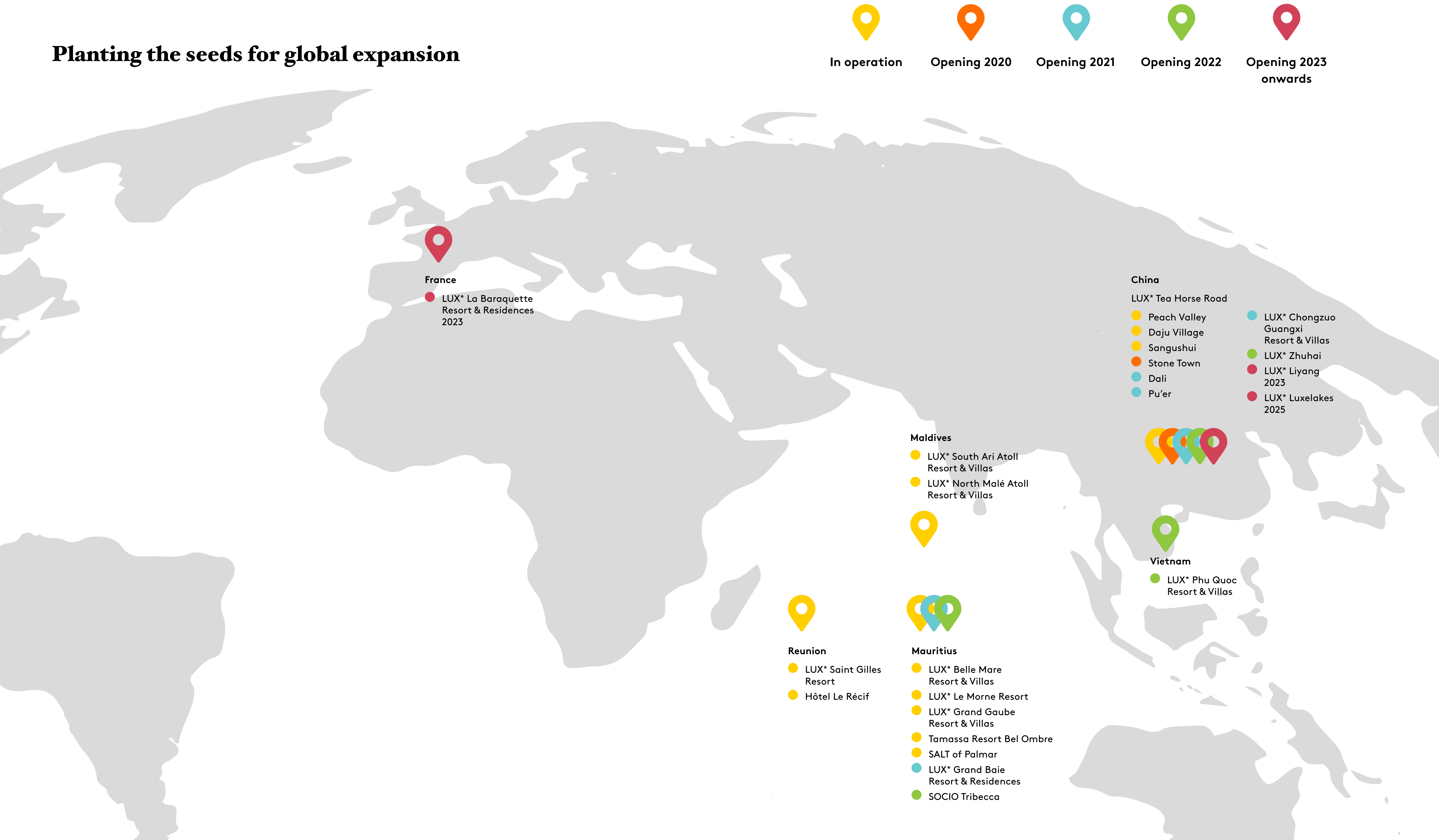
LUX* Liyang, China

2025

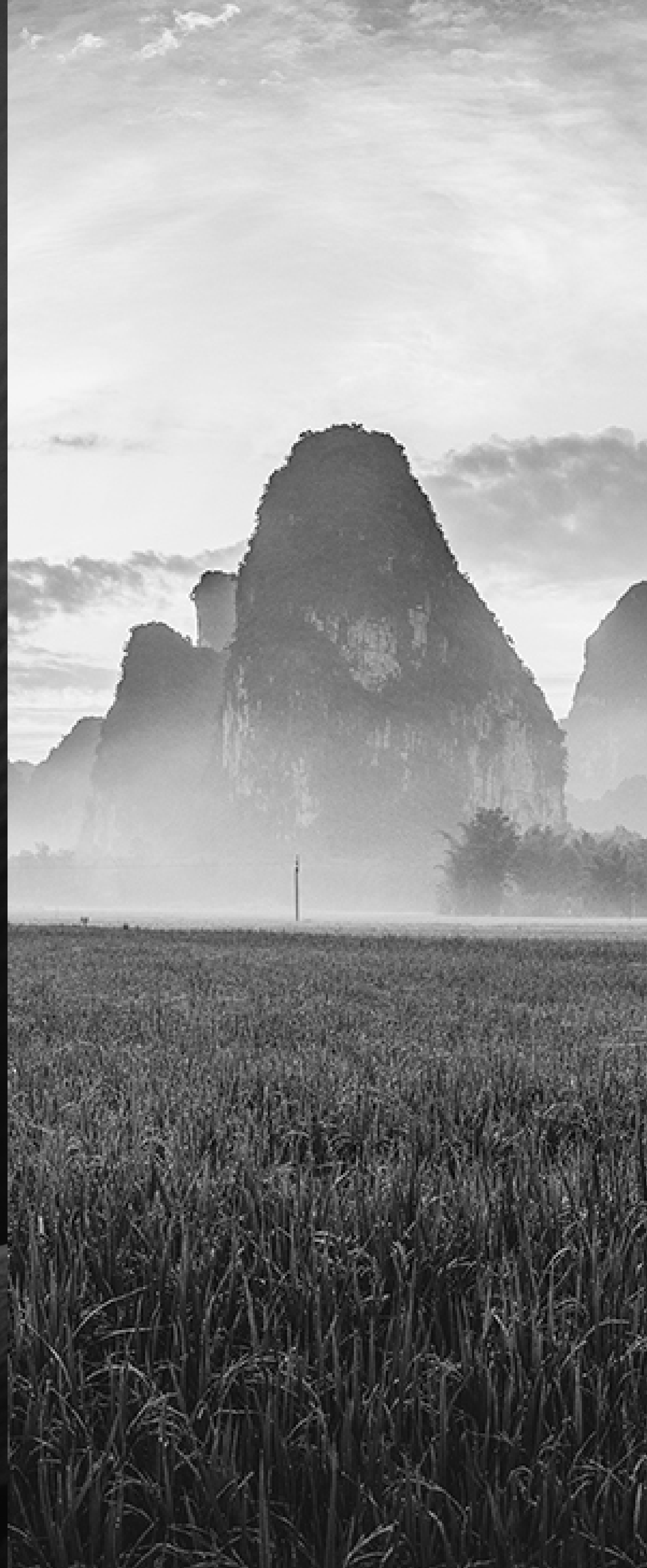
LUX* Luxelakes, China

OUR PROPERTIES AROUND THE WORLD

Planting the seeds for global expansion



GROWING
THE
PORTFOLIO



OPENING JANUARY 2021

CHINA

LUX* CHONGZUO GUANGXI RESORT & VILLAS

A tropical modernist boutique luxury resort as beautiful and astonishing as the surrounding countryside at the edge of China and Vietnam

LUX* Chongzuo, Guangxi (74 Keys) is located in Mingshi Village, Daxin County in Chongzuo City about 37 kilometres away from the well-known Detian Transnational Waterfall and about 210 kilometres away from the capital city of Guangxi Zhuang, an autonomous region in southern China.

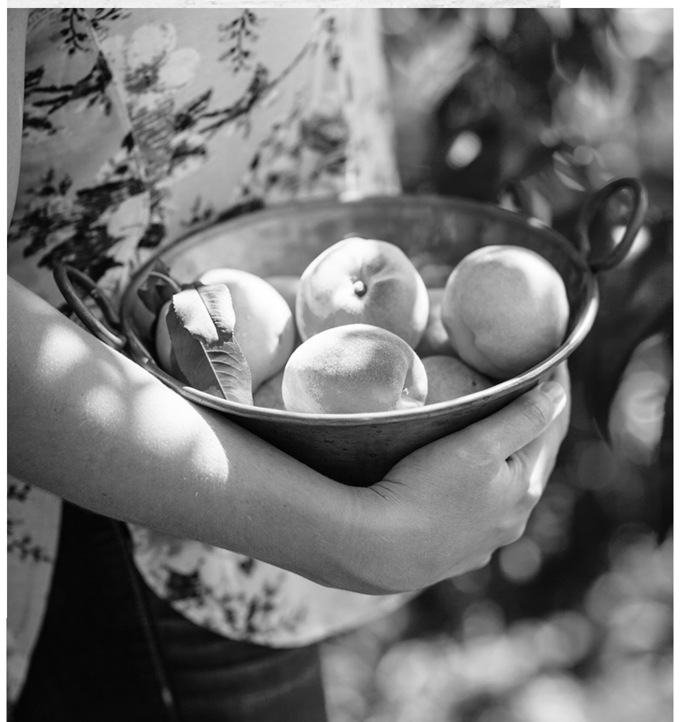
OPENED - OCTOBER 2020

CHINA

LUX* TEA HORSE ROAD PEACH VALLEY

A luxury boutique hotel with a chic design tucked away in a valley of rolling hills and peach orchards

Summer offers blissful days harvesting peaches and honey, while winter brings home cooking with the local community and meaningful conversations by the fire. LUX* Tea Horse Road Peach Valley wholeheartedly embraces slow living, and it is impossible to not be swept up in the slow rhythm of the remote village. We've designed a hotel that helps you to slow down and feel inspired.



CHINA

LUX* TEA HORSE ROAD SANGUSHUI

A luxury boutique hotel at the door of one of the world's oldest living cultures

Located centrally in mesmerizing Sangushui village, our 15-room luxury boutique hotel is a door to one of the world's oldest living cultures. The conceptually-designed hotel binds contemporary flair with Yunnanese tradition. Think light-flooded rooms with a patchwork view of traditional tiled rooftops and evergreen hills, creature comforts, cuisine that floods the senses and even an outdoor café. LUX* Tea Horse Road Sangushui is the place to enjoy the pleasures of travelling.

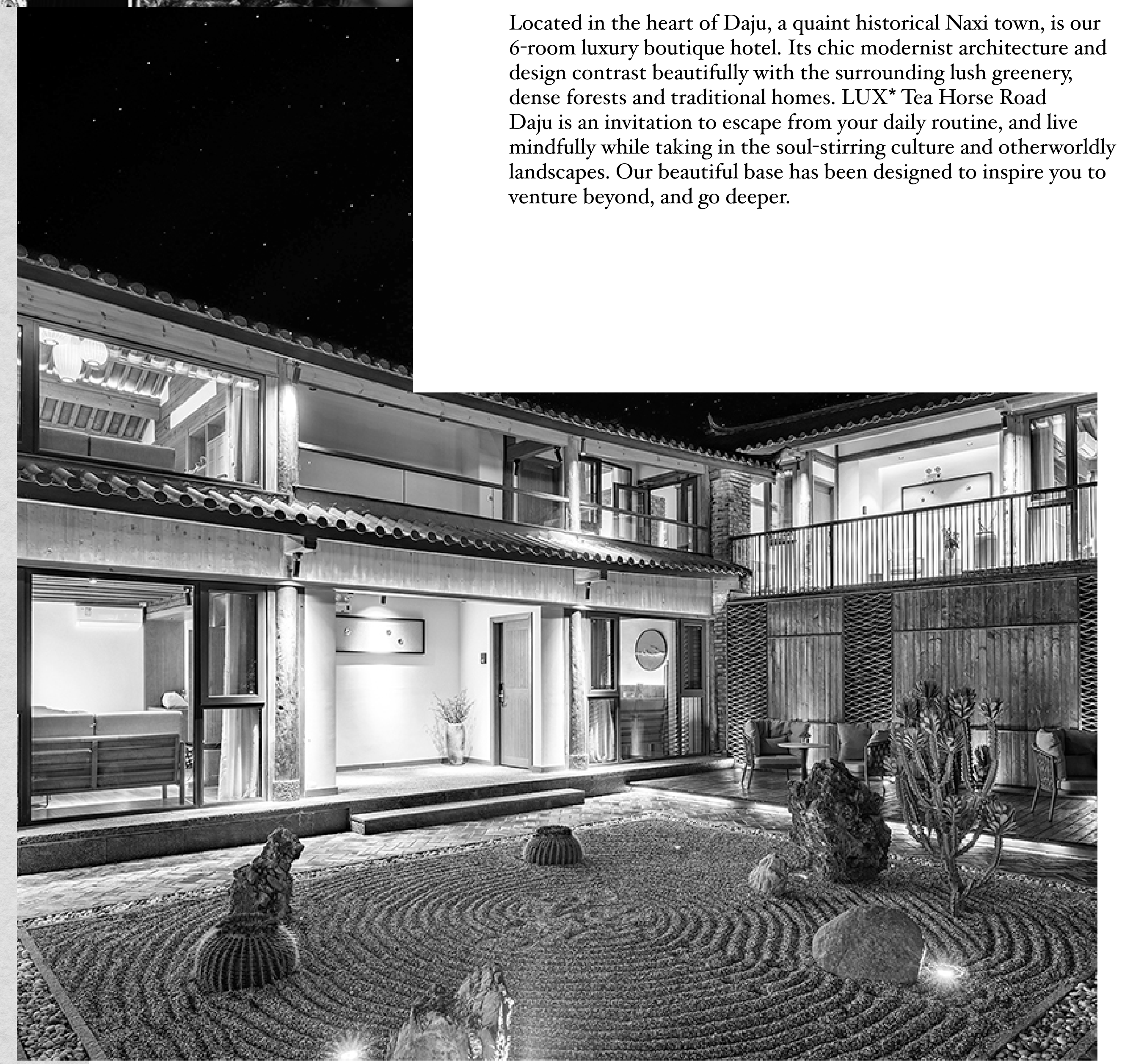
OPENED - OCTOBER 2020

CHINA

LUX* TEA HORSE ROAD DAJU VILLAGE

A contemporary luxury boutique hotel at the heart of a traditional Naxi town surrounded by farmland

Located in the heart of Daju, a quaint historical Naxi town, is our 6-room luxury boutique hotel. Its chic modernist architecture and design contrast beautifully with the surrounding lush greenery, dense forests and traditional homes. LUX* Tea Horse Road Daju is an invitation to escape from your daily routine, and live mindfully while taking in the soul-stirring culture and otherworldly landscapes. Our beautiful base has been designed to inspire you to venture beyond, and go deeper.

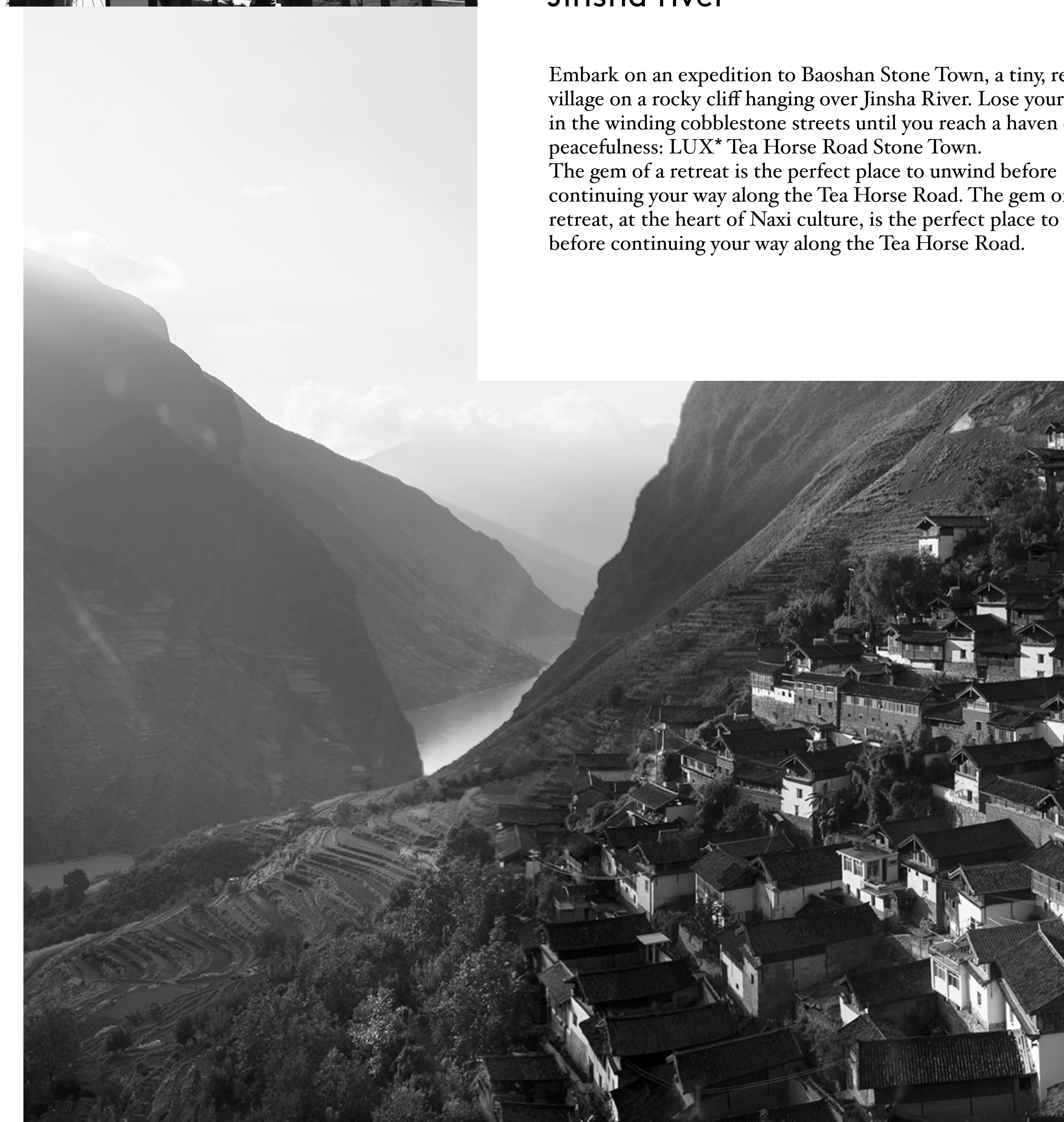


CHINA

LUX* TEA HORSE ROAD STONE TOWN

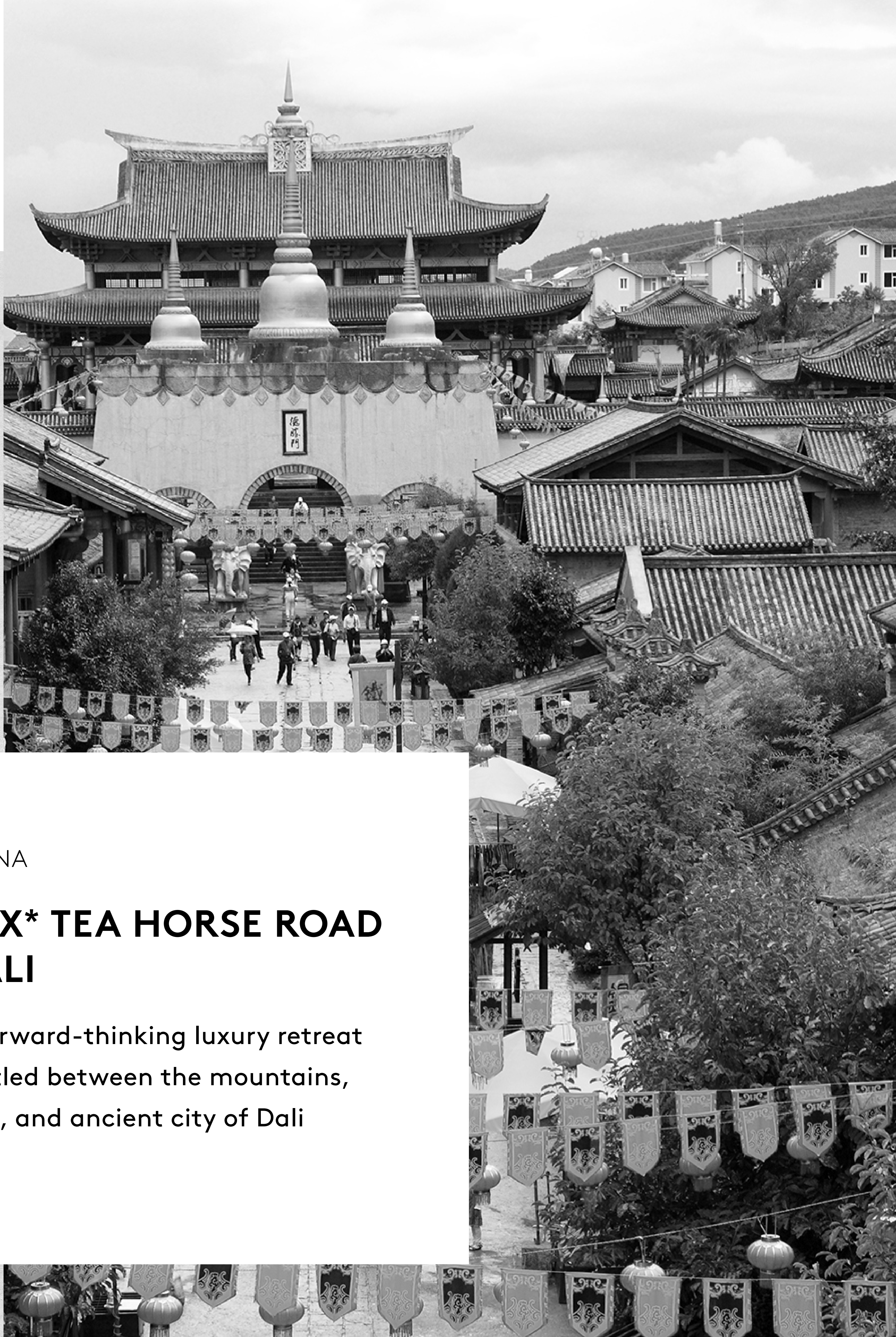
A haven of peacefulness at the beating heart of a Naxi village on a rocky cliff overlooking the Jinsha river

Embark on an expedition to Baoshan Stone Town, a tiny, remote village on a rocky cliff hanging over Jinsha River. Lose yourself in the winding cobblestone streets until you reach a haven of peacefulness: LUX* Tea Horse Road Stone Town.
The gem of a retreat is the perfect place to unwind before continuing your way along the Tea Horse Road. The gem of the retreat, at the heart of Naxi culture, is the perfect place to unwind before continuing your way along the Tea Horse Road.



OPENING DECEMBER 2020

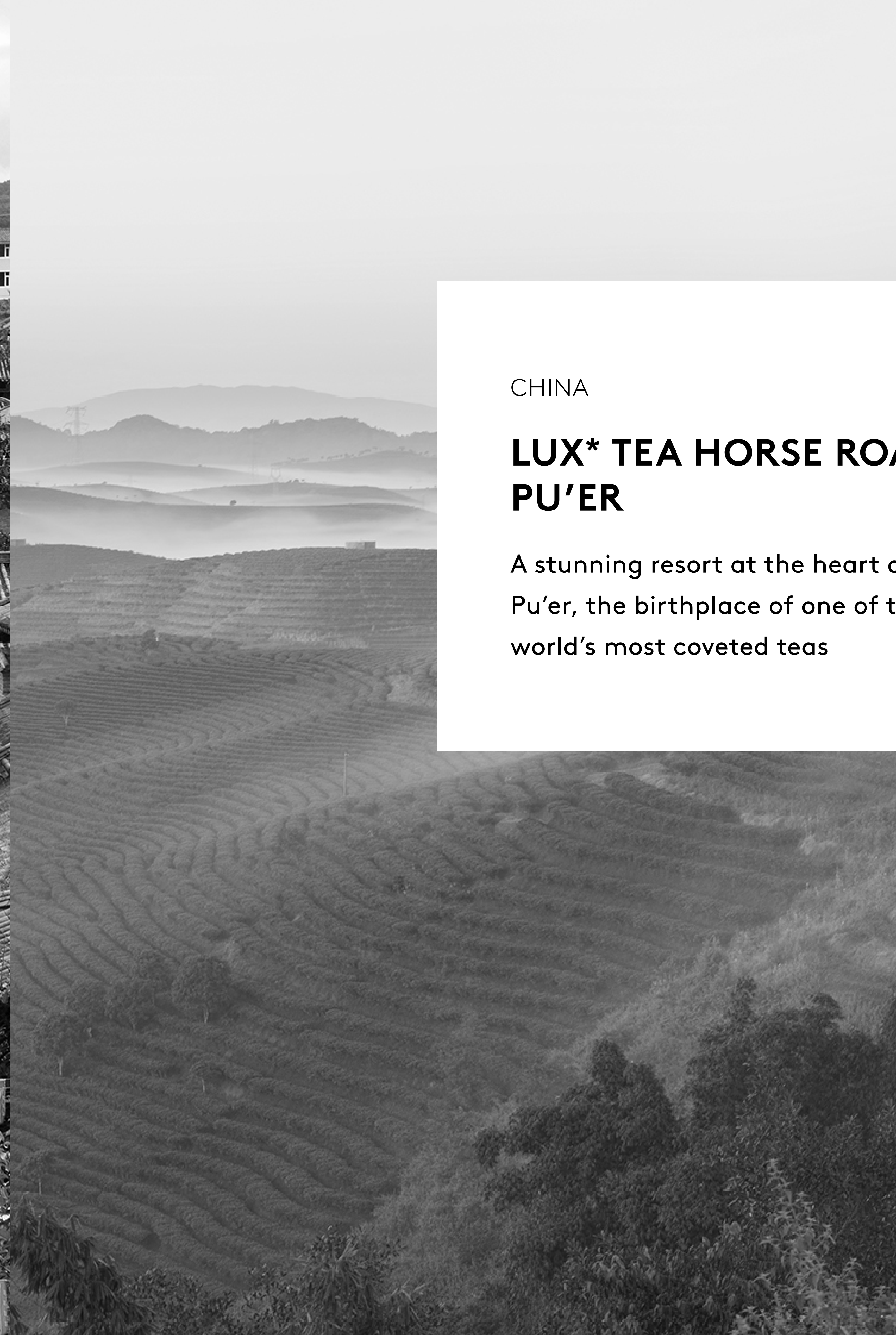
OPENING APRIL 2021



CHINA

LUX* TEA HORSE ROAD DALI

A forward-thinking luxury retreat nestled between the mountains, lake, and ancient city of Dali



CHINA

LUX* TEA HORSE ROAD PU’ER

A stunning resort at the heart of Pu’er, the birthplace of one of the world’s most coveted teas

OPENING JULY 2021

OPENING OCTOBER 2021

MAURITIUS

LUX* GRAND BAIE RESORT & RESIDENCES

A serene tropical hotel at the heart of Grand Baie, Mauritius, where sophisticated, laid-back beachside living is taken to new heights.

Located on the iconic sunkissed beach of Grand Baie on the island's north coast, LUX* Grand Baie redefines modern luxury. The resort is a rare find: deeply stylish interiors by Kelly Hoppen, a contemporary architecture that blends seamlessly into the tropical surroundings, forward-thinking dining and wellness, and a spirited vibe that blends seductively with next-generation luxury. There is truly no more distinctive or celebratory place to be than right here at LUX* Grand Baie.

LATEST AWARDS & ACCOLADES

LUX* LE MORNE MAURITIUS

TRIP ADVISOR TRAVELLERS' CHOICE AWARDS

2020

Ranked 6^{th} out of 25 in Africa

2019

Ranked 12^{th} out of 25 Hotels in Africa

Ranked 6^{th} out of 10 Hotels in Mauritius

Ranked 5^{th} out of 10 Hotels for Romance in Mauritius

THE INTERNATIONAL HOTEL AWARDS

2019

'Best Luxury Hotel in Africa'

'Best Luxury Hotel in Mauritius'

LUX* GRAND GAUBE MAURITIUS

TRIP ADVISOR TRAVELLERS' CHOICE AWARDS

2020

Ranked 4^{th} out of 25 in Africa

2019

Ranked 7^{th} out of 25 Hotels in Africa

Ranked 19^{th} out of 25 Hotels for Service in Africa

Ranked 21^{st} out of 25 Hotels for Romance in Africa

Ranked 3^{rd} out of 10 Hotels in Mauritius

LUX* BELLE MARE MAURITIUS

TRIP ADVISOR TRAVELLERS' CHOICE AWARDS

2020

Top 25 Hotels in the World

Top 25 Luxury Hotels in the World

Ranked 2^{nd} out of 25 in Africa

Ranked 4^{th} out of 25 in the World for All-Inclusive Resorts

2019

Ranked 3^{rd} out of 25 All-Inclusive Resorts across the World

Ranked 14^{th} out of 25 Hotels for Service in Africa

Ranked 1^{st} out of 10 All-Inclusive Resorts in Africa

Ranked 2^{nd} out of 10 Hotels for Service in Mauritius

Ranked 7^{th} out of 10 Hotels for Romance in Mauritius

LUX* SOUTH ARI ATOLL MALDIVES

SOUTH ASIAN TRAVEL AWARD

2019

Maldives' Leading Eco-friendly Resort

WORLD SPA AWARDS

2019

Indian Ocean's Best Wellness Retreat

WORLD LUXURY SPA AWARDS

2019

Maldives' Best Wellness Retreat

Indian Ocean's Best Luxury Resort Spa

WORLD LUXURY HOTEL AWARDS

2019

"Best Luxury Island Resort Continent Winner: Indian Ocean"

LUX* NORTH MALE ATOLL MALDIVES

CONDÉ NAST TRAVELER

2019

Top 30 Resorts in the Indian Ocean

Hot List 2019

WORLD LUXURY HOTEL AWARDS

2019

Best Luxury Collection Group - Global

WORLD TRAVELLER MAGAZINE

2019

The Luxury 50 List

SALT OF PALMAR

POSITIVE LUXURY AWARDS

2020

Brand of the Year

HAUTE GRANDEUR GLOBAL EXCELLENCE AWARDS

2019

Best Eco friendly Resort

Best island Resort - Africa

Best Newly appointed General Manager - Africa

Best RoofTop View Hotel - Africa

Best Cocktail Menu - Africa

Best Health and Wellness Cuisine - Global

Best Vegan Restaurant - Global

MR AND MRS SMITH AWARDS

2019

Local Hotel Hero

TIME MAGAZINE

2019

WORLD'S GREATEST PLACES 2019

TRIP ADVISOR

2019-2020

Ranked No. 1 Hotel under travellers rank

TAMASSA

TRIP ADVISOR TRAVELLERS' CHOICE AWARDS

2020

Ranked 12^{th} out of 25 in Africa

Ranked 15^{th} out of 25 in the World for All-Inclusive Resorts

2019

Ranked 5^{th} in the Top 10 Hotels – Mauritius

Ranked 6^{th} in Top 10 Hotels for Service – Mauritius

LUXURY LIFESTYLE AWARDS

2020

Top 10 Best Luxury Hotels in Mauritius

HOLIDAY CHECK

2020

Tamassa- An All-Inclusive Resort 5.6/6

TRIP ADVISOR

2020

5^{th} best All-Inclusive Resort worldwide by Trip Advisor for the Third time.

BOOKING.COM

2020

Travel review Award 9.3/10

HUMAN RESOURCES

Human Resources and Learning & Development

Following the introduction of TLC's new purpose at our June 2019 Executive Conference, we integrated the purpose into our brands and educated our Team Members on the actions required on our part to 'Make Each Moment Matter' and 'Care About What Matters' in our day to day. When news of the pandemic started making headlines earlier this year, we swiftly established an internal Covid-19 Response Team and promptly implemented heightened sanitary measures in our operations while paying particular attention to educating our Team Members. While these protocols and practices were not yet mandatory in the destinations we operate in, our proactivity reassured our guests and team members that their wellbeing remains our utmost priority.

An immediate repercussion of the pandemic was the dwindling occupancy, which impelled us to close our resorts in Mauritius, Reunion and LUX* South Ari Atoll in the Maldives in March of 2020. LUX* North Malé Atoll, Maldives, remained open throughout, while our China operations resumed in February 2020, serving guests in the best way possible.

To tackle the difficulties associated with the confinement period, we speedily adapted our internal communications to ensure we reached out to all Team Members and provided the assistance needed. Regular updates were made available through different media: videos by the CEO, GMs Town Halls hosted via Social Media live sessions, sharing of personal safety measures via WhatsApp groups, and creation of multiple phone chains so that Team Members could reach their Managers without any hassle.

Huge emphasis was placed on psychological wellbeing, with 24/7 counselling hotline available to all Team Members in Mauritius. Starting March 30th, our team of external psychologists hosted weekly psychological health enhancement webinars in English and French for all Team Members and their families. We encouraged our Team Members to stay active during confinement by regularly sharing wellness tips videos by our internal wellness experts.

We made use of all available communication channels to continuously educate and assist our Team Members in protecting themselves and their families' health. We distributed masks and sanitizers, donated food, and shared our sanitary protocols within the community. We witnessed some touching stories of Team Members who volunteered spontaneously to help the less fortunate.

Countless acts of kindness resulted in some extraordinary community outreach projects such as providing food supplies to those in need, distributing homemade reusable masks to fellow community members, spreading health and safety measures in different languages, assisting elders, and thanking our Health Heroes and Police through caring gestures.

Learning and development continued seamlessly despite the confinement. The Learning & Development team has been running a monthly online training calendar since April 2020, covering various topics like personal development, language skills, product knowledge enhancement, supervisory skills development etc. Over 150 members of our Management team benefitted from an in-depth online course on Revenue Management, delivered over 7 weeks and hosted by our Vice President – Revenue Management and Distribution. We maximised the usage of various online learning resources and are grateful to Lobster Ink and Typsy who extended special support packages so we could continue re-skilling and up-skilling our Team Members remotely. We proactively shared various open educational/ personal development resources with all Team Members including access to multi-disciplinary books, Harvard University free online courses, webinars on mindfulness, and John Maxwell's leadership series.

Confinement did not deter us from running this year's edition of the ***'Global Collective Learning Week' (GCLW)*** in May 2020 through virtual workshops and expert-led sessions. The ***GCLW*** was an opportunity for us to engage while learning new skills and developing new hobbies as well as polishing job-related knowledge and skills.

Experts and consultants with whom we have been fortunate to work with over the years came forward to show their support through customized webinars, providing guidance on personal management in the face of crisis. We hosted webinars by international MindPower expert Robin Banks, energy experts Colin and Steven Hall from 'Learning to Lead' in South Africa, while leadership coaching continued with The John Maxwell Company.

Throughout this year we have continued to emphasise leadership development at all levels through various programs and partnerships. We participated once again in the IBL Management Development Program geared towards developing middle management capabilities by enrolling eight of our key operations managers. With our ongoing partnership with The John Maxwell Company (TJMC), we successfully concluded the 1st year of planned leadership development activities for over 125 Managers including executive coaching. In the coming year, we will focus on enhancing our personal leadership skills through a series of pre-selected self-paced learning resources provided by TJMC.

Our in-house leadership development programs were revamped to address new competencies, and we pursued the training online during confinement. In October last year, our leadership team had the opportunity to gain insight into Services Management with Prof. Jochen Wirtz of the National University of Singapore. With heightened GDPR regulations, we revisited our internal processes. Our Group Head of Legal and Chief Internal Auditor developed an in-house program that was delivered throughout our operations to help our Team Members understand their responsibility in terms of data protection and management in our operations.

We have once again uplifted our Learning & Development offerings with the launch of The Lux Collective's first leadership development program, accredited by the University of Wales, Trinity St. David. This customized 18-month program, launched in July 2018, was called the ***'Certificate of Higher Education (CHE) in Professional Practice (Leadership in Hospitality)'***, and followed a blended learning approach: 70% of the learning took place through on-the-job experiences, 20% from interactions and collaborative work, and 10% through formal education. Our first cohort comprised leaders from our Mauritius operations. Over the course of the 18-month program, everyone diligently balanced work with education. The dedication is certainly commendable. Accredited work-based learning without the rigor of formal exams is uncommon, and we have again showed our leadership in pioneering this initiative. Our Learning & Development team went the extra mile to meet the requirements of the authorities to have the program be approved. Not only has it enhanced the participants' leadership skills in line with our objectives, but it has helped them meet their higher education aspirations with an internationally recognized qualification. Throughout the program, the focus was sustained on work-based learning and participants were able to apply 100% of the knowledge gained through the program in their day to day work. We are pleased to announce the graduation of TLC's first cohort of 16 Managers who have successfully completed their 'Certificate of Higher Education' with excellent results overall and wonderful appreciation from the University for the superior quality of our participants' work-based projects. We look forward to continuing the partnership with the University in the years to come.

GRI 404-3

The Lux Collective Innovation Challenge

We continue to focus on creativity and innovation since the inception of the Innovation Challenge in 2013. We have successfully run six editions of this challenge with company-wide participation. On December 17th, 2019, we held the finals for the 6th edition and our teams came together to showcase their ideas under the theme ***"Innovate to Enhance the Team Member Experience."*** Team LUX* Belle Mare won this edition with their idea 'Mo Epanoui', meaning 'Fully Alive.' Initiatives were rolled out with the intention of providing better "Me time" to Team Members such as 2 consecutive days off once a month to recuperate from long working hours, free daily transport to the nearby village of Flacq where Team Members are allocated 2 hours during their working day to complete personal tasks which otherwise take up their weekly day off. Lastly, emphasis was laid on holistic health and Team Members were professionally guided by experts on nutrition and fitness, after undergoing a body composition consultation. We shall continue to host this yearly contest in a themed manner to bring about focused improvements in different areas of our business.

Service Leadership Challenge

The 4th edition of the service leadership challenge has been deferred to end 2020 and will focus on the building block of "Service Benchmarking." We look forward to sharing more updates on this.

Our partnership with Uplifting Service continues. Ron Kaufman has always been a firm supporter and advocate, and over the years he has helped us develop a deeper understanding of service excellence. During confinement, Ron personally led a webinar series for over 240 of our senior managers to help us gain further insights into what it means to truly 'Care about What Matters' in the context of TLC's purpose. Ron has dedicated the last couple of years to researching the subject of Care. We were fortunate to engage in this webinar series during which he guided us on ways in which we can rebound in this newly created post-Covid world by operationalizing Care at all levels. We acknowledge that our guests' needs and concerns have changed. To address this effectively, we have embarked on yet another major transformation as an organization where we will be driving a global culture up levelling, placing ***CARE*** at the core of service delivery & leadership culture across TLC.

For the first time in many years, we missed our target of 180 training manhours per Team Member, closing in at 161.4 hours on average. It is comprehensible that we underachieved in comparison to our target as well as previous years' performance on account of closure of our resorts and the resulting shift in focus to sustain ourselves in the face of the crisis.

In the coming financial year, strong emphasis on payroll cost containment measures globally will have to be maintained, especially for Mauritius with the impact of the Workers' Rights Act and other relevant employment legislations.

Despite the impact of the pandemic, the Group Human Resources function remains focused on its strategy and continues to build a strong organisational structure to support The Lux Collective's global growth plan. We are working across all our brands and destinations in which we operate to instil the People-Service 'DNA' and implement an innovative Learning and Development approach, and maximise cross-border and cross-brand synergies.

As part of the TLC global growth plan, we are pleased to announce the promotion of Nitesh Pandey to the position of Chief Operating Officer of The Lux Collective, Asia Pacific (APAC), with effect from the 15th June 2020. The strengthening of our APAC Management team will help facilitate our effort to both enhance our capabilities as well as contribute to our aggressive growth plans in the region. We will, therefore, be well-positioned to take advantage of the increase in demand in Asia, contributing positively to the overall results of The Lux Collective.

CORPORATE GOVERNANCE REPORT

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 for the year ended 30th June 2020.

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

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 2020, the Company's share capital was Rs 216,664,809.78, composed of 156,082,273 shares with 4,599 shareholders present on the registry.

The following shareholders had more than 5% of the capital of the Company at 30th June 2020:

IBL Ltd	49.60%
Swan Life Ltd	5.58%
Other shareholders	44.82%
Total	100.00%

Shareholding profile

The Company's shareholding profile as at 30th June 2020 was as follows:

Defined Brackets	Number of Shareholders	Number of Shares Owned	Percentage %
1-500	2,293	299,650	0.192
501-1,000	443	343,764	0.225
1,001-5,000	948	2,350,832	1.506
5,001-10,000	313	2,277,460	1.459
10,001-50,000	418	8,885,548	5.693
50,001-100,000	78	5,414,047	3.469
100,001-250,000	60	9,246,077	5.924
250,001-1,000,000	40	18,325,632	11.741
1,000,001-1,500,000	1	1,471,714	0.943
Over 1,500,000	5	107,467,549	68.853

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	4,202	38,404,928	24.606
Insurance and assurance companies	12	9,155,459	5.891
Pension and provident funds	120	20,557,964	13.171
Investment and trust companies	35	484,614	0.31
Other corporate bodies	229	87,437,308	56.02
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 2020.

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 30th June 2020.

Directors	Direct Interest		Indirect Interest	Number of Other Directorships in Listed Companies
	Shares	**%**	**%**	
Marie-Laure Ah-You (resigned on 17.01.20)	612,148	0,39	-	-
David Amsellem (appointed on 30.04.2020)	-	-	-	-
Jean de Fondaumière	-	-	-	1
Julian Hagger	6,204,395	3,95	-	-
Alexis Harel	18,134	0,01	-	2
Paul Jones	7,485,010	4,79	-	-
Arnaud Lagesse	24,000	0,01		4
Karen Lai Yong (resigned on 17.01.20)	-	-	-	-
Hans Olbertz	-	-	-	-
Scott J. Woroch	-	-	-	-
Christof Zuber (deceased in February 2020)	-	-	-	-
Alternate Directors				
Deodass Poolovadoo (Alternate to Julian Hagger)	313,320	0,20	0,01	-
Dominik Ruhl (Alternate to Marie-Laure Ah-You (resigned on 17.01.20)	545,883	0,34	-	-

During the year under review, Mr Julian Hagger acquired 2,800,000 shares of the Company. There was no other share dealings by the Directors (including alternate directors)

CALENDAR OF IMPORTANT EVENTS FOR FORTHCOMING FINANCIAL PERIOD

Publication of 1st quarter results	October 2020
Annual Meeting of Shareholders	December 2020
Declaration/payment of interim dividend (if applicable)	November/December 2020
Publication of half-yearly results	January 2021
Publication of 3rd-quarter results	April 2021
Declaration/payment of final dividend (if applicable)	June 2021
Financial year-end	June 2021
Publication of abridged end-of-year results	September 2021

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 judgment 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.

Chairman of the Board

The Board is headed by the Chairman 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 Chairman plays an instrumental role in developing the business of the Group and that he provides the Group with strong leadership and vision. The Chairman 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.

GOVERNANCE STRUCTURE (continued)

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 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 8 directors, as shown below, along with their membership on the Board Committees of the Company.

Due to the resignation of two female directors on the Board during the year under review, and having in mind the recommendation of the Code regarding gender's diversity on the Board, we intend to comply with same should we find the appropriate profile, commensurate with the sophistication and scale of the organisation. Such appointment would also be in line with the commitment of our holding company, IBL Ltd, to United Nations Women Empowerment Principles (UNWEP). Our strategy, in line with the UNWEP, is described on page 107.

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. Taking into account the scope and nature of the Group's operations, the Board considers that the current Board of 8 Directors is appropriate for enabling effective decision-making. 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 - Chairman	M	Mauritius	Non-Executive Chairperson of the Board	Member of the Corporate Governance & Nomination Committee and Member of the Remuneration Committee
David Amsellem (appointed on 30.04.20)	M	Mauritius	Independent Non-Executive Director	Chairman of the Corporate Governance & Nomination Committee and Chairman of the Remuneration Committee
Jean de Fondaumière	M	Mauritius	Independent Non-Executive Director	Chairman 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	Austria	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	
Karen Lai Yong (resigned on 17.01.20)	F	Singapore	Executive Director	

STRUCTURE OF THE BOARD (continued)

Board Size and composition (continued)

Name	Gender	Country of Residence	Board Appointment	Board Committee Appointment
Marie-Laure Ah-You (resigned on 17.01.20)	F	Singapore	Executive Director	
Julian Hagger	M	Singapore	Executive Director	
Deodass Poolovadoo (Alternate to Julian Hagger)	M	Mauritius	Alternate director	
Dominik Ruhl (Alternate to Marie-Laure Ah-You) (resigned on 17.01.20)	M	Mauritius	Alternate director	
Christof Zuber (deceased in February 2020)	M	Switzerland	Independent Non-Executive Director	Chairman of the Corporate Governance & Nomination Committee and Chairman of the Remuneration Committee

The appointment as Director of Mr David Amsellem will be submitted to the Shareholder's approval at the Annual Meeting scheduled on 30 December 2020 at 14:00.

Directors' independent 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 that the following Directors are regarded as independent directors of the Company:
David Amsellem
Jean de Fondaumière
Alexis Harel
Hans Olbertz
Christof Zuber (deceased in February 2020)

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 59 to 61 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.

STRUCTURE OF THE BOARD (continued)

Directors' time, commitment, and multiple directorships (continued)

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 of 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 on an annual basis.

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.

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 include 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 liquidity performance of Salt Hospitality Ltd
- The terms and conditions of the management agreements between LIR and TLC

STRUCTURE OF THE BOARD (continued)

Audit & Risk Committee (ARC) (continued)

The ARC is satisfied that these matters have been appropriately addressed. Depending upon the issue, independent expert advice is sought. The ARC recommended to the Board to approve the audited financial statements of the Group for the financial year ended 30th June 2020 ("FY 2020 Financial Statements"). The Board has approved the FY 2020 Financial Statements on 16th November 2020 .

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 2020/21
- Audit Plan for 2020/2021
- Internal and external audit reports issued

The members of the ARC are as follows:

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

The Company complies with the requirements of the Code for Mauritius.

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 on an annual basis.

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.

The members of the Committee are :

- Christof Zuber - Chairman *(deceased in February 2020)*
- David Amsellem - Chairman *(appointed on 21.10.20)*
- 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 on an annual basis.

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.

STRUCTURE OF THE BOARD (continued)

Remuneration Committee (RC) (continued)

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

The Remuneration Committee includes the following directors:

- Christof Zuber – Chairman *(deceased in February 2020)*
- David Amsellem - Chairman *(appointed on 21.10.20)*
- Arnaud Lagesse
- Alexis Harel
- Jean de Fondaumière

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	6	4 (in attendance)	2 (in attendance)	3 (in attendance)	15
Julian Hagger	6	-	-	-	6
Karen Lai Yong (resigned on 17.01.20)	3	-	-	-	3
Marie-Laure Ah-You (resigned on 17.01.20)	3	-	-	-	3
Non-Executive Directors					
Arnaud Lagesse	6	-	2	3	11
Christof Zuber (deceased in February 2020)	-	-	-	1	1
Jean de Fondaumière	6	4	-	3	13
Alexis Harel	6	4	2	3	15
Hans Olbertz	5	4	-	-	9
Scott J. Woroch	6	-	-	-	6
David Amsellem	2	-	-	-	2
Number of Meetings held	6	4	2	3	15

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 and Jean de Fondaumière will submit their re-election as Board Members at the forthcoming Annual Meeting of Shareholders. Mr David Amsellem, who was appointed by the Board on the 30th of April 2020, will submit, for approval, his election 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

We have 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 Paul Jones up to 30th June 2024, the Board is confident that under the leadership of Mr Paul Jones, the Company will maintain its growth trajectory. The Board is monitoring the established succession planning process.

Directors profile

Please refer to pages 10-13 to pages 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 2019 to 30th June 2020, the Board met 6 times for the purpose of considering and approving, amongst others, the following items:

- The audited financial statements for the year ended 30th 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
- The impact of Covid-19
- Five year business plan for financial years 2021 to 2025

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.

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 31 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 with 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 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

A remuneration survey was conducted by Korn Ferry, to which the Company participated. We carefully analysed the results of the survey, which demonstrated that the remuneration paid to the Board members of the Company were well under industry practices. Based on the above, the Board approved the following remuneration structure as from the 1st of July 2019:

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	-

Two of the independent directors, who do not reside in Mauritius, have received a total remuneration of Euro 50,000.

Following the Covid-19 pandemic and the prolonged closure of all hotels managed by the Company, and the severe adverse effect on the cash flow, a reduction of 30 % of the Directors' fee payable to the Non- Executive Directors was proposed by the Chairman, and was unanimously accepted by all the Board members. The Board also decided that Board and committee meetings, for directors who are not Mauritian residents, would be attended via visio conference, in order to save on air tickets and accommodation costs.

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

Remuneration of Executive 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.

REMUNERATION MATTERS (continued)

Remuneration of Executive Directors and key management personnel (continued)

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.

The unprecedented Covid-19 pandemic and the looming prolonged closure of all hotels managed by TLC will have a severe adverse effect on the cash flow of the Company with no income stream expected over the next 6 months and probably into 2021.

Management put in place a cost containment plan for the period January till September 2020 , with a voluntary pay reduction for Teams Members earning above Rs 100,000 across the Group. In addition to this cut, many measures were decided, including the freezing of all overseas travelling allowances .

Replacement of Executive Share Scheme (ESS)

Following the abolition of the Executive Share scheme, the remuneration committee was working on a new scheme, which has been put on hold due to the uncertainty of the hospitality industry as a result of the pandemic.

Directors remuneration for the year ended 30th of June 2020 is as follows:

	30 June 2020		
	From the holding company	**From subsidiaries**	**Total**
	Rs '000	**Rs '000**	**Rs '000**
Jean de Fondaumière	393		393
Alexis Harel	370	-	370
Hans Olbertz	752		752
Christof Zuber	-		-
Scott J. Woroch	1,042		1,042
Total Non-Executive	2,557	-	2,557
Paul Jones		32,500	32,500
Julian Hagger		23,251	23,251
Dominik Ruhl	12,671		12,671
Deodass Poolovadoo	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	16,104	66,059	82,163
Total Non-Executive and Executive	**18,661**	**66,059**	**84,720**

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-calibre Non-Executive Directors, and which 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 2020 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 GOVERNANCE AND INTERNAL CONTROL (continued)

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. Although the risks have remained structurally similar to that of a year ago, the context within which we operate has changed significantly. The global pandemic, Covid-19, has had a major impact on our business in all locations, with no clear visibility on recovery. Additionally, Mauritius was affected by an oil spill which affected the south east of the island. Although we do not anticipate the spill to affect the beaches and lagoons where our resorts are located, the long-term effects of the spill cannot be predicted, nor its impact on our future hotel bookings.

C: heightened by Covid-19
O: heightened by Wakashio oil spill

Risk Ref	Risk Name	Risk Description	Risk Level	Mitigating measures
1 C O	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. Covid-19 has had a direct impact on our business. The global pandemic 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 to re-open borders and re-start our hotel activities. The long-term effects of the oil spill on our operations in Mauritius are still unknown, but a decrease in bookings for this destination cannot be excluded.	H	• Our diversification plan through management contracts continues to limit risks of over-dependence on one country/ location only. • Voluntary salary reductions from our Management team. • Cost reduction measures in place in all our resorts. • Assistance from governments for cashflow funding.
2 C	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 and this has a direct impact on our business.	H	• Our diversification plan through management contracts continues to limit risks of over-dependence on one country/ location only.
3 C O	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)

Risk Ref	Risk Name	Risk Description	Risk Level	Mitigating measures
4 C	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 spend on vacation travel. The cost of vacation travel is also likely to increase as PCR tests are requested in destinations where we operate. This will continue to have an effect on us in the foreseeable future with no clear timeline on recovery of our main markets.	H	• Diverse geographical operating presence. • International customer base.
5 C	Currency Risk	Our reporting currency is in MUR and our main revenue is in MUR and USD. Any major fluctuation in USD and EUR 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 C	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.
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.

RISK GOVERNANCE AND INTERNAL CONTROL (continued)

Risk Factors (continued)

Risk Ref	Risk Name	Risk Description	Risk Level	Mitigating measures
9 C	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. • Lobby 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 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.
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.

RISK GOVERNANCE AND INTERNAL CONTROL (continued)

Risk Factors (continued)

Risk Ref	Risk Name	Risk Description	Risk Level	Mitigating measures
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	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.	M	• Insurance cover against legal claims. • We only work with reputable service providers who are licenced. • We commission regular independent audits on third parties.
15	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.
16	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.	M	• 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.
17 C	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)

Risk Ref	Risk Name	Risk Description	Risk Level	Mitigating measures
18	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.
19	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.	L	• Diversification through management contracts.
20	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.	L	• External assurance on sustainability and certifications. • Corporate sustainability management plan.

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. Measures taken include:

- All employees of the Group have been given training on data protection and its implications
- System controls have been enhanced to limit access to data on a needs to know basis only
- Consent requests from guests for all non-contractual communication
- Policies and procedures established for data flows

RISK GOVERNANCE AND INTERNAL CONTROL (continued)

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

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.

RISK GOVERNANCE AND INTERNAL CONTROL (continued)

INTERNAL AUDIT (continued)

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 by the Company's compliance with the provisions of the Companies Act 2001.

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

Remunerations paid to the auditors are as follows:

	THE GROUP		THE COMPANY	
	30 June 2020	30 June 2019	**30 June 2020**	30 June 2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
a. EY				
Audit services	**1,100**	1,055	**425**	425
Other services - Taxation	**65**	65	**25**	25
	1,165	1,120	**450**	450
b. Other Auditors				
Audit services	**177**	143		-
TOTAL	**1,342**	1,263	**450**	450

STATEMENT OF COMPLIANCE

Name of PIE: The Lux Collective Ltd

Reporting period: 30th June 2020

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
Chairman

Jean de Fondaumière
Chairman of the Audit and Risk Committee

This 16th November 2020

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; and

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

Approved by the Board of Directors on 16th November 2020.

and signed on its behalf by:

Arnaud Lagesse
Chairman

Jean de Fondaumière
Chairman of the Audit Committee

SUSTAINABLE DEVELOPMENT

Good Governance, Ethics and Integrated Reporting

OUR MANAGEMENT APPROACH

With global systemic disruptions, seeing lives and livelihoods affected, we recognise the need for The Lux Collective, as a Responsible business, to continue measuring diligently its impact to re-adjust its strategy. The growing need for information for all our stakeholders is addressed as clearly as possible in this Integrated Annual Report (IAR) 2020, with financial and extra-financial matters reported in cohesion.

The Group has reiterated its position with regards to the importance of Governance, Environmental and Social Responsibility and has revamped its strategy through ambitious, CEO-level commitments, to enhance positive impact.

We Care About What Matters, the Company Purpose since the creation of the TLC brand in 2018, echoes the general principles of sustainable development. The Lux Collective has, as compass, the 17 United Nations Sustainable Development Goals (SDGs), in order to absorb the full spectrum and arena of sustainable development into internal and external processes. The SDGs remain a safe guide for contemporary business, for risk assessment in a disrupted world, providing a line of focus for what Matters.

Our Governance approach follows the 10 Principles of the United Nations Global Compact of which TLC has been a Signatory since 2018. The Chief Executive Officer is therefore pleased to present the 2nd Annual Communication on Progress (COP) integrated within the Sustainability Section to all stakeholders. The UN Global Compact Covid-19 Response advice has also been considered. The Management approach is Principles-based and science-based.

This report has been prepared in accordance with the GRI Standards : Core option (Index on page 191), devised in line with the principles of International Integrated Reporting Council (IIRC). The four content principles of GRI 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

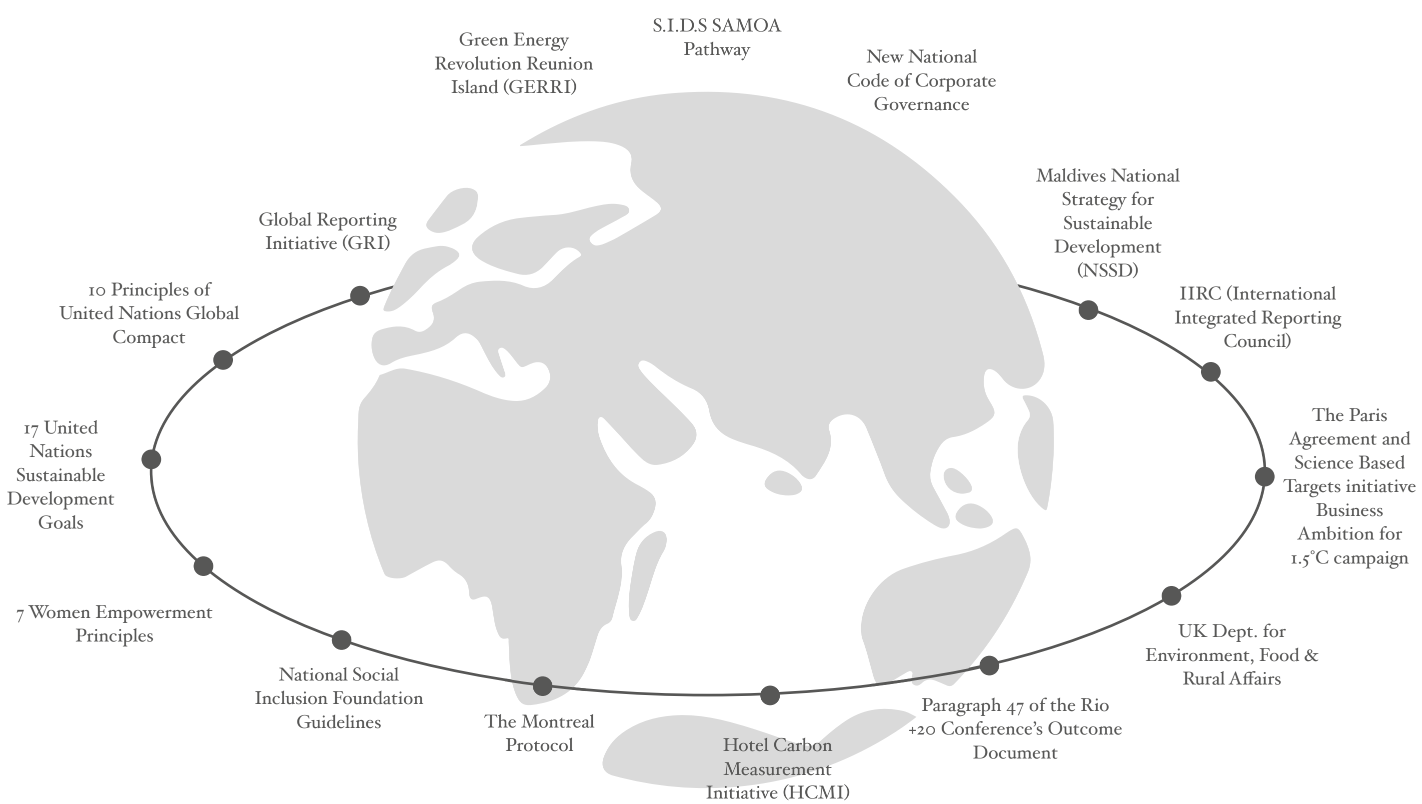
The board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website.

NCCG Principle 8: Relations with Shareholders and Other Key Stakeholders

The board should be responsible for ensuring that an appropriate dialogue takes 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.

GRI 102-12, 102-13, 102-14, 102-46, 102-47, 102-54

SUSTAINABILITY AT TLC FOLLOWS INTERNATIONAL, REGIONAL AND LOCAL GUIDELINES OF ALL OUR DESTINATIONS



With regards to Reliability of information, the internal data collection processes include the Sustainability Representatives in charge of data collection at operations level supplied by the Heads Of Departments concerned by each data type, validated by the General Managers. Data is consolidated at Corporate level.

The greenhouse gas and emissions reports of each hotel are generated by an independent expert, using the Hotel Carbon measurement Initiative methodology for Accuracy and sector relevance.

GRI Community
The Lux Collective Ltd
2020

At strategic level, The Lux Collective has renewed its GRI Community membership, reiterating the importance of involvement in defining precise sustainability reporting standards especially within the current health, economic and looming climate crisis mood. The recent GRI A Culture of Health for Business framework released in the Covid-19 context to ensure a comprehensive Health & Safety approach, has also been considered by the Company.

PRINCIPLE 1	The private sector is essential to shaping and promoting societal values, narratives and language around health and well-being, and to improving population health in ways that prioritize health equity, collective action, and harm reduction.
PRINCIPLE 2	Business success depends on healthy workforces, suppliers, communities, and other stakeholders within the ecology of the supply chain; a healthy society is a shared value.
PRINCIPLE 3	Successful business leadership recognizes health as a strategic priority to be integrated consistently across governance, strategy investments, operations, products, services, and value chains.
PRINCIPLE 4	Responsible businesses measure and disclose their health impacts and contributions to a Culture of Health. Businesses and investors use this to enhance operational and investment decision-making, ultimately reinforcing and rewarding behaviors that promote health.

Properties continue to relay information on all material sustainability KPIs to the Group Sustainability & CSR Executive via their dedicated Sustainability Representatives. In order to ensure Due Process and Transparency in matters concerning internal and external sustainability investment, an internal Corporate Sustainability Committee will be set up in 2020, comprising of Heads of Departments of both the Company and its sister company Lux Island Resorts Ltd (LIR).

We remain close to all our stakeholders and strengthen support during Covid-19 related challenges and others as defined by our stakeholder Inclusiveness process on Page 82.

STAKEHOLDER INCLUSIVENESS

Stakeholder Group	Our People and the Management	Investors and Shareholders	Guests	Tour Operators & Travel agents, Business sources	Local Community	Accredited Organisations, Government & Legislations	Suppliers
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	• 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
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.	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.
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	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
Impact on Objectives and Strategy	Elevate Team Member engagement	• Growth revenue • Cost optimisation • Project development	Brand strength and optimal distribution	Elevate the experience	Environmental sustainability and Inclusive Business	Elevate the experience & Stakeholder relationship	Stakeholder Relationship

THE REPORTING BOUNDARY

This report is for July 2019-June 2020. Key events outside this period which are of significance to our stakeholders have also been included.
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 properties in Mauritius are LUX* Belle Mare, LUX* Le Morne, LUX* Grand Gaube, Tamassa Bel Ombre and LUX* Grand Baie (Mauritius) (Opening Oct 2021). In the Maldives, the resorts are LUX* South Ari Atoll and LUX* North Malé Atoll (Maldives), while Reunion Island resorts consist of LUX* Saint Gilles and Hôtel Le Récif. LUX* Tea Horse Road Benzilan and LUX* Tea Horse Road Lijiang are located in Yunnan Province, 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.

MATERIALITY MATRIX

Site-specific, local, regional and global matters which have significant impact on the business and vice-versa have been assessed and plotted on a 2D Matrix, defined by value-chain mapping and multi-criteria analysis (MCA) for material external and internal relationships.

INTERNAL	Moderate	High	Critical
Critical	No forced labour Non-discrimination Anti-corruption	CO_2 Emissions Waste Energy Water Health & Safety Biodiversity	Corporate governance Economic performance Service quality Customer privacy No Child Labour
High	Local communities Public policy	Environmental Compliance Socio-economic compliance Training & Education Team Member engagement	Human Rights Employment & labour Freedom of association Market presence
Moderate	Effluents	Procurement practices	Supplier social assessment

EXTERNAL

- Environment
- Guests
- Team Members and Management
- Shareholders and Investors
- Tour Operators, Travel Agents & Business Partners
- Accredited Organisations, Legislations, Policies, Authorities & Government
- Suppliers
- Local Community

GRI 102-42, 102-50, 102-52, 103-1, 103-2, 103-3

COMMUNICATION ON PROGRESS

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.

To our Stakeholders,

I am pleased to confirm that The Lux Collective reaffirms its support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress embedded in our Integrated Annual Report 2020, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

In 2020, we are implementing a fresh **Collective Journey 2030 Plan.** It will provide both Corporate and Operations Units guidance on Sustainability Matters for the next five to ten years, including the Guiding Corporate Policies . The new **TLC Gender Diversity Charter** will also be implemented in 2020 (re: page 105) and the Purchasing Policy will transform into a **TLC Ethical Procurement Policy** based on the **UN SDG 12, Responsible Consumption and Production.** It will be the motivation behind sourcing responsibly while integrating small enterprises and women-led businesses into our direct supply chain. This should also be a support for businesses impacted by Covid-19 and encourage closing inequality gaps. This will fortify our deck of Guiding Policies for a 360° coverage of sustainability opportunities across the business.

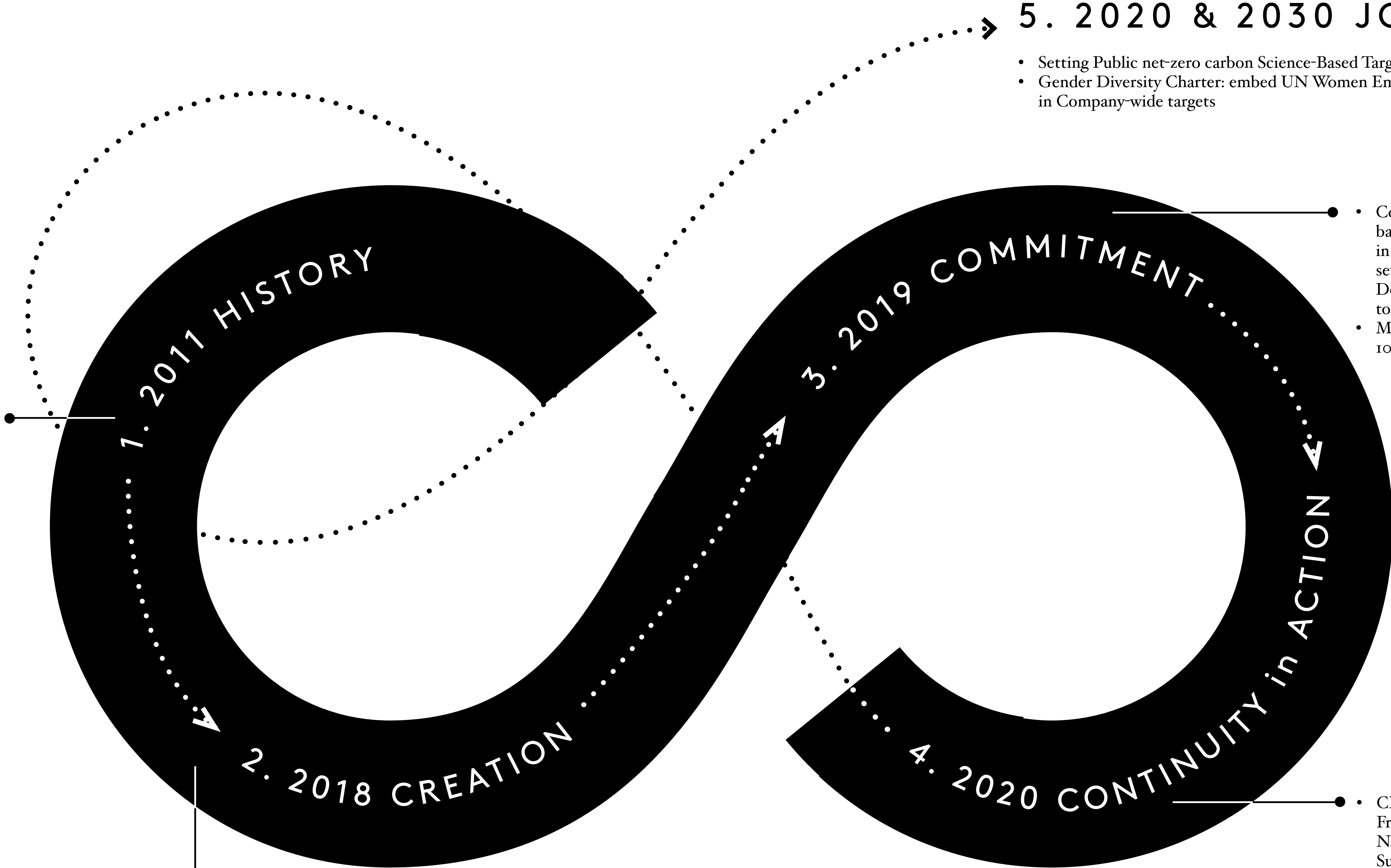
With ambitious goals such as the Business Ambition for 1.5°C Science-Based Targets presented in the preceding Integrated Annual Report, collective action is necessary for the benefit of all. We have seen in 2019 and ongoing in 2020, encouragement from United Nations to unite Business community with Government to **#RecoverBetter.**
Our commitment to set science based targets also proudly includes a role of advocacy for Governments to accelerate green recovery plans, including the right Climate policies to ensure a steady decline of carbon dioxide emitted into the atmosphere. This requires a forward-thinking, future-proof and opportunity mindset, to build resilience for all. I have therefore signed both the ***Uniting Business and Governments to Recover Better statement*** from companies in the Science Based Targets initiative and the recent ***Statement from Business Leaders for Renewed Global Cooperation*** presented to the UN Secretary General, within the context of the 75th Anniversary of the UN and its Annual General Assembly 2020.

Both highlight our trust in our private sector peers to also set a science-based target and confidence in the public sector that they will support responsible companies to change the game at the dawn of The Decade of Action.

Sincerely, always,

Paul Jones
Chief Executive Officer

COLLECTIVE SUSTAINABILITY JOURNEY 2030



- Creation of Lux Island Resorts Ltd
- Reporting aligned with GRI 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)

WE SUPPORT

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

- 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

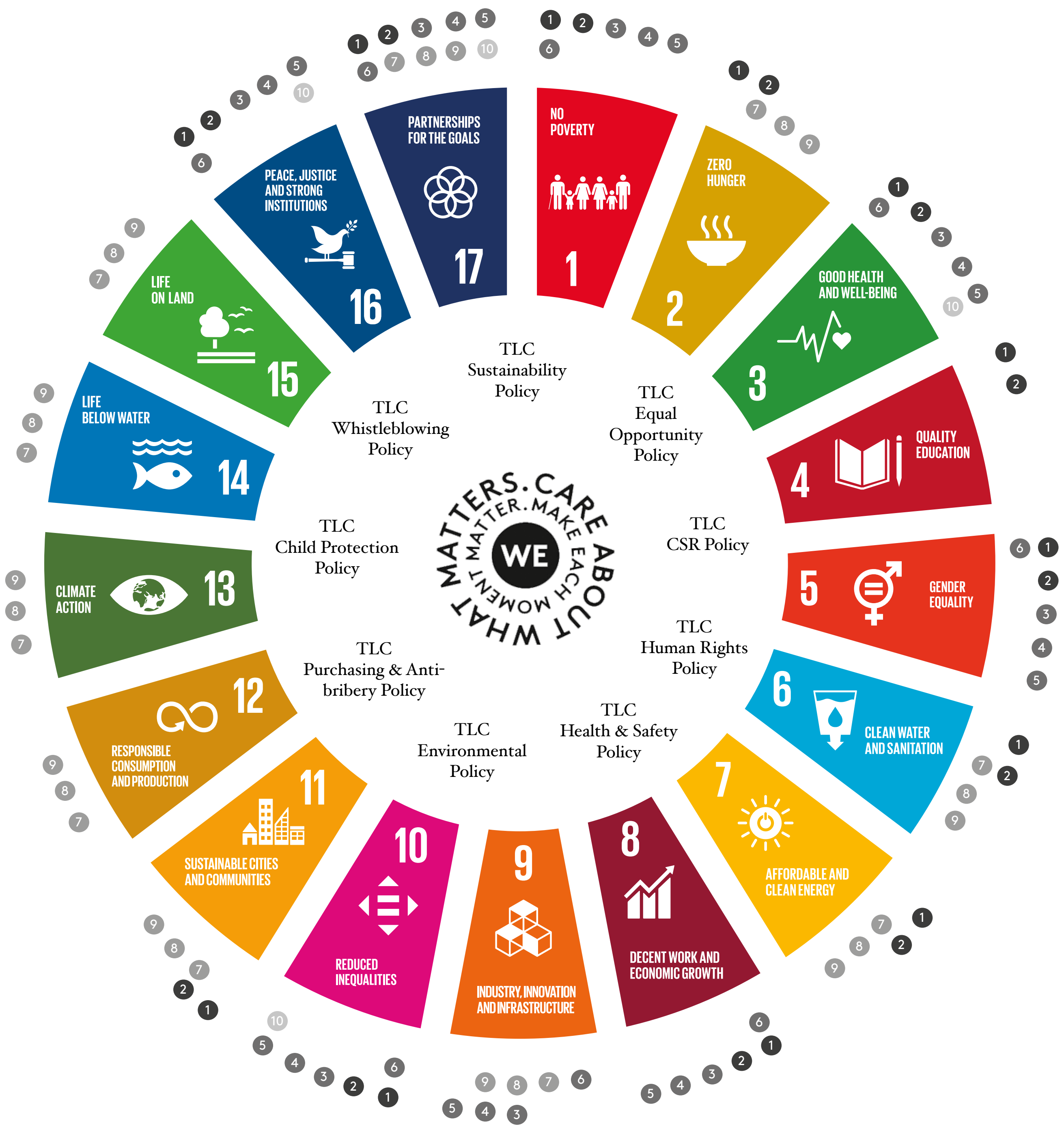
- CEO participation on Francophone panel of United Nations Global Compact Leaders Summit 2020
- CEO representation on UN Global Compact special Covid-19 sessions for Africa
- 2 powerful UN #UnitingBusiness and #RecoverBetter statements endorsed by CEO
- All properties in Mauritius achieve Earthcheck 5 Earth Rating
- TLC & LIR together increase Key CSR Partnerships to 20

5. 2020 & 2030 JOURNEY

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

LINKAGES

Company Purpose, Global Compact Principles, Sustainable Development Goals



WE SUPPORT

TEN PRINCIPLES

of the United Nations Global Compact

HUMAN RIGHTS

LABOUR

ENVIRONMENT

ANTI-CORRUPTION

1 Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

2 Principle 2: make sure that they are not complicit in human rights abuses.

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

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

5 Principle 5: the effective abolition of child labour; and

6 Principle 6: the elimination of discrimination in respect of employment and occupation

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

8 Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

10 Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

OUR TEAM MEMBERS

Covid-19 Response

The management has maintained the workforce on the payroll and maintained the monthly medical insurance contribution for all team members. The company psychologist's services were extended virtually and 13 special sessions were conducted for the entire group on mental health.

2019-2020 Investment in Learning & Development
MUR 21,869,095

Average Hours of training per team member
161.41

New Permanent Hires

- The total number of Team members as at end June 2020 was 3221
- News hires equaled to 1,100 with a Male:Female gender ratio of 1.6 : 1

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

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

Human Rights training totaled
1,078 manhours

Labour Rights

Principle 2: make sure that they are not complicit in human rights abuses.

Principle 2 Global Compact Covid-19 Response: Ensure that any measure implemented to address Covid-19 is accessible to people without discrimination of any kind such as race, colour, disability, age, gender, religion, political or other opinion, national or social origin, property, birth, sexual orientation, gender identity or other status.

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

There were no cases of discrimination flagged during the reporting year. 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.

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 to 2,132 and
- the ratio by gender M:F is 2 : 1

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

The Management supports the Rights of Workers to Freedom of Association. 50% of our properties in Mauritius still have recognised Trade Unions representing the Team Members. Reunion Island resorts adhere to the local legislation. Team Members of both properties are represented.

Principle 5: the effective abolition of child labour; and

The Lux Collective is a member of The Code of Conduct Against Sexual Exploitation of Children in Travel & Tourism. A Child Protection Policy is also enforced internally and remains considerate of 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, as well as aligning with the Mauritius Equal Opportunity Act against all forms of discrimination. The Corporate policy is included in the Team member handbook and available online and on the intranet. The whistleblowing mechanism available is a 24/7 anonymous external hotline.

Remuneration

The Male:Female pay ratio is 1:1 across the board, per employee category, region, corporate and operations level.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Anti-Corruption

The Company's Anti-Bribery Policy in included in the Team member handbook and made available online and on the intranet. It explains the sanctionable actions of team members vis-à-vis their behavior when dealing with external parties. A Code of Ethics guides the management and leadership team on their responsibilities.

OUR TEAM MEMBERS (continued)

Team Member Engagement

All Team Members of the Group, including those of our peer company LUX Island Resorts, were invited to participate in a dialogue with the United Nations. The results of the survey were released in September 2020, as we continue to face rising global case rate of Covid-19. The Lux Collective remains alert to these priorities reflected in the Materiality Matrix.

THE LUX COLLECTIVE

IT'S OUR WORLD AND OUR FUTURE. SO IT'S TIME FOR EVERYONE, EVERYWHERE TO TALK ABOUT WHAT WE WANT OUR FUTURE TO BE.

To mark its 75th anniversary in 2020, the United Nations is igniting a people's debate, UN75. Launched by UN Secretary-General Antonio Guterres, it promises to be the largest and furthest-reaching global conversation ever on building the future we want.

JOIN THE UN75 CONVERSATION

LUX* SALT TAMASSA SOCIO

Resorts & Hotels

According to respondents to the UN75 survey, priorities for post-covid recovery are	Longer-term priorities as identified by respondents are
Health	Climate Change
Access to Basic Services	Poverty
Global Solidarity	Government Corruption
Inclusive Economy	Conflict/Violence

Volunteer Hours FY 2019-2020

3,673

+33% ↑

Since previous reporting year

LUX* Belle Mare

Food distribution to the community through the local Police during Covid-19 lockdown
Easter Cupcakes for Front Liners during Covid-19 lockdown
Classes for families of Team Members :
Photography Workshop
Hydroponics A to Z
Natural beauty
DIY art
Atelier des chefs - Cookies
Atelier des chefs - Naan making for families of Team Members
Atelier des chefs - 'Tarte Provençale' for families of Team Members
Trade Discovery for 42 Students

LUX* Grand Gaube

Cleaning campaign
Maintenance of football pitch for Jean EON school
Football for children activity
Participation in La Flamme des Jeux Des Iles
Celebration of 109th Birthday of Mother Teresa with NGO
Upskilling of Foyer Père Laval Cooks
Distribution of Food to needy people - Covid-19
Donations to SSR Hospital and Police force during lockdown

LUX* Le Morne

Donation of housekeeping items to NGO Pont du Tamarinier
Donation of Housekeeping items to NGO Club Cycliste de Tamarin for fundraising
Customer Care Training for employees of Souillac Hospital Managing your emotions
Customer Care Training for employees of Souillac Hospital Service Quality
Role Play for employees of Souillac Hospital by Resident Manager
Shadowing of employees of Souillac Hospital at Front Office

Zero Food Waste Program implementation in daily operations - Organisation and Coordination for distribution
Donation of food items to Caritas for needy families during Covid-19 curfew period
Bake for Brave Hearts: Team Members baked from their home for front liners (medical staff and police force) to show gratitude.
Cakes, cookies & beverages were delivered to hospitals and the Police force
Donation of food to community health center staff
Donation of games and items to kids of Joie De Vivre via Pack for a Purpose initiative

SALT of Palmar

Team Members spent a day with the students of affiliate NGO Laventure Technical School for the Disabled

LUX* South Ari Atoll (LSAA)

Children's Home Visit - July 2020
Dhigurah Island Cleaning - LSAA nearby Island
Dhidhoo Island Cleaning - LSAA nearby Island
Maamigli Island Cleaning - LSAA nearby Island
Childrens Home Visit - March 2020

LUX* North Malé Atoll

Hospitality Awareness Sessions for School Students
Environment Program Awareness at the resort
Reef cleaning around the resort

LUX* Saint Gilles, and Hotel Le Récif

Organisation and participation in Learning Week
Cleaning campaign on public beach

LUX* Tea Horse Road Lijiang & LUX* Tea Horse Road Benzilan

Clean up in Dayan old town

SUSTAINABILITY KEY PERFORMANCE INDICATORS

Sustainable tourism is a driver for achieving the goals, especially in the locations where tourism is an economic development pillar.

Our stakeholder engagement process reveals how we gather feedback. This happens through various channels and helps us assess risks and opportunities to enhance cooperation with the communities, civil society, private sector and governments.

The Tread Lightly and Ray of Light sections are a highlight of our environmental and social initiatives.

Environmental Capital and Nature

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

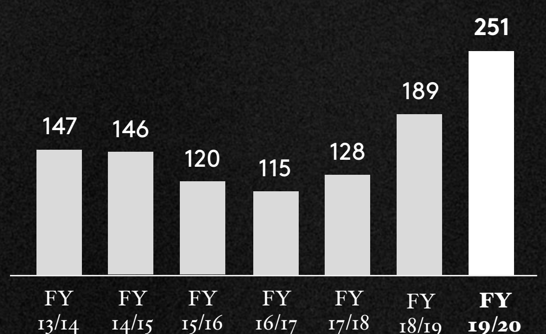
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility;
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Actions at operational level include awareness and trainings on responsible management of resources. Our laundry reduction program also involves the participation of our guests. Capex Investment into energy and water saving technologies are done in collaboration with owners as well as external partners for renewable energy projects.

The properties operate water treatment plants, reuse water for irrigation and are equipped with desalination plants. The new property LUX Grand Baie currently in development will cater for the potential to have a desalination plant in the future, whereas LUX Le Morne now fully relies on its upgraded twin desalination plant.

Monitoring and benchmarking provide an overview of the state of affairs as well as year on year evolution, to continue developing efficient management processes.

ENERGY (KWh/RNS*)

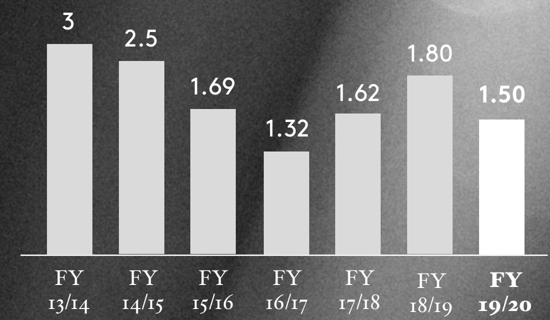


Energy Consumption 2019-2020 accounts for the two properties SALT of Palmar and LUX* North Malé Atoll. These properties were previously excluded as openings occurred mid-year.
With Covid-19 restrictions, the *Room Nights Sold (RNS) drop results in a higher energy intensity per room night

+71%↑ from baseline FY 13/14

+33%↑ from previous year FY 18/19

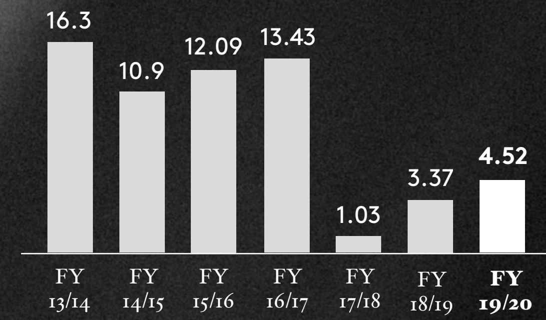
WATER (m³/RNS)



-50%↓ from baseline FY 13/14

-17%↓ from previous year FY 18/19

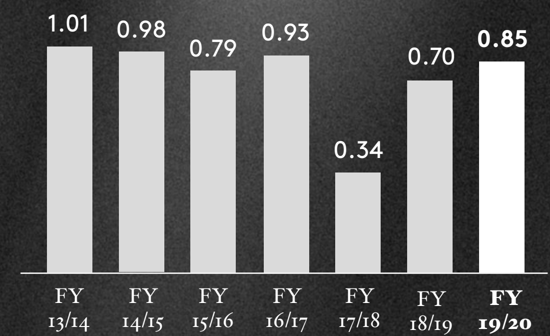
WASTE (Kg/RNS)



-72%↓ from baseline FY 13/14

+34%↑ from previous year FY 18/19

WASTEWATER (m³/RNS)

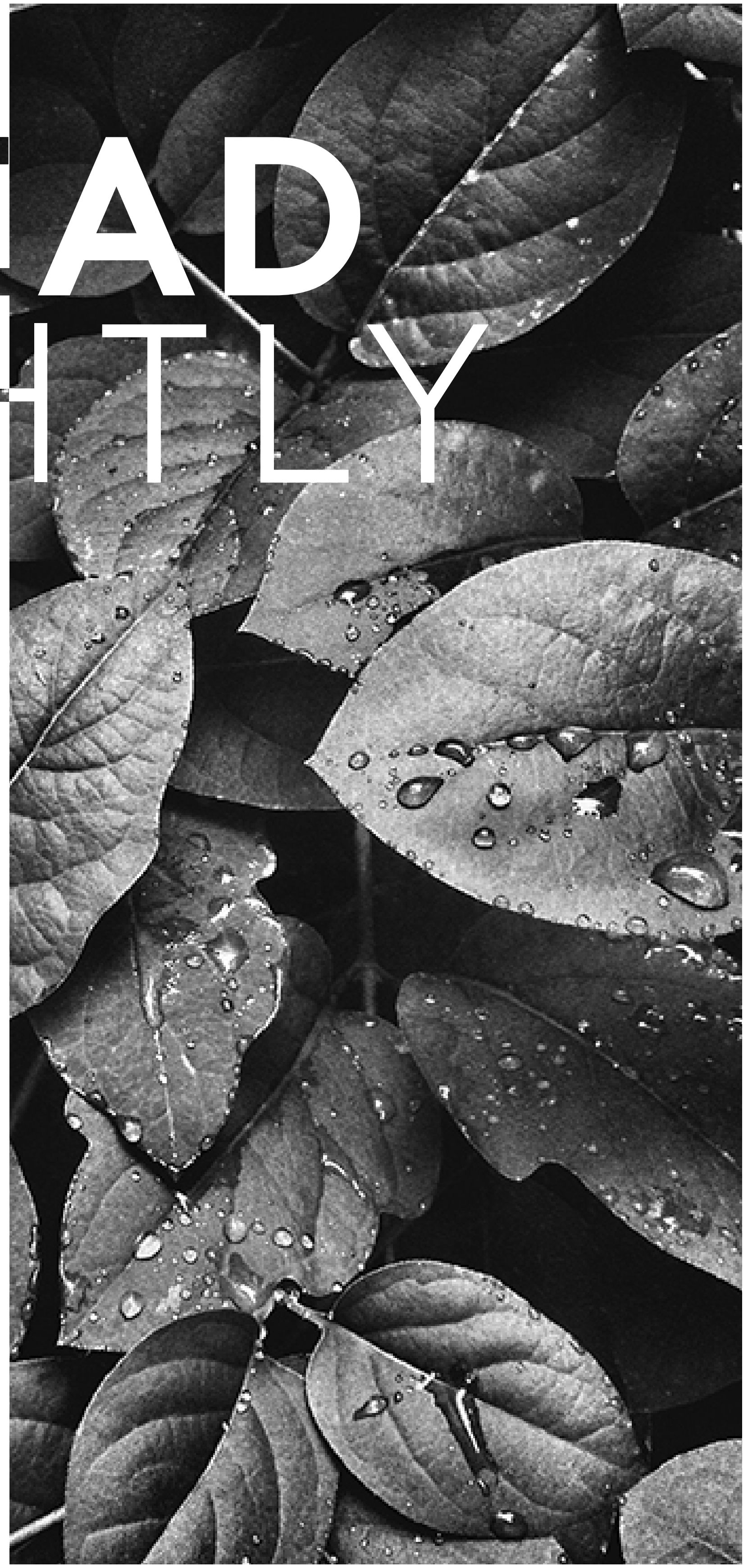


FY 2019-2020 wastewater recording accounts for sludge from treatment plants. The calculation also includes an estimated % of pool water evaporation requiring refills.

-16%↓ from baseline FY 13/14

+21%↑ from previous year FY 18/19

TREAD LIGHTLY



Tread Lightly is our flagship project for the Environment.

It involves all our managed properties, all resorts owned by our sister company, the participation of our Guests, our environmental partners and our work with our Climate Finance expert consultant company AERA Group (France). We'll continue to promise our Guests a 100% net-zero carbon stay with us and we relentlessly seek opportunities to make ourselves greener.

In 2018, Tread Lightly exceeded its Millionth contributing room night.

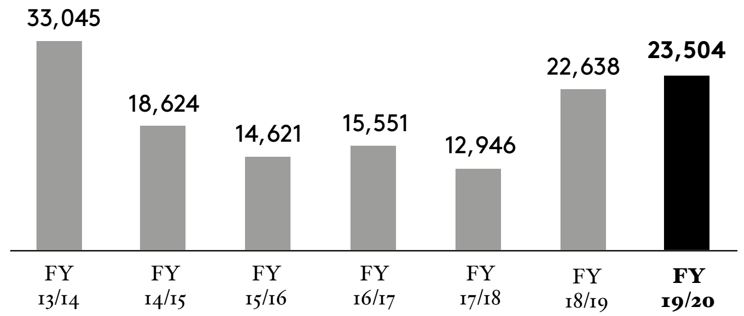
1,346,522 participating room nights since 2013

10 (1 wind farm project added to the list) UNFCCC Offsetting Projects located in Africa and Asia

145,810 tco_2e offset since 2013

CO2 EMISSIONS AND NEUTRALISATION

Net carbon emissions Scopes 1 + 2 (tCO_2e)



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

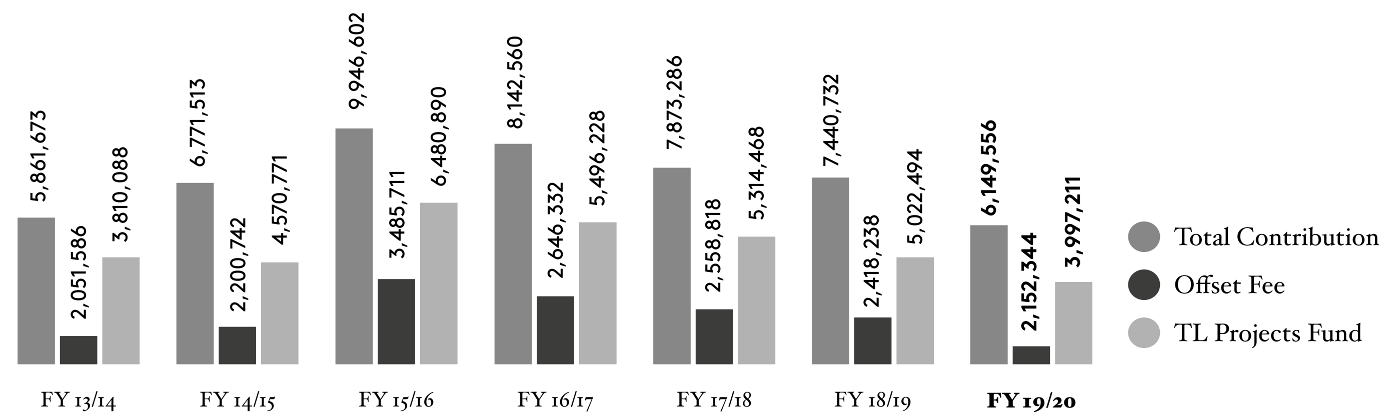
The annual Scopes 1, 2 and 3 Greenhouse Gas (GHG) emissions reports are calculated independently by AERA Group, using the Hotel Carbon measurement Initiative (HCMI) methodology. The methodology was designed by various hospitality operators including International Tourism Partnership and World Travel and Tourism Council to stay relevant to the sector. This year, the emissions of LUX North Malé Atoll and SALT of Palmar have been included in the total and will provide a baseline for the next 2030 reduction targets for the group.

Tread Lightly promises carbon neutral stays

with 10 projects registered at the United Nations Framework Convention on Climate Change

The Lux Collective supports carbon sequestration projects that are registered at the United Nations Framework Convention on Climate Change (UNFCCC). They are located in developing countries and are designed to meet several UN SDGs, by creating jobs and uplifting communities, by supplying clean energy or through afforestation projects requiring human resources as well.

TREAD LIGHTLY FUND (MUR)



The UNFCCC secretariat (UN Climate Change) is the United Nations entity tasked with supporting the global response to the threat of climate change.

The Convention has near universal membership (197 Parties) and is the parent treaty of the 2015 Paris Agreement. The main aim of the Paris Agreement is to keep the global average temperature rise this century as close as possible to 1.5 degrees Celsius above pre-industrial levels. The UNFCCC is also the parent treaty of the 1997 Kyoto Protocol. The ultimate objective of all three agreements under the UNFCCC is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system, in a time frame which allows ecosystems to adapt naturally and enables sustainable development.

The strategic project Tread Lightly ensures that there is consistency in Action for the Planet, across all properties and brands managed by The Lux Collective.

1. The Yunnan Mangli Hydropower Project (China)
2. Bundled wind power project (India)
3. Bambous solar farm of Sarako (Mauritius)
4. Biogas Energy project in Eastern Africa
5. Reforestation of the Nile Basin in Uganda
6. Regenerating 2,728 hectares of natural forests in Ethiopia
7. Producing green electricity with rice husk and agricultural wastes in India
8. Hebei Guyuan County wind far
9. Solar Power Project in Maharashtra India
10. Samana wind farm (India)

BIODIVERSITY CONSERVATION

BIODIVERSITY CONSERVATION

- **Oil spill in the South East coast: assessment and response**

The oil spill incident in the lagoon of Mauritius, a few kilometers from Ile Des Deux Cocos managed by the company, has triggered significant marine and coastal damage. People whose livelihoods depend heavily on the ocean, as well as those living near the impacted zones have suffered income loss and more.

The Lux Collective has, for several years, been a supporter of two NGOs, Mauritian Wildlife Foundation and Eco-Sud who are active in the region via Ile aux Aigrettes and Blue Bay Marine Park conservation work.

We have reiterated this support via CSR Funds again this year.

Properties facilitated team member volunteering in grassroot level initiatives as well as tourism industry association initiatives to protect the coast.

- **Mauritian Wildlife Foundation**

The Mauritian Wildlife has been crucial in maintaining a consistent responsible management of the islet Ile Aux Aigrettes home to rare plants, birds and geckos. LIR has contributed over half a million rupees to the NGO since 2016, including this year's CSR fund of Rs 100,000 for the ongoing critical conservation of rare endemic plants and species.

This CSR contribution will also fund the implementation of plastic waste bins, for the general public to dispose of hard to recycle plastic types such as HDPE. Plastic pollution remains one of the highest threats to marine life and biodiversity conservation on land. The plastic will be upcycled into functional objects and will be again in turn, recyclable. The bins will be deployed across Mauritius in various phases with trusted upcyclers.

- **Eco Sud**

Eco-Sud's public sensitisation campaigns in the South East region of Mauritius has also received support during the past 3 years. This NGO organises awareness sessions for local regional inhabitants, including local fishermen, about the state of the marine park and how to protect it. Our CSR fund contribution total since 2016 amounts to more that Rs 200,000, including Rs 120,000 from CSR Fund 2019, for scientific monitoring of the marine life in Blue Bay Marine Park and in Bel Ombre. The NGO's affiliate properties are Ile des Deux Cocos and Tamassa who work to integrate ecological activities within the business and operations.

- **Protection of Animals Welfare Society (PAWS)**

This NGO received Rs 28,136 to kickstart a fundraising campaign for its new project in Mon Loisir. The no-kill shelter is operated in full respect of the rights of animals as well as that of the environment. Strays constitute a hindrance to the protection of local endangered fauna and also causes distress to the animals as well as humans. The Lux Collective recognises the rights of all sentient beings and believes sensitisation on these issues is crucial. The general public will be invited to participate in 2020.

GRI 304-3

BIODIVERSITY CONSERVATION (continued)

LUX* South Ari Atoll Marine Biology Centre

The Marine Biology Centre in the Maldives continues to support marine life conservation via Statistical contributions to the Maldives Whale Shark Research Programme.
The Centre of LUX* South Ari Atoll is recognised as a "Top Resort Contributor" of whale shark sightings data for the 2019 period. The centre also works closely with Olive Ridley Project and Marine Savers - two organizations that provide specialist turtle care for recovered turtles to be released back into the wild.

Rescue of 3 turtles injured or sick, found near South Ari Atoll required immediate veterinary attention. The resort organises prompt seaplane transfers for the animals. One main threat to marine life is discarded fishing equipment also referred to as ghost nets.

Ocean plastic and ghost nets removal
During ghost net removal operations, the team will extract drift nets from the sea or nets caught in the reefs, as well as any plastic found.

Marine Biology Workshop: the resort in collaboration with the Maldives Whale Shark Research Programme and Manta Trust organised a workshop in August 2019, highlighting the need for megafauna conservation and the importance of sustainable tourism in the Maldives. Representatives from dive and excursion centers in South Ari joined the event and training sessions.

Coral Propagation Project: The ongoing Coral Propagation Project keeps progressing with the active participation of Guests and Team members in coral planting sessions over the 2019 holiday season.

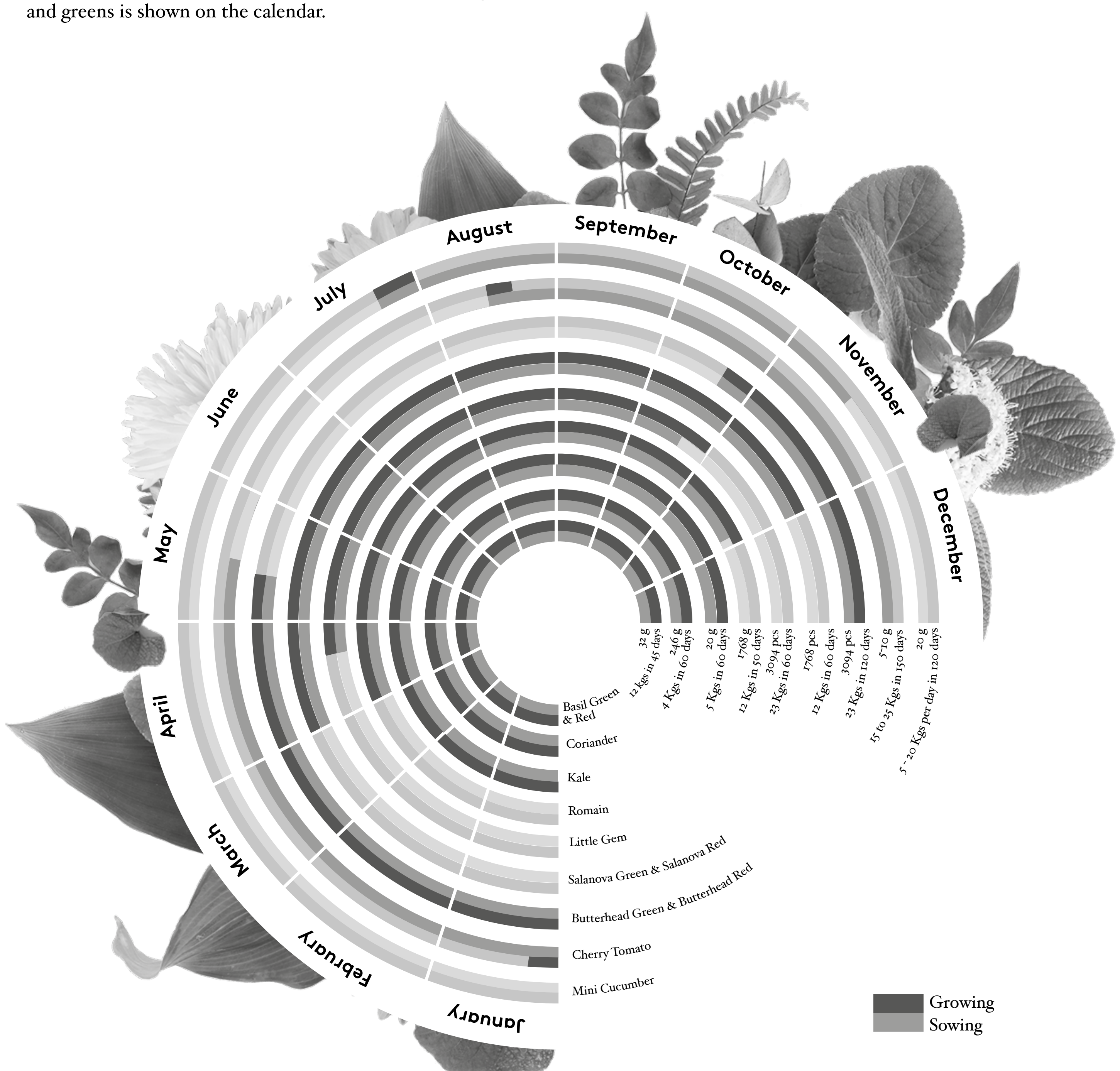
RESPONSIBLE CONSUMPTION AND PRODUCTION

The LUX* Belle Mare Greenhouse

The on-site pesticide free production means healthier production for people, for guests, for team members, for local community and for the environment by lowering the property's carbon emissions linked to imports or transportation.

This asset meets sustainability goals while being an attractive feature of the resort where guests can visit and schedule workshops.

An indication of seasonal production of some of the vegetables and greens is shown on the calendar.



RESPONSIBLE CONSUMPTION AND PRODUCTION (continued)

LUX* Grand Baie Room Energy Management System technology

The upcoming flagship property of the group, LUX Grand Baie, will be equipped with an advanced Room Energy Management System, designed by Legrand with a user-friendly smart panel per room. The system will also connect to the LUX Experience App and provide our Guests with the freedom to adjust the controls in their room for ultimate comfort. The Legrand REMS is designed to work with presence sensors in order to automatically reduce energy consumption. The added advantage is the significant reduction of air conditioning condensation risks while maintaining humidity at a reasonable level.

LUX* Belle Mare beta tests new GIST SME360X system for environmental management

GIST is a 15-year old international Sustainability Analytics firm. The Swiss-based company is a globally recognised leader in sustainability metrics, analytics and insights, with a research facility in Mumbai and technology partner in San Diego.

GIST in collaboration with the International Chamber of Commerce have created a digital platform called SME360X to provide sound impact analysis and relevant industry benchmarks to micro, small and medium enterprises. This simple and affordable technology will enable the companies to also manage their operations more efficiently, improve their environmental performance, and become part of the new low-carbon economy.

The LUX Belle Mare team is currently utilising the tool and providing feedback in order to enhance the user-friendliness of the Software-as-a-Service (S.a.a.S) platform.

The vision of GIST and ICC is to make SME360X accessible to and have it adopted by all SMEs around the globe. Coherent and organised partnerships are key to creating a new reality post Covid-19.

RAY OF LIGHT

THANK YOU TO ALL WHO HAVE ENABLED US TO ACHIEVE A GREAT 2019-2020 FINANCIAL RESULT, PRE COVID-19.

CSR Fund 2020 from 2% of taxable profits =

MUR 5,767,262

From 2% of taxable profit, The Lux Collective and Lux Island Resorts ltd have yielded Rs 5,767,262 of Corporate Social Responsibility (CSR) fund.

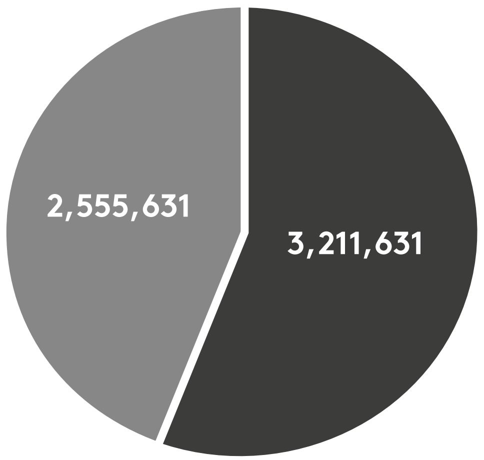
74%

increase from previous year

Ray of Light is the umbrella for all social empowerment projects and initiatives. Ray of Light aims to gather all internal and external stakeholders around common key priority goals such as Quality Education, Gender Equality, No Poverty, Good Health and Wellbeing and more...

The current health crisis has exacerbated the fragility of vulnerable groups and The Lux Collective has been attentive to the pressing needs as well as the longer-sustaining projects of our partner NGOs.

CSR Fund remitted to NSIF



● National Social Inclusion Foundation ● TLC remaining CSR fund

This year, the Lux Collective Ltd and Lux Island Resorts Ltd have increased the partnerships for the goals to 20 social and environmental partners.
56% of CSR fund was remitted to the Mauritius Revenue Authority to be further invested by the National Social Inclusion Foundation.

20 Corporate Social Responsibility (CSR) projects receiving company contributions

CSR Projects 19-20

The selected projects have demonstrated substantial progress over the years and positive results.

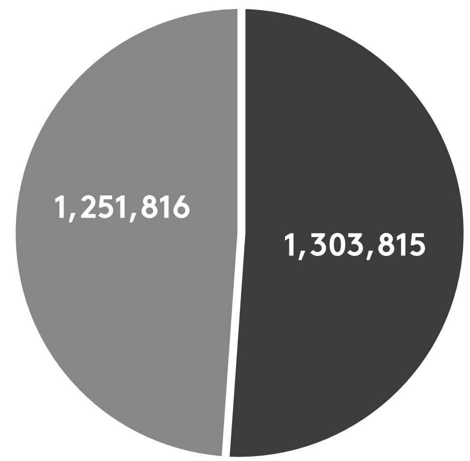
Besides our Tread Lightly NGO partnerships for the environment, our collaboration with organisations that are changing the social fabric through Quality Education for children, to alleviate Poverty, catering for the Good Health and Wellbeing of the vulnerable, providing facilities for the capacity building of the disabled, promoting circular consumption, altering habits and taboos through national level awareness campaigns, in order to close Inequality gaps together, have all been included in our list of more that 20 CSR projects this year.

The Lux Collective is conscious of the need to be even more present in challenging times.

GRI 413-1, 201-1

The Lux Collective and Fondation Joseph Lagesse

TLC CSR contribution to FJL



● Fondation Joseph Lagesse

● TLC available CSR fund

A partial contribution of remaining funds is always redirected to the Fondation Joseph Lagesse of the parent company, where we pool resources to collaborate on poverty alleviation projects and more.

Via the Fondation Joseph Lagesse (FJL), we have sponsored Rs 750,000 for the education of a young adult, from a disadvantaged background, successfully pursuing medical studies in the United States.

Our support to the inhabitants of one of the most impacted zones of Mauritius, Bois Marchand, continues with a funding of Rs 250,000 for educational support and training on Family protection to empower the community.

An orchard project devised by FJL has received Rs 208,815. The project will be an encouragement for very low-income households to adopt self-sufficiency skills and habits. It could also yield revenue for them.

Rs 100,000 has been earmarked to be invested in health projects for those affected by the toxic pollution from the Wakashio oil spill incident earlier this year.

The Lux Collective, Ray of Light Partners

Our collaboration with Gender Links for Gender Equality in society continues through its Safe Haven Halfway Home project, by providing a safe place for growth and development to women having experienced Gender-based violence.

For one of the Quality Education projects, we contributed to the salary of a remedial teacher for the children of NGO Elles C Nous, having missed classes during Covid-19 lockdown.

Thalassemia Society, a long-time partner NGO of LUX* Belle Mare has received funds for PPEs for the beneficiaries affected by the condition, already in a fragile condition. TLC will bring more off-CSR support through empowerment of young beneficiaries.

Association Paille en Queue's Quality Education project has also received the support of its partner hotel LUX* Grand Gaube, having funded the acquisition of an online language learning software for the children. This is a continuity of the group's support for the IT room for this school.

Atelier Joie de Vivre is affiliated with LUX* Le Morne. Located in the south, where several poverty-stricken zones require attention, the organisation will continue to run the school for children. The salary of the fitness teacher has been sponsored for a year.

A new NGO has been added to LUX* Le Morne's CSR partnerships, in the region of Chamarel. Soleil de l'Ouest will invest Rs 77,184 in a six-month community garden programme for two members, as well as support several households with basic food pack in order to enhance food security. The beneficiaries of this NGO are contract-based to encourage learning, development and making savings by working at the community garden and earning a stipend, with dignity.

This project is in line with LUX* Le Morne's food valorisation projects.

New partnerships this year include The Good Shop, with its circular projects to reduce fashion waste and pollution, and provide affordable clothing through two retail shops whilst empowering the disabled with work.

The Lux Collective, Ray of Light Partners (continued)

The Lux Collective's funding of Rs 215,000 will support this women-led social enterprise's project of furniture upcycling atelier and fund the salaries of the repair shop employees, who are all from the Social Registry of Mauritius. TLC will continue to be present during the development of these projects and contribute through circularity knowledge sharing. This NGO will be associated with the Corporate Office in Mauritius and all the properties for more impact.

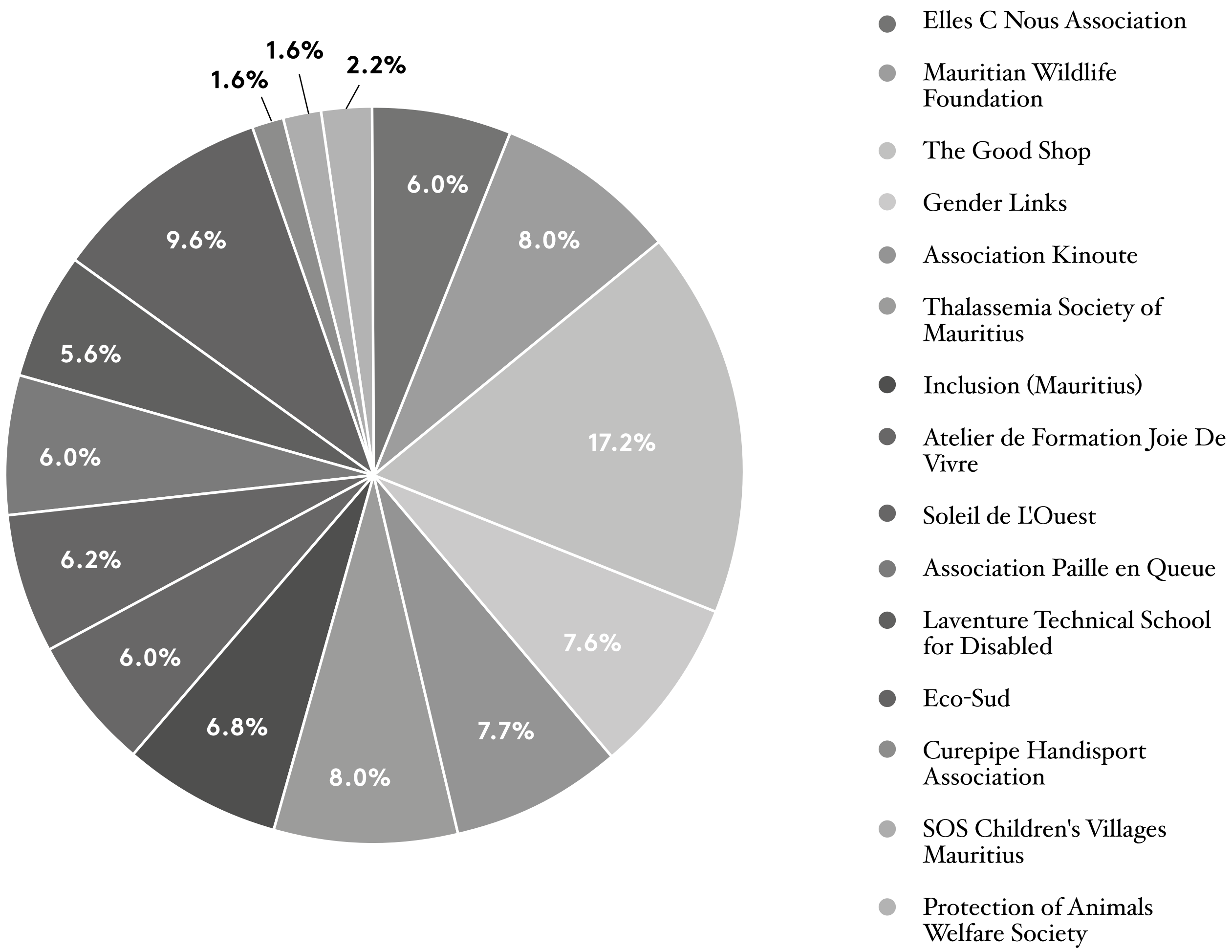
The Good Shop employs beneficiaries of Inclusion Mauritius. This organisation aims to empower the disabled, physical and mental, as well as their families. The Lux Collective has contributed Rs 85,000 to Inclusion Mauritius to conduct employability trainings for the differently-abled to integrate the hospitality sector. LUX* Belle Mare and SALT of Palmar will be the main associated resorts for this project in the first phase.

Salt of Palmar's affiliate NGO Laventure Technical School for the Disabled has also received sponsorship for the physiotherapist.

The Curepipe Handisport Association received Rs 20,000 for transport costs to enable the beneficiaries to continue physical sports trainings such as swimming and tennis.

SOS Children's Villages Mauritius received Rs 20,000 for the tuition fees of primary school students.

Association Kinouete provides a personalised evaluation to each ex-prisoner beneficiary. The aim is to ensure their reinsertion into society, to find a means for sustained income and to restore the dignity of the person. Association Kinouete also provides support, awareness and sensitisation in prisons and outside, in order to do both preventive and rehabilitation work. The NGO supports positive reframing of legislations in order to assess well the social inequalities behind the growing number of young people incarcerated. The Lux Collective has sponsored its Potazer Permakiltir (permaculture project) for 60 ex-inmates across the island.



WOMEN EMPOWERMENT PRINCIPLES

The Lux Collective Gender Equality Charter devised to align with the relevant targets of UN SDG 5 Gender Equality, UN SDG 8 Decent Work and Economic Growth as well as the 7 Women Empowerment Principles will lay out the responsibilities of key departments to activate internal change as well as with external partners.

The short-term objective is to double the global result of The Lux Collective on the WEP Survey to 62%. This entails change within the company as well as through CSR.

Our strategy therefore includes revamping as from this year itself, our CSR program to look at empowerment through a gender lens. We will continue to integrate small enterprises that are supportive of women economic empowerment whilst meeting environmental criteria.

We also welcome this year our first female General Manager based in China for the upcoming LUX* Chongzuo.

Partnership with UNDP SGP to Empower local women-led small enterprises

Covid-19 has exacerbated the inequalities and is changing the global, regional and local business landscape. The world is experiencing a renaissance in its approach to supply and demand of products and services.The Lux Collective has embarked on a firm collaboration with the United Nations Development Program office in Mauritius to empower local women-led enterprises involved in eco-friendly manufacturing, including those based in Rodrigues Island. These organisations have proven their potential to meet the critical need for Sustainable sourcing, Responsible Consumption and Production. The collaboration is crystallised through our Parent Company IBL Ltd and funded by Small Grants Program (SGP). Our involvement will support the capacity building of more than 5 small organisations, of which 3 are women-led.

Partnership with UNDP SGP to Empower local women-led small enterprises (continued)

Outgrowing Ltd produces eco-friendly hand pressed plates and food recipients made of palm tree and other leaves. The Lux Collective's Marketing Production department has assigned one of its creative designers to custom build the visual identity package, that meets contemporary design styles which is a signature of The Lux Collective and its brands. The branding will be guided by the Assistant Manager of Marketing Production.

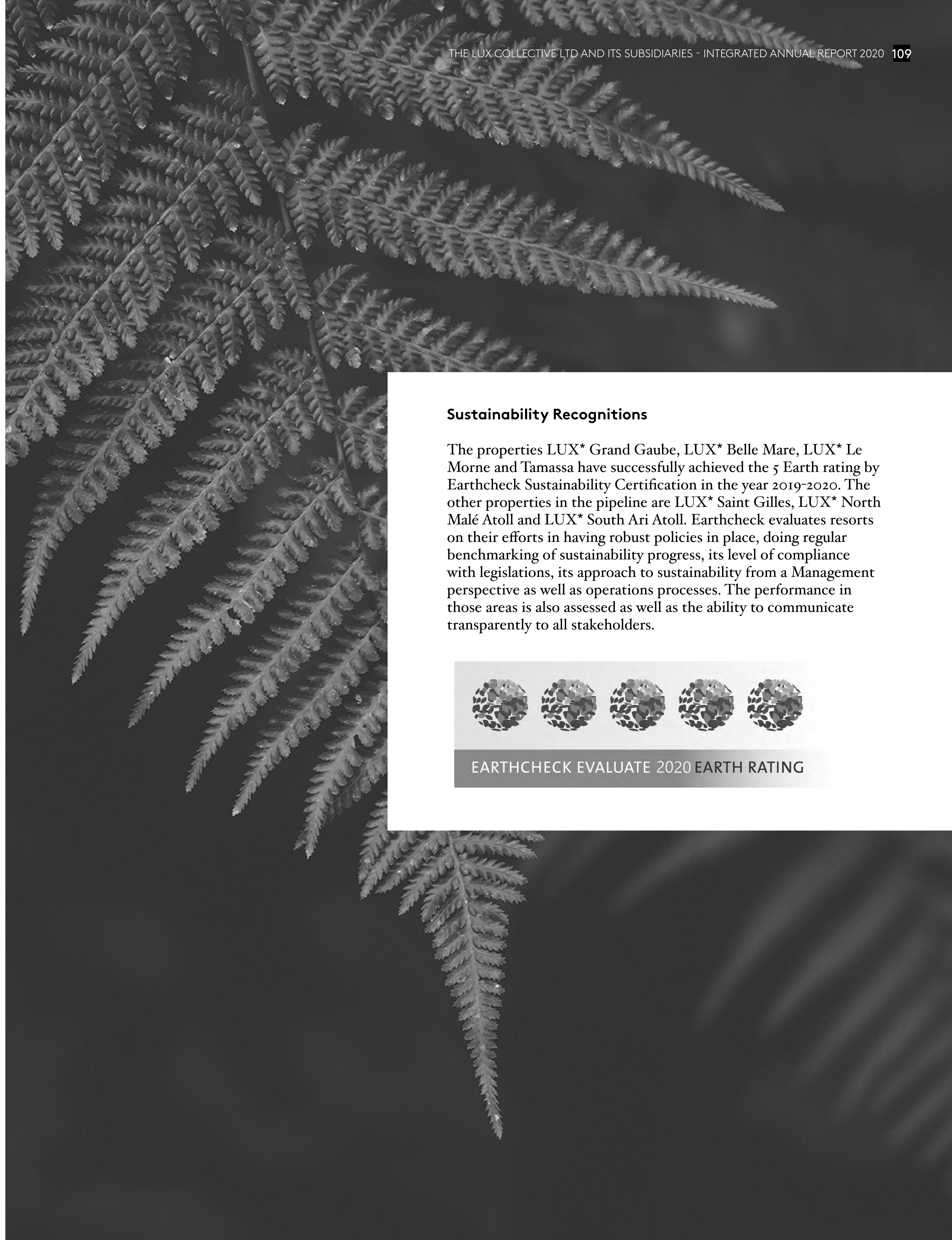
The work also involves finding the most sustainable packaging solution for the eco-friendly products which will be marketed through retail to the general public. A thorough Life Cycle Assessment has been followed to ensure the best materials are selected in line with our Circular design approach.

Association of Pandanus Growers (AAPPSE - association des artisans planteurs de pandanus du Sud Est) handmade pieces have been produced in the past for the launch of SALT of Palmar.
Celebrities have been spotted in London during fashion events, sporting the pouches and bags, a testimony to the quality of the work. We reiterate our support to this company which uses locally sourced Pandanus leaves also known as Vacoas. Their craftsmanship along with empowerment sessions delivered by The Lux Collective Leadership team will equip them with business management knowledge, human capital management skills, company identity and digital marketing, as well as quality assurance in order to meet the requirements of a 5-star market. The Retail Manager of The Lux Collective will share her expertise in order to ensure the company has every chance to grow in the business world..

Other supported organisations include producers of pesticide-free turmeric, pearl powder which will be introduced to our Guests through spa treatments.
The Food & Beverages department under the watch of our VP of Food & Beverages and Corporate Chef will test gluten free cassava and tapioca flour from Rodrigues, in view of integrating even more quality products, local produce into our menus and incorporating local planters into our supply chain.

New Tread Lightly collateral for re-branded Tamassa

The re-branding of Tamassa was an opportunity to re-design the laundry reduction collateral to match its playful vibe. The Tread Lightly collateral was produced with the guidance of the Marketing Production Assistant Manager's expertise in quality, to guide the women-led social enterprise Magic Fingers on our requirements. The knowledge sharing enabled them to provide a high-quality product, while up-cycling clean fabric discarded by textile factories. The Tamassa Cube echoes the colourful Rubik's Cube, and is beautifully hand stitched by Magic Fingers partners, which has been integrated into our value chain.



Sustainability Recognitions

The properties LUX* Grand Gaube, LUX* Belle Mare, LUX* Le Morne and Tamassa have successfully achieved the 5 Earth rating by Earthcheck Sustainability Certification in the year 2019-2020. The other properties in the pipeline are LUX* Saint Gilles, LUX* North Malé Atoll and LUX* South Ari Atoll. Earthcheck evaluates resorts on their efforts in having robust policies in place, doing regular benchmarking of sustainability progress, its level of compliance with legislations, its approach to sustainability from a Management perspective as well as operations processes. The performance in those areas is also assessed as well as the ability to communicate transparently to all stakeholders.

EARTHCHECK EVALUATE 2020 EARTH RATING

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
Secretary

This 16th November 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUX COLLECTIVE LTD

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 114 to 188 which comprise the statement of financial position as at 30th of June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement 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 30th of June 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements of the Company in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial statements, which indicates that:

1. the Company incurred a net loss of Rs 238 million (2019: Rs. 10 million) for the year ended 30th of June 2020 and as at that date, its total liabilities exceeded its total assets by Rs. 52 million (2019: shareholders' fund of Rs. 202 million);
2. the Company is heavily reliant on its holding company for an upcoming rights issue and on a term loan from its bankers as it continues to make losses;
3. the timing of the recovery from the Covid-19 pandemic and the depth of its impact is still uncertain and the entity's future profitability is dependent on the success of the existing and new hotels from which the entity earns fees.

These conditions along with other matters set forth in Note 3, indicate the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Chief Executive Officer's report, corporate governance report, sustainability report, annual report and the secretary's certificate, but does not include the financial statements and our auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUX COLLECTIVE LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information (continued)

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and or Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LUX COLLECTIVE LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the Group and Company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 auditors, tax advisors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

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

In our opinion, the disclosures in the Annual Report are consistent with the principles of the Code.

Ernst & Young	**Thierry Leung Hing Wah, F.C.C.A**
Ebène, Mauritius	Licensed by FRC

16th November 2020

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Notes	THE GROUP 2020 Rs'000	THE GROUP 2019 Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**86,373**	122,783	**12,419**	17,115
Right of use assets	18	**352,845**	-	**15,766**	-
Intangible assets	5	**209,504**	243,508	**7,323**	10,390
Investment in subsidiaries	6	**-**	-	**213,395**	213,395
Investment in other financial assets	7	**4**	4	**-**	-
Deferred tax assets	8 (a)	**28,987**	18,871	**24,989**	16,192
Contract assets	9	**84,304**	91,007	**84,304**	91,007
Other non-current assets	11	**-**	-	**-**	59,310
		762,017	476,173	**358,196**	407,409
Current assets					
Inventories	10	**10,132**	10,651	**471**	303
Contract assets	9	**6,700**	6,700	**6,700**	6,700
Trade and other receivables	11	**83,744**	115,762	**61,645**	129,690
Cash in hand and at bank	30	**19,293**	25,286	**49**	1,409
		119,869	158,399	**68,865**	138,102
TOTAL ASSETS		**881,886**	634,572	**427,061**	545,510
EQUITY AND LIABILITIES					
Equity					
Stated capital	12	**216,665**	216,665	**216,665**	216,665
Other reserves	13	**(5,244)**	(901)	**(12,502)**	(2,971)
Accumulated losses		**(275,657)**	(88,127)	**(256,736)**	(11,300)
Total equity		**(64,236)**	127,637	**(52,573)**	202,394
Non-current liabilities					
Employee defined benefit liabilities	14	**27,976**	17,057	**23,749**	13,423
Interest-bearing loans and borrowings	15	**555,551**	206,224	**204,521**	163,897
		583,527	223,281	**228,270**	177,320
Current liabilities					
Interest-bearing loans and borrowings	15	**122,996**	109,830	**75,696**	68,311
Contract liabilities	16	**1,874**	3,733	**-**	-
Trade and other payables	16	**237,001**	168,767	**175,668**	97,485
Income tax liability	17(b)	**724**	1,324	**-**	-
		362,595	283,654	**251,364**	165,796
Total liabilities		**946,122**	506,935	**479,634**	343,116
TOTAL EQUITY AND LIABILITIES		**881,886**	634,572	**427,061**	545,510

These financial statements have been approved for issue by the Board of Directors on 16th of November 2020 and signed on its behalf by:

Arnaud Lagesse
Chairman

Jean de Fondaumière
Chairman of the Audit Committee

The notes set out on pages 118-188 form an integral part of these financial statements. Independent auditor's report on pages 111-113.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	Notes	THE GROUP 2020 Rs.'000	THE GROUP 2019 Rs.'000	THE COMPANY 2020 Rs.'000	THE COMPANY 2019 Rs.'000
Revenue from contracts with customers	21	**630,894**	695,616	**410,899**	496,422
Gain on bargain purchase of subsidiaries	19	**-**	25,843	**-**	-
Other operating income	23	**70,468**	50,774	**65,885**	113,224
Total operating income		**701,362**	772,233	**476,784**	609,646
Cost of inventories	22	**(31,206)**	(21,882)	**-**	-
Employee benefit expenses	24	**(329,561)**	(323,548)	**(163,799)**	(200,863)
Depreciation and amortisation	25	**(72,415)**	(24,617)	**(13,358)**	(9,757)
Impairment loss on non-current assets	26	**(29,410)**	-	**-**	-
Expected credit loss allowance	11	**(33,516)**	(3,223)	**(154,218)**	-
Other operating expenses	27	**(318,637)**	(448,864)	**(350,933)**	(402,172)
Total operating expenses		**(814,745)**	(822,134)	**(682,308)**	(612,792)
Operating loss	28	**(113,383)**	(49,901)	**(205,524)**	(3,146)
Finance costs	29	**(46,327)**	(11,655)	**(17,681)**	(8,435)
Loss before tax		**(159,710)**	(61,556)	**(223,205)**	(11,581)
Income tax (expense)/credit	17	**(20,510)**	(11,661)	**(14,925)**	1,208
Loss for the year		**(180,220)**	(73,217)	**(238,130)**	(10,373)
Other comprehensive loss:					
- Other comprehensive loss that may be reclassified to profit or loss subsequently					
Cash flow hedge movement	13	**(12,781)**	(730)	**(12,781)**	(730)
Released to profit or loss on repayment of loan	13	**1,298**	-	**1,298**	-
Exchange difference on translation of foreign operations	13	**5,188**	(1,279)	**-**	-
Deferred tax relating to components of other comprehensive income	8 (a)	**1,952**	124	**1,952**	124
		(4,343)	(1,885)	**(9,531)**	(606)
- Other comprehensive (loss)/income that may not be reclassified to profit or loss subsequently					
Actuarial loss on employee defined benefit liabilities - funded	14 (i)	**(8,323)**	(5,283)	**(8,323)**	(5,283)
Actuarial loss on employee defined benefit liabilities - unfunded	14 (r)	**(506)**	(869)	**(480)**	(2,873)
Deferred tax on employee defined benefit liabilities	8 (a)	**1,519**	1,406	**1,497**	1,387
		(7,310)	(4,746)	**(7,306)**	(6,769)
Total other comprehensive loss for the year, net of tax		**(11,653)**	(6,631)	**(16,837)**	(7,375)
Total comprehensive loss for the year, net of tax		**(191,873)**	(79,848)	**(254,967)**	(17,748)
Loss per share attributable to equity holders of the parent:					
Loss per shares (Basic) (Rs.)	33	**(1.15)**	(0.47)		
Loss per shares (Diluted) (Rs.)	33	**(1.15)**	(0.50)		

The notes set out on pages 118-188 form an integral part of these financial statements. Independent auditor's report on pages 111-113.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

THE GROUP

	Notes	Stated capital	Other reserves*	Accumulated losses	Total
		Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2018		135,234	7,345	(116,668)	25,911
Loss for the year		-	-	(73,217)	(73,217)
Other comprehensive loss for the year		-	(1,885)	(4,746)	(6,631)
Total comprehensive loss for the year		-	(1,885)	(77,963)	(79,848)
Movement in share based payment obligation		-	(1,074)	-	(1,074)
Issue of shares	12	187,935	(5,287)	-	182,648
Capital reduction	12	(106,504)	-	106,504	-
At 30 June 2019		**216,665**	**(901)**	**(88,127)**	**127,637**
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)**

THE COMPANY

	Notes	Stated capital	Other reserves*	Accumulated losses	Total
At 01 July 2018		135,234	3,996	(100,662)	38,568
Loss for the year		-	-	(10,373)	(10,373)
Other comprehensive loss for the year		-	(606)	(6,769)	(7,375)
Total comprehensive loss for the year		-	(606)	(17,142)	(17,748)
Movement in share based payment obligation		-	(1,074)	-	(1,074)
Issue of shares	12	187,935	(5,287)	-	182,648
Capital reduction	12	(106,504)	-	106,504	-
At 30 June 2019		**216,665**	**(2,971)**	**(11,300)**	**202,394**
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)**

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

The notes set out on pages 118-188 form an integral part of these financial statements.
Independent auditor's report on pages 111-113.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Notes	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
OPERATING ACTIVITIES					
Loss before tax		**(159,710)**	(61,556)	**(223,205)**	(11,581)
Adjustments to reconcile loss before tax to net cash flows from operating activities:					
Depreciation of plant and equipment	4	**19,164**	19,401	**4,461**	6,743
Amortisation of intangible asset	5	**6,556**	5,216	**3,067**	3,014
Amortisation of right of use assets		**46,695**	-	**5,830**	-
Impairment loss on non-current assets		**29,410**	-	-	-
(Profit) /Loss on scrapped/ sales of assets		**(40)**	893	-	15
Foreign exchange difference		**1,141**	32	**1,298**	-
Share based payment expense	13	-	(1,074)	-	(1,074)
Gain on bargain purchase of subsidiaries	18(b)	-	(25,843)	-	-
Interest expense	29	**45,029**	11,655	**16,383**	8,435
Gain on rental concession	26	**(9,784)**	-	-	-
Payables waived by related companies	23	-	32,168	-	-
Employee defined benefit liabilities		**2,090**	2,771	**1,524**	1,825
Dividend income	23	-	-	**(46,173)**	(103,200)
		(19,449)	(16,337)	**(236,815)**	(95,823)
Working capital adjustments:					
Decrease/ (increase) in inventories		**519**	(4,081)	**(168)**	(9)
Decrease/ (increase) in contract assets		**6,703**	(97,707)	**6,703**	(97,707)
Decrease in trade and other receivables		**32,018**	96,269	**127,355**	109,486
(Decreased)/ increase in contract liabilities		**(1,859)**	3,733	-	-
Increase/ (decrease) in trade and other payables		**68,234**	(45,482)	**78,183**	(153,312)
Cash generated (used in) operations		**86,166**	(63,605)	**(24,742)**	(237,365)
Interest paid		**(45,029)**	(11,655)	**(16,383)**	(8,435)
Income tax paid	17(b)	**(27,891)**	(12,588)	**(20,273)**	-
Net cash flows generated from/ (used in) operating activities		**13,246**	(87,848)	**(61,398)**	(245,800)
INVESTING ACTIVITIES					
Purchase of subsidiaries net of cash consideration	19	-	4,382	-	-
Consideration paid on business purchase	20	-	(2,550)	-	-
Acquisition of property, plant and equipment	4	**(5,291)**	(96,798)	**(1,173)**	(2,212)
Acquisition of intangible assets	5	**(1,962)**	(5,851)	-	(2,683)
Proceeds from sale of property, plant and equipment		**208**	11,243	-	9,922
Dividend received		-	-	**46,173**	103,200
Net cash flows (used in)/generated from investing activities		**(7,045)**	(89,574)	**45,000**	108,227
FINANCING ACTIVITIES					
Issue of shares	30(b)	-	21,079	-	21,079
Proceeds from long term borrowings	15 (c)	**40,400**	150,550	**30,000**	100,550
Proceeds from leases	18 (b)	**1,000**	-	-	-
Repayment long term borrowings	15 (c)	**(24,939)**	(5,719)	**(9,816)**	-
Repayment of principal portion of obligation under leases	18 (b)	**(22,022)**	(4,538)	**(5,132)**	(719)
Net cash flows (used in)/ generated from financing activities		**(5,561)**	161,372	**15,052**	120,910
Net increase/ (decrease) in cash and cash equivalents		**640**	(16,050)	**(1,346)**	(16,663)
At July 1,		**(49,474)**	(34,014)	**(52,143)**	(35,480)
Exchange difference		**4,259**	590	-	-
At June 30,	30 (a)	**(44,575)**	(49,474)	**(53,489)**	(52,143)

The notes set out on pages 118-188 form an integral part of these financial statements.
Independent auditor's report on pages 111-113.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

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 Limited, 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 as modified by the revaluation of 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 30th June 2020.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Basis Of Consolidation (continued)

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 Accounting Policies and Disclosures

New and amended standards and interpretations

The Group applied for the first time, IFRS 16 Leases, which is effective for annual periods beginning on or after 1st of January 2019. The nature and the effect of changes as a result of adopting this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Group. Except for the new amendment ''Covid -19- Related Rent Concessions (Amendment to IFRS 16), 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 1st of July 2019:

New or revised standards

IFRS 16	Leases – Original issue

<u>**Amendments**</u>

IFRS 3	Business Combinations - Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest)
IFRS 9	Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture
IFRS 11	Joint Arrangements - Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest)
IAS 12	Income Taxes - Amendments resulting from Annual Improvements 2015-2017 cycle (income tax consequences of payments on financial instruments classified as equity)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in Accounting Policies and Disclosures (continued)

New and amended standards and interpretations (continued)

IAS 19	Employee Benefits - Amendments regarding plan amendments, curtailments or settlements
IAS 23	Borrowing Costs - Amendments resulting from Annual Improvements 2015-2017 cycle (borrowings costs eligible for capitalisation)
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution between an investor and its associates or joint ventures
IFRIC 23	Uncertainty over Income Tax Treatment

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:

IFRS 16 Leases

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

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the entity is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1st July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The effect of adoption IFRS 16 as at 1st of July 2019 (increase/(decrease)) is, as follows:

	THE GROUP	THE COMPANY
	Rs000s	Rs000s
ASSETS		
Right-of-use assets	376,927	1,406
Property, plant and equipment	(23,609)	(1,406)
Total Assets	353,318	-
LIABILITIES		
Interest-bearing loans and borrowings	353,318	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in Accounting Policies and Disclosures (continued)

IFRS 16 Leases (continued)

The Group has leases contracts for various items of plant, machinery and equipment, which, prior to the adoption of IFRS 16, were classified as at inception date, as either operating lease or finance lease. Refer to Note 2.5 (t) for the accounting policy prior to 1st of July 2019.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.5 (t) for Lease accounting policy beginning 1st of July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirement of IFRS 16 were applied to these leases from 1st of July 2019.

- Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at date of initial application.

The Group also applied the available practical expedients wherein it:

- Use a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- Exclude the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease terms where the contract contained options to extend or terminate the lease.

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, are contracts for which the underlying asset is of low value (low-value assets).

Based on the above, as at 1st of July 2019:

- Right-of-use assets of Rs 376.9 million were recognised and presented separately in the statement of financial position. This includes lease assets recognised previously under finance leases of Rs 23.6 million that were reclassified from property, plant and equipment.
- Additional lease liabilities of Rs 353.3 million (included in interest bearing loans and borrowings) were recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in Accounting Policies and Disclosures (continued)

IFRS 16 Leases (continued)

The lease liabilities as at 1st of July 2019 can be reconciled to the operating lease commitments as at 30th of June 2019 as follows:

	THE GROUP	THE COMPANY
	Rs 000's	Rs 000's
ASSETS		
Operating lease commitments as at 30th of June 2019	487,362	-
Weighted average incremental borrowing rate as at 1st of July 2019	6.1%	
Discounted operating lease commitments as at 1st of July 2019	355,544	-
Less		
Commitments relating to short-term leases	(1,125)	-
Commitments relating to leases of low-value assets	(1,101)	-
Add		
Lease liabilities previously arising from finance leases	22,413	1,376
Lease liabilities as at 1st of July 2019	375,731	1,376

The Group has early adopt the Covid-19 Related Rent Concessions (Amendment to IFRS 16) issued on 28 May 2020. This amendment provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

The practical expedient has been applied to all lease contracts to which rental concessions have been granted as at balance sheet date. The practical expedient allows the lessee to treat rental concessions as variable lease payments and the lessee recognises the reduction in lease payments in profit or loss in the period in which the event or condition that triggers those payments occurs. The Group has recognised a gain of Rs 9.8 million in income statement on account of lease concessions received as a consequence of the Covid-19 pandemic.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

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

The Interpretation specifically addresses the following:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in Accounting Policies and Disclosures (continued)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (continued)

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

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

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

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 Company 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		
IFRS 3	Business Combinations - Amendments regarding definition of a business .	1 January 2020
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 pre-replacement issues in the context of the IBOR reform	1 January 2020
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 pre-replacement issues in the context of the IBOR reform	1 January 2020
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Accounting Standards and Interpretations issued but not yet effective (continued)

Amendments (continued)

IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification	1 June 2020
IFRS 16	Leases - Amendments regarding replacement issues in the context of the IBOR reform	1 June 2021
IFRS 17	Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	1 January 2023
IAS 1	Presentation of Financial Statements – Amendments regarding the definition of material	1 January 2020
IAS 1	Presentation of Financial Statements – Amendments regarding the classification of liabilities	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material	1 January 2020
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 pre-replacement issues in the context of the IBOR reform	1 January 2020
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

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 1st of January 2020)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Accounting Standards and Interpretations issued but not yet effective (continued)

Conceptual framework (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(b) Property, plant and equipment (continued)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(d) Business combinations (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(e) Intangible assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(f) Financial assets (continued)

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 at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, 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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(f) Financial assets (continued)

Subsequent measurement (continued)

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

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.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(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, plus 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(i) Derecognition of financial assets and liabilities (continued)

Financial assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(j) Impairment of financial assets (continued)

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.

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(l) Fair value of financial instruments (continued)

Determination of fair value (continued)

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
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(n) Hedge accounting (continued)

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. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(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 1st of 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(r) Retirement benefit obligations (continued)

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.

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(s) Taxes (continued)

Deferred tax (continued)

- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(t) Leases

As from 1st of July 2019

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 depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Land and building	Period of the lease
• 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 assess 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(t) Leases (continued)

(ii) Lease Liabilities (continued)

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.

Prior to 1st July 2019

Group as lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

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

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The difference between actual payments and the straight lining of the expense is recognised as a liability or asset in the statement of financial position.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(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.

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.

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 the restaurants or bars. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(v) Revenue recognition (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of Significant Accounting Policies (continued)

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

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:

(i) Determining the lease term of contracts with renewal and termination options – Group as lessee

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

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

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

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(a) Judgements (continued)

(iii) Going concern

The Group incurred net losses of Rs 180 million (2019: Rs 73 million) for the year ended 30th of June 2020 and its total liabilities exceeded its total assets by Rs 64 million (2019: shareholder's fund of Rs 127 million) as at year end.

The Group provides mainly hospitality management services to related parties and third parties that is based on hotel revenues. The Group has a history of losses in FY18 and in FY19.

However, further to the Covid-19 outbreak in early 2020, the operations of the Group were impacted by the national confinement period of three months and closure of the borders. The Group's main operations are based in Mauritius and Maldives, which have been significantly impacted. The operations of the hotels under management resumed after June 2020, but has been restricted mainly to local customers in Mauritius and open to international tourists in Maldives under strict sanitary protocols. Management is closely monitoring the situation and evaluating the impact on the revenue and future performance of the Group.

At present, there remains a significant uncertainty around when the hospitality sector will start recovering. Management's assessments assume that international travels will re-open and remain open and that the extent of travels and international tourists will gradually normalized by the end of FY22. The company expects losses to be incurred until the end of FY22 at which point, the occupancy rate is expected to reach levels that allow for profitability. Profitability is expected to be achieved sooner if tourist's arrival and hotel booking improves. However, until such point the Company will be dependent on shareholders as well as financial institutions supports. In addition, management will need to focus on the level of operating expenses and minimise non-essential services and costs to increase cashflow and profitability.

The Company has also provided its intention to grant financial assistance to its subsidiaries which are presently not able to repay it intercompany loans receivable due to the Company from management fees until such time that they are able to resume normal operations. The Company will be reliant on the future recoveries of its customers being hotels and resorts from which it generates management fees to return to profitability.

Management has prepared a cash flow forecast for the medium term, covering the next 5 years, and has identified a funding requirement of Rs 425 million.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In FY20, the Company has renegotiated its contracts with its main clients that resulted in key improvements to the incentive fee percentage from a fixed rate to an escalating rate which would improve its financial performance. Besides, the management has a number of hotel management contracts in the pipeline, mainly in China, Maldives and Mauritius itself, which leads management to believe that the portfolio of brands it has is actually strong.

Subsequent to yearend, management has secured a loan of Rs 250 million from one commercial bank, with a 24 months moratorium period and a terms sheet have already been agreed between the parties, the loan is subject to a guarantee provided by the Company's major shareholder in favour of the lender. Parallel to this, the Company has also obtained approval from its main shareholders to proceed with a rights issue of Rs 175 million, wherein the main shareholder has agreed to underwrite up to Rs 125 million of the rights issue, to complete the finance requirement; the remaining rights issue of Rs 50 million will be underwritten by its lenders should any shortfall arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(a) Judgements (continued)

(iii) Going concern (continued)

Subsequent to the 2020 financial year end, the Group has also successfully negotiated the following to enable it to continue operations:

- Temporary facilities of Rs 77 million under the Bank of Mauritius Covid-19 Support Programme;
- A moratorium period of 6 months on its existing loans of Rs 247 million with bank was obtained that ended 30th of September 2020; this was extended for a further period of twelve months ending 30th of September 2021.
- The directors are satisfied that there has not been any breach of loan repayments so far.

Therefore in light of the above plans, management has concluded that it is still appropriate to prepare the financial statements on a going concern basis. 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 30th of June 2020 is Rs 28 million (2019: Rs 17 million). Further details are set out in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Estimates and assumptions (continued)

(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.

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. At 30th of June, the status of unused tax losses of the Group and the Company was as follows:

	2020	
	THE GROUP	**THE COMPANY**
	Rs'000	**Rs'000**
Tax losses	**351,798**	**207,295**

	2019	
	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Tax losses	148,587	122,547

(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 30th of June 2020 amounted to Rs 199.8 Million (2019: 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 38.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP

	Improvement to leasehold	Plant and equipment	Furnitures and fittings	Motor vehicle	Computer equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At July 1, 2018	-	9,684	4,302	3,130	46,053	63,169
Additions	11,321	47,642	22,209	-	15,626	96,798
Acquisition of subsidiary (Note 19)	16,478	13,322	8,490	8,685	-	46,975
Business purchase (Note 20)	-	-	-	109	335	444
Disposal	-	(954)	-	(2,380)	(10,278)	(13,612)
Exchange difference	39	(3)	(1)	-	19	54
At June 30, 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**
DEPRECIATION						
At July 1, 2018	-	5,941	1,726	1,565	22,356	31,588
Acquisition of subsidiary (Note 19)	6,068	5,187	3,333	6,938	-	21,526
Charge for the year	3,936	5,304	2,361	664	7,135	19,400
Disposal adjustment	-	(328)	-	(801)	(348)	(1,477)
Exchange difference	8	(3)	(1)	-	4	8
At June 30, 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 adjustment	-	(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
NET BOOK VALUES						
At June 30, 2020	**17,900**	**35,234**	**20,198**	**176**	**12,865**	**86,373**
At June 30, 2019	17,826	53,590	27,581	1,178	22,608	122,783

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP

(i) Assets under finance lease are as follows:

Following the adoption of IFRS 16, assets held under finance lease contracts have been reclassified to leases with effect from July 1, 2019. (See Note 18).
As at 30th of June 2019, property, plant and equipment include leased assets as follows:

	Plant and equipment	Furnitures and fittings	Motor vehicle	Computer equipment
	2019	**2019**	**2019**	**2019**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Cost	15,934	5,729	3,130	6,231
Accumulated depreciation	(4,147)	(382)	(2,191)	(695)
Net book value	**11,787**	**5,347**	**939**	**5,536**

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

(iii) No borrowing costs were capitalised during the year (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY

	Plant and equipment	Furnitures and fittings	Motor vehicle	Computer equipment	Total
		Rs'000	Rs'000	Rs'000	Rs'000
COST					
At July 1, 2018	9,684	4,302	3,130	46,053	63,169
Additions	843	688	-	681	2,212
Disposal	(16)	-	-	(10,264)	(10,280)
At June 30, 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**
DEPRECIATION					
At July 1, 2018	5,941	1,726	1,565	22,356	31,588
Charge for the year	854	457	626	4,806	6,743
Disposal adjustment	(1)	-	-	(342)	(343)
At June 30, 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 adjustment	(2,230)	-	-	-	(2,230)
At June 30, 2020	**5,215**	**2,672**	**-**	**29,808**	**37,695**
NET BOOK VALUES					
At June 30, 2020	**3,109**	**2,512**	**-**	**6,798**	**12,419**
At June 30, 2019	3,716	2,808	939	9,651	17,115

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY

(a) Assets under finance lease are as follows:

Following the adoption of IFRS 16, assets held under finance lease contracts have been reclassified to leases with effect from 1st of July 2019. (See Note 18).
As at 30th of June 2019, plant and equipment include leased assets as follows:

	Motor vehicle	Computer equipment
	2019	2019
	Rs'000	Rs'000
Cost	3,130	6,231
Accumulated depreciation	(2,191)	(695)
Net book value	939	5,536

(b) Bank borrowings are secured on the assets of the Company.
(c) No borrowing costs were capitalised during the year (2019: nil).

5. INTANGIBLE ASSETS

THE GROUP

	Goodwill	Right to manage hotel	Software	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2018	199,850	-	25,359	225,209
Additions	-	-	5,851	5,851
Acquisition of subsidiary (Note 19)	-	-	2,592	2,592
Business purchase (Note 20)	-	31,503	-	31,503
Write off for obsolete items	-	-	(1,457)	(1,457)
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**
AMORTISATION				
At July 1, 2018	-	-	14,638	14,638
Charge for the year	-	1,764	3,451	5,215
Acquisition of subsidiary (Note 19)	-	-	1,794	1,794
Write off for obsolete items	-	-	(1,457)	(1,457)
At June 30, 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**
NET BOOK VALUES				
At June 30, 2020	199,850	-	9,654	209,504
At June 30, 2019	199,850	29,739	13,919	243,508

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

5. INTANGIBLE ASSETS (continued)

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.

Right to manage hotel

The rights to manage hotel arose on the business purchase as disclosed in note 20. The right has a limited life of 12 years and will be amortised over the lease term of 12 years. Refer to Note 26 for impairment of right to manage hotel.

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 expected to cause their carrying amount to exceed the recoverable amounts.

THE COMPANY	COMPUTER SOFTWARE	
	2020	2019
COST	**Rs'000**	Rs'000
At July 1,	**28,042**	25,359
Additions	**-**	2,683
At June 30,	**28,042**	28,042
AMORTISATION		
At July 1,	**17,652**	14,638
Charge for the year	**3,067**	3,014
At June 30,	**20,719**	17,652
Net book value at June 30,	**7,323**	10,390

6. INVESTMENT IN SUBSIDIARIES

THE COMPANY	**2020**	2019
At cost	**Rs.'000**	Rs.'000
At July 1,	**213,395**	213,395
Additions	**-**	-
At June 30,	**213,395**	213,395

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

6. INVESTMENT IN SUBSIDIARIES (continued)

Details of the investments which are unquoted are as follows:

NAME OF COMPANIES	COUNTRY OF INCORPORATION	%HELD	
		2020	**2019**
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	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.

7. INVESTMENT IN OTHER FINANCIAL ASSETS

	THE GROUP	
	2020	**2019**
	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income.		
- Quoted shares		
At July 1	**4**	-
On acquisition of subsidiary (Note 19)	**-**	4
At June 30,	**4**	**4**

The fair value of quoted ordinary shares (classified as Level 1 as detailed in Note 38) is determined by reference to published price quotations in an active market at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

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% (2019: 17%). The movement in the deferred tax account is as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**18,871**	13,473	**16,192**	13,473
On acquisition of subsidiary (Note 19)	**-**	3,927	**-**	-
Recognised in profit or loss (Note 17)	**6,645**	(59)	**5,348**	1,208
Recognised in other comprehensive income	**3,471**	1,530	**3,449**	1,511
At June 30,	**28,987**	18,871	**24,989**	16,192

Deferred income tax relates to the following:-

THE GROUP	BALANCE		MOVEMENT	
	2020	2019	**2020**	2019
Deferred tax assets	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Accelerated depreciation	**17,821**	15,373	**2,448**	4,513
Employee defined benefit liabilities	**4,120**	2,335	**1,785**	206
Right of use assets	**180**	-	**180**	-
Hedge Reservce	**2,579**	627	**1,952**	143
Expected credit losses	**4,287**	-	**4,287**	-
Tax losses	**-**	536	**(536)**	536
	28,987	18,871	**10,116**	5,398

Recognised as follows:		
- on acquisition of new subsidiaries	**-**	3,926
- in profit or loss	**6,645**	(59)
- in other comprehensive income	**3,471**	1,530
Total movement for the year	**10,116**	5,398

Deferred tax assets have not been recognised on tax losses amounting to Rs 351.8 million (2019: Rs 148.6 million)
Refer to Note 3 (b)(ii)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

8. INCOME AND DEFERRED TAX (continued)

(a) Deferred tax asset (continued)

THE COMPANY	BALANCE		MOVEMENT	
	2020	2019	**2020**	2019
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Accelerated depreciation	**13,956**	12,915	**1,041**	2,055
Employee defined benefit liabilities	**4,037**	2,282	**1,755**	154
Right of use assets	**131**	-	**131**	-
Hedge Reservce	**2,579**	627	**1,952**	143
Expected credit losses	**4,286**	-	**4,286**	-
Tax losses	**-**	368	**(368)**	367
	24,989	16,192	**8,797**	2,719

Recognised as follows:		
- in profit or loss	**5,348**	1,208
- in other comprehensive income	**3,449**	1,511
Total movement for the year	**8,797**	2,719

Deferred tax assets have not been recognised on tax losses amounting to Rs 207.3 million (2019: Rs 122.5 million)
Refer to Note 3 (b)(ii)

9. CONTRACT ASSETS

	THE GROUP AND THE COMPANY	
	2020	2019
Analysed as follows	**Rs'000**	Rs'000
Current	**6,700**	6,700
Non-Current	**84,304**	91,007
At June 30,	**91,004**	97,707

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	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Food and beverage	6,785	7,990	-	-
Spare parts and consumables	3,202	2,622	471	303
Others	145	39	-	-
	10,132	10,651	471	303

All inventories are stated at the lower of cost and net realisable value, net of provision for impairment. There were no write down of inventories during the year (2019: Nil). Bank borrowing is secured by floating charges in the assets of the Group including inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

11. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**55,510**	35,016	**38,518**	20,520
Due from subsidiaries	**-**	-	**153,699**	118,054
Due from fellow subsidiaries	**29,697**	22,758	**11,810**	22,660
Other receivables and prepayments	**35,549**	61,211	**11,836**	27,766
	120,756	118,985	**215,863**	189,000
Less expected credit losses	**(37,012)**	(3,223)	**(154,218)**	-
	83,744	115,762	**61,645**	189,000
ANALYSED AS FOLLOWS:				
Non-current trade and other receivable	**-**	-	**-**	59,310
Current trade and other receivable	**83,744**	115,762	**61,645**	129,690
	83,744	115,762	**61,645**	189,000

(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 30th of June 2020, the ageing analysis of un-impaired trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Not past due	**13,446**	7,348	**12,058**	4,991
Due less than 30 days	**110**	1,589	**80**	28
More than 30 and less than 60 days	**418**	7,344	**309**	1,655
More than 60 and less than 90 days	**1,557**	7,983	**91**	7,628
More than 90 days	**2,967**	7,530	**763**	6,218
	18,498	31,794	**13,301**	20,520

None of the above balances have been impaired.

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

Trade Receivables	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
At July 1	**3,223**	-	**-**	-
Charge for the year	**33,516**	3,223	**25,218**	-
Exchange difference	**273**	-	**-**	-
At June 30	**37,012**	3,223	**25,218**	-

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
Due from subsidiaries	**Stage 3**	Stage 3	**Stage 3**	Stage 3
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
At July 1	**-**	-	**-**	-
Charge for the year:			**129,000**	
At June 30	**-**	-	**129,000**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

11. TRADE AND OTHER RECEIVABLES (continued)

Expected credit losses on trade receivables is based on simplified approach while that on balances due from subsidiaries is based on the general approach. During the year, following the COVID 19 crisis, the balances due from a subsidiary 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.

(iv) Prepayments amounting to Rs 4,084,430 (2019: Rs 5,923,681) for the Group and Rs 3,185,192 (2019: Rs 4,784,698) 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 31.

12. STATED CAPITAL

	2020	2019	**2020**	2019
Stated capital - No par value shares	**Number of shares**	Number of shares	**Rs'000**	Rs'000
At July 1,	**156,082,273**	126,804,636	**216,665**	135,234
Capital reduction	**-**	-	**-**	(106,504)
Issue of share under share based payment scheme (Note 36)	**-**	3,185,025	**-**	5,287
Right issue during the year	**-**	26,092,612	**-**	182,648
At June 30,	**156,082,273**	156,082,273	216,665	216,665

13. OTHER RESERVES

THE GROUP	Foreign exchange translation reserve	Cash flow hedge reserve	Share based payment reserve	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At July 01, 2018	3,349	(2,365)	6,361	7,345
Cash flow hedge on forecast transactions	-	(730)	-	(730)
Currency translation difference	(1,279)	-	-	(1,279)
Share base payment expense	-	-	(1,074)	(1,074)
Share base payment issued	-	-	(5,287)	(5,287)
Tax on other comprehensive income	-	124	-	124
At June 30, 2019	2,070	(2,971)	-	(901)
Cash flow hedge on forecast transactions	-	(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	**7,258**	**(12,502)**	**-**	**(5,244)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

13. OTHER RESERVES (CONTINUED)

THE COMPANY	Cash flow hedge reserve	Share based payment reserve	Total
	Rs'000	Rs'000	Rs'000
At July 01, 2018	(2,365)	6,361	3,996
Cash flow hedge on forecast transactions	(730)	-	(730)
Share base payment expense	-	(1,074)	(1,074)
Share base payment issued	-	(5,287)	(5,287)
Tax on other comprehensive income	124	-	124
At June 30, 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)**

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.

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 281 million (2019: Rs 128 million). The foreign currency loans have a maturity of up to the year 2027 and therefore, the cash flows are expected to occur and affect profit or loss throughout this period. During the financial year 2020, Rs 11.5 million was recognised in other comprehensive income (2019: Rs 0.7 million).

Share based payment reserve

The share based payment reserve was used to recognise the value of equity settled share based payments provided to executives of the Company and of other subsidiaries of Lux Island Resorts Ltd as part of their remunerations. Refer to Note 36 for further details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

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	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Funded obligation (note (c - n))	**10,219**	1,823	**10,218**	1,823
Unfunded obligation (note (o - u))	**17,757**	15,234	**13,531**	11,600
	27,976	17,057	**23,749**	13,423

FUNDED OBLIGATIONS

THE GROUP AND THE COMPANY

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

	2020	2019
	Rs'000	Rs'000
Present value of funded obligation (note (g))	**21,175**	11,091
Fair value of plan assets (note (f))	**(10,956)**	(9,268)
Liability in the statement of financial position	**10,219**	1,823

(d) Movement in the statement of financial position:

At July 01,	**1,823**	3,937
Total expenses (note (e))	**706**	2,097
Actuarial losses recognised in other comprehensive income	**8,323**	5,283
Contributions paid	**(633)**	(1,654)
Fair value of planned assets transferred (note (f))	**-**	39,872
Defined benefit obligations transferred	**-**	(47,712)
At June 30,	**10,219**	1,823

(e) The amounts recognised in the statement of profit or loss are as follows:

Current service cost	**564**	1,607
Net interest cost	**84**	196
Scheme expenses	**43**	124
Cost of insuring risk benefits	**15**	170
Total included in staff costs	**706**	2,097

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (CONTINUED)

FUNDED OBLIGATIONS (CONTINUED)

THE GROUP AND THE COMPANY

	2020	2019
	Rs'000	Rs'000
At July 01,	9,268	47,190
Interest on plan assets	515	2,811
Employer's contribution	633	1,654
Scheme expenses	(15)	(124)
Cost of insuring risk benefits	(43)	(170)
Actuarial gains/(losses)	598	(182)
Benefits paid	-	(2,039)
Transfer of assets to related company (See note below)	-	(39,872)
At June 30,	**10,956**	9,268

Prior to separation between The Lux Collective Ltd (TLC) and Lux Island Resorts Ltd (LIR), all team members at the head office were employed by TLC. Post separation, some employees have been transferred from TLC to LIR in January 2019 and their liabilities pertaining to the defined contribution scheme as well as to the defined benefit scheme were transferred from TLC to LIR on 30th of June 2019.

(g) Changes in defined benefit obligation are as follows:

	2020	2019
	Rs'000	Rs'000
At July 01,	11,091	51,127
Current service cost	563	1,607
Interest cost	599	3,007
Actuarial losses	8,922	5,101
Benefits paid	-	(2,039)
Transfer of assets to related company (note (f))	-	(47,712)
At June 30,	**21,175**	11,091

(h) The main categories of plan assets are as follows:

	2020	2019
Local equities	2,685	3,151
Overseas equities	2,773	2,317
Fixed interest	5,412	2,966
Properties	86	834
Total market value of assets	**10,956**	9,268

(i) Analysis of amount recognised in other comprehensive income

	2020	2019
	Rs'000	Rs'000
(Gains)/Losses on pension scheme assets	(599)	182
Experience losses on the liabilities	4,321	1,174
Changes in assumptions underlying the present value of the scheme	4,601	3,927
Actuarial losses recognised in other comprehensive income	**8,323**	5,283

(j) Sensitivity analysis

	2020	2019
Decrease in defined benefit obligation due to 1% increase in discount rate	2,508	1,520
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	478	359

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (CONTINUED)

FUNDED OBLIGATIONS (CONTINUED)

(j) Sensitivity analysis (continued)

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 30th of June 2020.

(l) Employer's contributions to be paid in the next reporting period is estimated at Rs 0.54 million (2019: Rs 1.5 million) 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.

(n) The principal actuarial assumptions with respect to the Funded Scheme used for accounting purposes were:

	2020	2019
	%	%
Discount rate	3.40	5.40
Expected return on plan assets	3.40	5.40
Future guaranteed pension increase	0.00	0.00
Future long term salary increase	4.00	4.00
Post retirement mortality tables	PA(92)	PA(92)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (CONTINUED)

UNFUNDED OBLIGATIONS

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

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligation	**17,757**	15,234	**13,531**	11,600

(p) Movement in the liability recognised in the statement of financial position:

	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
At July 01,	**15,234**	8,581	**11,600**	8,581
Transfer on acquisition of subsidiaries and business combination	**-**	4,692	**-**	-
Total expenses (note (q))	**2,017**	2,328	**1,451**	1,382
Actuarial losses recognised in other comprehensive income	**506**	869	**480**	2,873
Transfer to related companies		(1,236)		(1,236)
At June 30,	**17,757**	15,234	**13,531**	11,600

(q) The amounts recognised in the statement of profit or loss are as follows:

	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Current service cost	**1,145**	1,497	**790**	824
Interest cost	**872**	831	**661**	558
Total included in staff costs	**2,017**	2,328	**1,451**	1,382

(r) Amount recognised in other comprehensive income

	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Actuarial (gains)/losses	**(4,595)**	(1,484)	**(3,510)**	578
Changes in assumptions	**5,101**	2,353	**3,990**	2,295
	506	869	**480**	2,873

(s) Changes in defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**15,234**	8,581	**11,600**	8,581
Transfer on acquisition of subsidiaries and business combination	**-**	4,692	**-**	-
Current service cost	**1,145**	1,497	**790**	824
Interest cost	**872**	831	**661**	558
Actuarial losses	**506**	869	**480**	2,873
Transfer to related companies	**-**	(1,236)	**-**	(1,236)
At June 30,	**17,757**	15,234	**13,531**	11,600

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

14. EMPLOYEE DEFINED BENEFIT LIABILITIES (CONTINUED)

UNFUNDED OBLIGATIONS (CONTINUED)

(t) Sensitivity analysis

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	**4,432**	3,412	**3,513**	2,804
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**4,045**	4,032	**3,284**	3,412

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

	2020	2019
	%	%
Discount rate	**3.70**	5.70
Future salary increases	**3.00**	4.00

15. INTEREST BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank overdraft (note 30)	**63,868**	74,759	**53,538**	53,552
Bank loans (note (b))	**23,465**	29,172	**16,939**	14,035
Lease liabilities (note (a))	**35,663**	5,898	**5,219**	724
	122,996	109,829	**75,696**	68,311
Non-current				
Bank loans (note (b))	**223,657**	189,709	**193,306**	163,245
Lease liabilities (note (a))	**331,894**	16,515	**11,215**	652
	555,551	206,224	**204,521**	163,897
Total interest bearing loans and borrowings	**678,547**	316,053	**280,217**	232,208

(a) Lease Liabilities

	THE GROUP 2020	THE GROUP 2019	THE COMPANY 2020	THE COMPANY 2019
Lease liabilities - minimum lease payments:				
Within one year	**58,530**	7,214	**6,092**	805
Later than one year and not later than two years	**55,789**	6,932	**5,953**	523
Later than two years and not later than five years	**140,213**	11,238	**5,966**	160
Later than five years	**249,911**	-	**-**	-
	504,443	25,384	**18,011**	1,489
Future finance charges on leases	**(136,887)**	(2,971)	**(1,577)**	(113)
Present value of lease liabilities	**367,556**	22,413	**16,434**	1,375

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

15. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(a) Lease Liabilities (continued)

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
The present value of lease liabilities may be analysed as follows:				
Within one year	**34,876**	5,898	**5,239**	723
Later than one year and not later than two years	**34,676**	6,019	**5,422**	497
Later than two years and not later than five years	**89,308**	10,496	**5,773**	155
Later than five years	**208,696**	-	**-**	-
	367,556	22,413	**16,434**	1,375

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

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

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loan repayable:				
-Within one year	**23,465**	29,173	**16,939**	14,035
-After one year and before two years	**33,249**	22,553	**25,433**	15,108
-After two years and before five years	**101,327**	82,289	**78,791**	63,271
-After five years	**89,081**	84,866	**89,082**	84,866
	247,122	218,881	**210,245**	177,280

Denomination	Effective interest rate	Maturity	THE GROUP 2020 Rs'000	THE GROUP 2019 Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 Rs'000
EURO	EURO LIBOR +4%	Dec-27	**115,628**	112,280	**115,628**	112,280
USD	LIBOR+2.75%	Jun-20	**-**	5,544	**-**	-
MUR	PLR	Jun-20	**-**	6,057	**-**	-
MUR	PLR	Jun-30	**29,617**	-	**29,617**	-
MUR	PLR	Dec-24	**26,477**	30,000	**-**	-
MUR	PLR	Mar-29	**65,000**	65,000	**65,000**	65,000
MUR	6.65%	Jun-25	**10,400**	-	**-**	-
Total bank loans			**247,122**	218,881	**210,245**	177,280

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

15. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

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

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**218,881**	76,000	**177,280**	76,000
On acquisition of new subsidiaries	**-**	17,289	**-**	-
Proceeds from new loans	**40,400**	130,550	**30,000**	100,550
Repayment long term borrowings	**(24,939)**	(5,719)	**(9,816)**	-
Exchange differences	**12,780**	761	**12,781**	730
At June 30,	**247,122**	218,881	**210,245**	177,280

16. TRADE AND OTHER PAYABLES, AND CONTRACT LIABILITIES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade and other payables				
Trade payables	**113,406**	65,446	**71,748**	45,175
Accruals and other payables	**55,376**	90,513	**39,859**	48,627
Due to related companies (note 31)	**68,219**	12,808	**54,117**	-
Due to group companies (note 31)	**-**	-	**9,944**	3,683
	237,001	168,767	**175,668**	97,485
Contract liabilities	**1,874**	3,733	**-**	-

(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 31.

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 Rs 1.9 million was recognised as revenue.

17. TAXATION

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Income tax charge for the year				
Income tax charge	**1,827**	2,833	**-**	-
Under provision of tax in previous year	**118**	-	**-**	-
Deferred tax movement (Note 8(a))	**(6,645)**	59	**(5,348)**	(1,208)
Withholding tax	**25,210**	8,769	**20,273**	-
Income tax charged/(credit)	**20,510**	11,661	**14,925**	(1,208)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

17. TAXATION (CONTINUED)

Reconciliation between tax expense and accounting profit is as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loss before tax	**(159,710)**	(61,556)	**(223,205)**	(11,581)
Tax calculated at the rate of 17% (2019: 17%)	**(27,151)**	(10,464)	**(37,945)**	(1,969)
Effect of different tax rates (note (i))	**(7,356)**	(163)	**-**	-
Add expenses not deductible for tax purposes (note (iii))	**2,964**	1,265	**1,797**	701
Gains not subject to taxation (note (iv))	**(455)**	(4,394)	**(6,278)**	(4,080)
Underprovision of tax in previous year	**118**	-	**-**	-
Deferred tax assets not recognised	**26,864**	19,005	**37,078**	4,140
Utilisation of unused tax losses (note (ii))	**(1,254)**	(2,357)	**-**	-
Withholding tax (note (v))	**25,210**	8,769	**20,273**	-
Tax impact on dividend from group companies	**1,570**	-	**-**	-
Income tax charge	**20,510**	11,661	**14,925**	(1,208)

(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.
(iii) Non deductible expenses include mainly provisions and non-qualified expenses.
(iv) Gains not subject to taxation comprise of exchange gains on retranslation of bank balance not taxable.
(v) 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	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**1,324**	2,283	**-**	-
Charge for the year	**1,827**	2,833	**-**	-
Underprovision of tax in previous year	**118**	-	**-**	-
Withholding tax	**25,210**	8,769	**20,273**	-
Paid during the year	**(27,891)**	(12,588)	**(20,273)**	-
Exchange difference	**136**	27	**-**	-
At 30 June	**724**	1,324	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

18. LEASES

(a) Right of use assets

Group as a lesse

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	Plant and Equipment	Furniture & Fittings	Computer equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	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**
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**	**1,526**	**2,825**	**54,577**
NET BOOK VALUE						
At June 30, 2020	**332,405**	**9,835**	**4,774**	**5,526**	**305**	**352,845**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

18. LEASES (CONTINUED)

(a) Right of use assets (continued)

Group as a lesse (continued)

THE COMPANY	Land & Building	Computer Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	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
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
NET BOOK VALUE				
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	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1, 2019				
- As previously reported (note 15)	**22,413**	2,095	**1,376**	2,095
- Effect of adopting IFRS 16	**353,318**	-	-	-
- As restated	**375,731**	2,095	**1,376**	2,095
On acquisition of new subsidiaries	-	4,856	-	-
New leases during the year	**22,922**	20,000	**20,190**	-
Accretion of interest	**25,298**	878	**1,184**	135
Gains on rental concessions	**(9,784)**	-	-	-
Payments	**(47,320)**	(5,416)	**(6,316)**	(854)
Exchange difference	**709**	-	-	-
As at June 30, 2020	**367,556**	**22,413**	**16,434**	**1,376**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

18. LEASES (CONTINUED)

(b) Lease liabilities (continued)

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

The following amounts have been recognised in comprehensive income for the year.

	THE GROUP	THE COMPANY
	2020	**2020**
	Rs'000	**Rs'000**
Amortisation of right-of-use assets	**46,695**	**5,830**
Interest expense on lease liabilities	**25,298**	**1,184**
Gains on rental concessions	**(9,784)**	-
Expenses relating to short-term leases (included in administrative expenses)	**2,142**	**444**
Expenses relating to leases of low-value assets (included in administrative expenses)	**1,836**	**1,465**
Total net amount recognised in Comprehensive Income	**66,187**	**8,923**

The following amounts are recognised in the cash flow statement.

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Lease liability payments	**22,022**	4,538	**5,132**	719
Interest on lease liabilities	**25,298**	878	**1,184**	135
Short term/ low value operating lease payments	**7,595**	39,299	**1,909**	5,460
Total cash outflows	**54,915**	44,715	**8,225**	6,314

The Group has one lease contract that includes extension option. 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
	2020	**2020**
	Rs'000	Rs'000
More than five years		
Extension option expected not to be exercised	627,872	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

19 BUSINESS COMBINATIONS

Following the restructuring of the LIR Group last year, Café Lux Ltd and The Lux Collective UK Ltd were transferred from LIR Group to TLC Group with effect from 1st of December 2018 at their book value. The fair values of the identified assets and liabilities transferred at date of acquisition were as follows:

	THE GROUP
	2019
	Rs'000
Fair values of net assets acquired:	
Property, plant and equipment	25,449
Intangible assets	798
Other financial assets	4
Deferred tax assets	3,927
Inventory	6,025
Trade debtors and other receivable	17,496
Borrowings	(22,145)
Trade creditors and other payables	(9,950)
Retirement benefit obligations	(143)
Cash and bank balances	4,382
Net assets acquired	25,843
Fair value of purchase consideration	-
Gain on bargain purchase	25,843
The cash flow impact of the acquisition is as follows:	
Consideration	-
Cash and cash equivalent acquired	4,382
Net cash received	4,382

20 BUSINESS PURCHASE

On 30th of October 2018, The Lux Collective Ltd, via its subsidiary, Salt Hospitality Ltd, acquired the hotel business operation of Le Palmeraie from Southern Investment Limited for the launching of the SALT brand. Only certain assets and liabilities were acquired as part of this business purchase. The net assets acquired and liabilities assumed were as follows:

	THE GROUP
	2019
	Rs'000
Assets acquired:	
Rights to manage hotel (Note a)	31,503
Property, plant and equipment	444
Inventory	252
Trade debtors and other receivable	12,918
	45,117
Liabilities transferred:	
Trade creditors and other payables	(38,018)
Employees retirement benefit obligations	(4,549)
Consideration on business transfer	2,550

a. This represents the access rights acquired to manage the hotel operation of SALT over 12 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

21. REVENUE FROM CONTRACTS WITH CUSTOMERS

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Hotel Services- Management and brand fees	436,537	487,325	381,098	381,429
Hotel Services- Marketing fee income	27,941	113,853	27,941	113,853
Hotel operation and others	164,556	93,298	-	-
Other Administration and commission income	1,860	1,140	1,860	1,140
	630,894	695,616	410,899	496,422
Timing of revenue recognition				
- Products and services transferred at a point in time	50,372	212,843	30,623	171,511
- Products and services transferred over time	580,522	482,773	380,276	324,911
	630,894	695,616	410,899	496,422
Primary geographical market				
- Mauritius	450,008	446,612	294,413	356,383
- Maldives	112,364	171,260	62,994	71,737
- Reunion	51,606	66,019	51,606	66,019
- Others	16,916	11,725	1,886	2,283
	630,894	695,616	410,899	496,422

22. COST OF INVENTORIES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Food, beverages and room supplies	31,206	21,882	-	-

23. OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend income	-	-	46,173	103,200
Government Grant- GWAS	13,527	-	6,340	-
Foreign exchange gains	25,938	3,247	1,315	-
Profit on disposal of property, plant and equipment	40	-	-	-
Gain on rental concessions	9,784	-	-	-
Payables waived by related companies	-	32,168	-	-
Recharge of expenses	14,332	9,739	11,854	9,739
Write back of creditors balances	2,349	-	-	-
Others*	4,498	5,620	203	285
	70,468	50,774	65,885	113,224

*Others include recharge for administrative cost to a related company as mutually agreed by the relevant parties

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

24. EMPLOYEE BENEFIT EXPENSES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**310,991**	302,943	**148,793**	187,928
Social security costs	**6,467**	10,745	**5,021**	4,541
Pension costs:				
-Defined contribution scheme	**9,380**	5,435	**7,828**	4,915
-Defined benefit scheme (Note 14 (e))	**706**	2,097	**706**	2,097
-Other retirement benefit (Note 14 (q))	**2,017**	2,328	**1,451**	1,382
	329,561	323,548	**163,799**	200,863

25. DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation on property, plant and equipment	**19,164**	19,401	**4,461**	6,743
Amortisation of Right of use assets	**46,695**	-	**5,830**	-
Amortisation of intangible assets	**6,556**	5,216	**3,067**	3,014
	72,415	24,617	**13,358**	9,757

26. IMPAIRMENT LOSS ON NON-CURRENT ASSETS

The Group was seriously affected by the outbreak of the Covid-19 in the second semester of the financial year. 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 Rs 29.4 million, which has been recognised in statement of profit or loss as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Intangible assets	**29,410**	-	**-**	-
	29,410	-	**-**	-

The recoverable amount as at 30th of June 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 indutry.
- 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
FOR THE YEAR ENDED 30TH OF JUNE 2020

27. OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Utilities	**12,415**	10,032	**2,476**	2,421
Motor vehicle running expenses	**5,149**	8,288	**4,254**	7,110
Repairs and maintenance	**9,321**	10,568	**4,720**	4,380
Printing, postage and stationeries	**1,275**	5,306	**747**	4,464
Marketing expenses	**170,217**	241,325	**166,036**	231,380
Project costs	**4,934**	11,142	**4,934**	11,142
IT and communication expenses	**36,088**	32,172	**29,643**	27,569
Professional fees	**16,073**	25,281	**8,463**	4,556
Trade mark licences	**2,357**	4,032	**1,319**	4,032
Refund regional office costs	**-**	-	**104,339**	75,348
Insurance	**1,745**	1,931	**941**	580
Training cost	**-**	6,193	**-**	-
Overseas travelling	**16,648**	15,043	**4,500**	6,241
Security expenses	**1,768**	3,546	**1,238**	-
Low value items and short term leases/operating leases and rentals	**7,595**	39,299	**1,909**	5,460
Land lease	**-**	1,401	**-**	-
Sundry expenses	**33,052**	33,305	**15,414**	17,489
	318,637	448,864	**350,933**	402,172

28. OPERATING LOSS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
The operating loss for the year is arrived at after crediting:				
Dividend income	**-**	-	**46,173**	103,200
and charging:				
(Profit)/Loss on disposal of property, plant and equipment	**(40)**	893	**-**	15
Depreciation and amortisation of non-current assets	**72,415**	24,617	**13,358**	9,757
Operating lease payment recognised as expense	**7,595**	39,299	**1,909**	5,460

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

29. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on:				
- Bank overdraft	**3,739**	2,528	**3,455**	2,243
- Bank loan	**8,897**	4,761	**7,443**	3,995
- Finance charges on leases	**25,298**	878	**1,184**	135
- Foreign exchange losses	**7,095**	2,411	**4,301**	-
- Cash flow hedge released to profit or loss on repayment of loan	**1,298**	-	**1,298**	-
- Others	**-**	1,077	**-**	2,062
	46,327	11,655	**17,681**	8,435

30. NOTES TO THE STATEMENT OF CASH FLOWS

		THE GROUP		THE COMPANY	
		2020	2019	**2020**	2019
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
(a)	**Cash and cash equivalents**				
	Bank overdraft (Note 15)	**(63,868)**	(74,759)	**(53,538)**	(53,552)
	Cash in hand and at bank	**19,293**	25,286	**49**	1,409
		(44,575)	(49,474)	**(53,489)**	(52,143)
(b)	**Non-cash transactions**				
(i)	Part of the acquisition of property, plant and equipment and intangible assets as follows:				
	Total amount acquired	**7,253**	96,798	**1,173**	21,476
	Financed by cash	**(7,253)**	(96,798)	**(1,173)**	(21,476)
	Amount financed by finance leases	**-**	-	**-**	-
(ii)	Consideration payable on issue of the Company shares:				
	Shares issued during the year	**-**	187,935	**-**	187,935
	Amounts settled against amounts due to major shareholder	**-**	(161,569)	**-**	(161,569)
	Share based payments (Note 13)	**-**	(5,287)	**-**	(5,287)
	Amount received upon issue of shares	**-**	21,079	**-**	21,079

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31. RELATED PARTY DISCLOSURES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Related party transactions are as follows:				
Purchases of goods or services				
Subsidiaries	**-**	-	**119,451**	89,625
Entities over which directors have control/ significant influence	**9,463**	27,719	**7,540**	-
Sales of goods or services				
Subsidiaries	**-**	-	**8,962**	6,876
Fellow subsidiaries	**412,171**	541,221	**362,800**	407,769
Other income				
Liabilities waived by fellow subsidiaries	**-**	32,168	**-**	-
Amounts payable to related companies				
Holding and ultimate companies	**-**	193	**-**	-
Subsidiaries	**-**	-	**9,944**	3,683
Fellow subsidiaries	**68,219**	12,615	**54,117**	-
Amounts receivable from related companies				
Subsidiaries	**-**	-	**24,699**	118,054
Fellow subsidiaries	**29,697**	22,758	**11,810**	22,660
Compensation to key management personnel	**109,295**	78,144	**41,237**	78,144

(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 short-term employee benefits of Rs NIL million (2019: Rs 93 million) as well as benefits under the Employee Share Scheme of Rs NIL (2019: Rs 0.2 million) and contribution to pension scheme for post retirement benefit of Rs 0.7 million (2019: Rs 1.7 million).

(e) There has been no impairment of amount receivable from related parties at Group level. The amount receivable from related parties are neither past due nor impaired.

At the Company's level, an impairment loss of Rs 129 million has been recognised on loan and advances to one subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

32. SEGMENTAL REPORTING

Primary segment - Business

Internal reports reviewed by the Chief Operating Decision Makers in order to allocate resources to the segments and to assess their performance, comprise of the hotel management segment and the hotel operation and others segment. The hotel operation and others segment contribute more than 10% in terms of revenue and the following disclosure is made in respect of segment reporting.

For the year ended 30 June 2020	**Hotel management**	**Hotel operation and others**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
Segment revenue	**506,714**	**194,648**	**701,362**
Segment finance expenses	**(21,212)**	**(25,115)**	**(46,327)**
Segment depreciation and amortisation	**(24,131)**	**(48,284)**	**(72,415)**
Segment impairment loss	**-**	**(29,410)**	**(29,410)**
Segment result before finance charges	**(58,702)**	**(54,681)**	**(113,383)**
Segment assets	**462,276**	**420,305**	**882,581**
Capital expenditure	**(1,485)**	**(5,560)**	**(7,045)**
Cash flows from operating activities	**22,547**	**(9,301)**	**13,246**
Cash flows from investing activities	**(1,485)**	**(5,560)**	**(7,045)**
Cash flows from financing activities	**(30,424)**	**24,863**	**(5,561)**

For the year ended 30 June 2019	Hotel management	Hotel operation and others	Total
	Rs'000	Rs'000	Rs'000
Segment revenue	599,416	96,200	695,616
Segment finance expenses	(8,435)	(3,220)	(11,655)
Segment depreciation and amortisation	(13,096)	(11,521)	(24,617)
Segment result before finance charges	(72,522)	(3,220)	(75,742)
Segment assets	393,891	240,681	634,572
Capital expenditure	63,962	82,468	146,430
Cash flows from operating activities	(49,115)	(38,733)	(87,848)
Cash flows from investing activities	(7,107)	(82,467)	(89,574)
Cash flows from financing activities	54,910	106,462	161,372

33. EARNINGS PER SHARE

	THE GROUP	**THE COMPANY**
	2020	**2020**
	Rs'000	Rs'000
Loss attributable to equity holders of the parent	(180,220)	(73,217)
Number of ordinary shares at reporting date	156,082,273	156,082,273
Earnings per share - Basic	(1.15)	(0.47)
Weighted average number of ordinary shares during the year	156,082,273	147,598,306
Earnings per share - Diluted	(1.15)	(0.50)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH OF JUNE 2020

34. COMMITMENTS

Operating lease commitments

The properties leased by the Group are long term leases with renewal option included in the contracts.

Future minimum rentals payable under these leases are as follows:

	THE GROUP		**THE COMPANY**	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year	-	43,680	-	-
After one year but not more than five years	-	172,042	-	-
More than five years	-	293,213	-	-
	-	508,935	-	-

During the year, IFRS 16-leases was adopted by the Group which affected the way leases are recognised. Refer to Note 2.2 for information of adoption on the Group. The comparative figures in the table above, represent operating rental payable for properties.

35. CONTINGENT LIABILITIES

The Group and The Company

Bank guarantees amounting to Rs 1.4 million as at June 2020 (2019: Rs 1.4 million) 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.

The Company

Bank guarantees of up to Rs 40.4 million given on behalf of subsidiaries arising in the ordinary course of business from which it is anticipated that no material loss will arise.

Payment guarantee on a lease agreement entered into by one subsidiary representing an unexpired commitment of Rs 426 million. Given the context of Covid-19, the Directors have assessed the implication of this guarantee on the Company's financial statements. As described in Note 38, the Company has obtained agreements with main shareholders and financial institutions in order to secure future funding requirements of the Company. Accordingly, the Directors consider that there will be no provision arising from this payment guarantee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

36. SHARE BASED PAYMENT

Executive share scheme

Until November 2018, Lux Island Resorts Ltd (LIR), through the Company (TLC), operated an executive share scheme (ESS), an''equity-settled" share-based payment. A shared understanding of the terms and conditions of the share based payment arrangements were agreed between the Company and its senior management team. At grant date, TLC conferred to its executives the right to equity instruments in TLC subject to certain vesting conditions.

Following the spin-off and upon distribution of TLC shares to LIR's shareholders, the board of directors of LIR has decided to terminate the ESS. No provision for ESS has therefore been made with respect to the year ended 30th of June 2019.

The executive team was entitled to shares in the Company after a vesting period. Such vesting period being the period between the grant date and the date the shares were allotted. This period was fixed by the Board at three years during which the senior management team members have to remain in employment with the Company or other companies forming part of LIR Group of Companies. Therefore, these equity instruments have started to vest during the financial year ended 30th of June 2017.

Once the shares are issued, they will rank 'pari passu' as to dividend, capital, voting rights and in all other respects with the existing shares of the Company.

The number of shares granted, is calculated in accordance with a performance-based formula approved by the Remuneration Committee. The formula rewards executives to the extent of the LIR Group's and the individual achievement judged against both qualitative and quantitative criteria from the following measures:

(i) improvement in LIR share price;
(ii) improvement in the LIR Group EBITDA and free cash flow; and
(iii) elevating guest experience.

The Board is working for the ESS replacement with another mechanism which as at the reporting date has not yet been finalised. All options granted with respect to prior periods have been executed and for the year ended 30th of June 2019, 3,185,025 shares had been issued pursuant to the share scheme, representing Rs 5.3 million. Provision with respect to forfeited options has been reversed against employee's cost.

The Company's equity instruments are not publicly traded, the fair value of the equity instrument granted was determined using the discounted cash flow method by an independent professional valuer.

Following the abolition of the Executive Share scheme, management was working on a new scheme, which has been put on hold due to the uncertainty of the hospitality industry as a result of the pandemic Covid-19. Consequently, there is no provision for any share-base related payment for this current year. The movenent shown below is in respect of the previous financial year only.

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FOR THE YEAR ENDED 30TH OF JUNE 2020

36. SHARE BASED PAYMENT (CONTINUED)

Movement during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share option during the year:

	THE GROUP		THE COMPANY	
	2020	**2020**	2019	2019
	Number	**WAEP**	Number	WAEP
Outstanding at 01 July	-	-	3,520,462	1.66
Forfeited	-	-	(335,437)	1.66
Exercised*	-	-	(3,185,025)	2
Outstanding at 30 June	-	-	-	-

37. ULTIMATE HOLDING COMPANY

The ultimate holding company is IBL Ltd, a company incorporated in Mauritius. The registered office is situated at 4th Floor, IBL House, Le Caudan Waterfront, Port Louis.

38. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Debt (i)	**678,547**	316,053	**280,217**	232,207
Cash in hand and at bank	**(19,293)**	(25,286)	**(49)**	(1,409)
Net debt	**659,254**	290,767	**280,168**	230,799
Equity (ii)	**(64,236)**	127,637	**(52,573)**	202,394
Total equity plus debt	**595,018**	418,404	**227,595**	433,193
Gearing ratio	**111%**	69%	**123%**	53%

(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	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Financial assets at fair value through OCI	**4**	4	**-**	-
Financial assets at amortised cost	**74,509**	103,497	**52,802**	166,995
	74,513	103,501	**52,802**	166,995
Financial liabilities				
Financial liabilities at amortised cost	**864,685**	402,742	**417,221**	284,357
	864,685	402,742	**417,221**	284,357

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 30th of June 2020 and 2019 is as follows:

	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
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**	**674,006**	**34,137**	**243,430**
Others	**6,781**	**15,057**	**-**	**1,877**
Total	**74,513**	**864,685**	**52,802**	**417,221**
30 June 2019				
Euro	8,386	126,888	1,380	124,834
US$	22,028	31,621	17,900	9,359
GBP	511	9,862	-	9,364
Mauritian Rupee	50,553	231,845	147,715	139,008
Others	22,023	2,526	-	1,791
Total	103,501	402,742	166,995	284,356

Sensitivity analysis

The following table details the Company's sensitivity to a 5% increase 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (continued)

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
EURO				
Effect on profit	**(290)**	(311)	**(882)**	(559)
Effect on equity	**(5,781)**	(5,614)	**(5,781)**	(5,614)
US$				
Effect on profit	**(377)**	(480)	**(474)**	427
Effect on equity	**-**	-	**-**	-
GBP				
Effect on profit	**93**	(467)	**(525)**	(468)
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 2,533,829 (2019: Rs 2,469,477).

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. 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 assessed the risk of non-collectability of its main financial assets (trade receivables) in respect of management fees receivable from related companies, taking into account the country risk in which these companies operate, the contractual agreement in place and the probability of counterpart default. Based on this analysis, the Group considers that the the expected loss risk to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

In respect of the trade receivable from other segments, 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 2020	**Total**	**Current**	**< 30 days**	**< 60 days**	**< 90 days**	**> 90 days**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
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**

30 June 2019	Total	Current	< 30 days	< 60 days	< 90 days	> 90 days
	Rs	Rs	Rs	Rs	Rs	Rs
Expected credit loss rate	6%	2%	7%	2%	2%	9%
Carrying amount	57,774	7,499	1,703	7,515	8,120	32,937
Expected credit loss	3,223	150	114	172	137	3,086

THE COMPANY

30 June 2020	**Total**	**Current**	**< 30 days**	**< 60 days**	**< 90 days**	**> 90 days**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Expected credit loss rate	**76%**	**0%**	**0%**	**0%**	**39%**	**100%**
Carrying amount	**75,026**	**24,376**	**84**	**733**	**40,339**	**9,494**
Expected credit loss	**25,217**	**-**	**-**	**-**	**15,723**	**9,494**

30 June 2019	Total	Current	< 30 days	< 60 days	< 90 days	> 90 days
	Rs	Rs	Rs	Rs	Rs	Rs
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Carrying amount	161,340	20,581	18,868	18,209	15,840	87,842
Expected credit loss	-	-	-	-	-	-

The increase in credit loss for the Group is due to default from clients having liquidity issues and has been provided for by management.

Cash and cash equivalent 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

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 has confronted the hospitality industry with unprecedented challenges, with measures taken to contain the spread of the virus, such as community lockdown, travel restrictions, borders closure, social distancing, among others, have resulted in temporary closure of hotel businesses and significantly affect the liquidity position of the Company and the Group.

A number of measures have been taken to manage the liquidity position of the Company and the Group and include the followings:

- strategies to reduce non-essential costs
- introducing a voluntary pay reduction scheme for employees earning above Rs 50,000
- 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.

Since the outbreak of the pandemic, management have been closely monitoring cash flow and have prepared a forecast of funding requirement for the next twenty-four months based on conservative estimates and assumptions, given the uncertainties surrounding the hospitality industry. Based on the forecast, management has assessed funding requirement to the tune of Rs 425 million over and above temporary facilities from government supports. Actions have already been taken to secure the necessary financing as follows:

- Loan from financial institutions, for up to Rs 250 million. The terms sheet has already been agreed with one commercial bank.
- Raising of Rs 175 million through a right issue to existing shareholders. The Company has obtained the in-principle agreement from its main shareholder to underwrite up to Rs 125 million of the right issue.

The Directors are aware that there are significant uncertainties regarding around when the hospitality sector will recover and present indicators are that the financial year 2021 will be much more challenging and difficult one. The Directors are however confident and satisfied that Company have arrange for adequate resources to be available to continue operating in the near future until the hospitality sector recovered from the pandemic.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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.

Liquidity and interest rate risk tables - financial liabilities - undiscounted

	THE GROUP						
Financial Liabilities	Weighted average effective interest rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	%	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
30 June 2020							
Non-interest bearing liabilities	-	186,138	-	-	-	-	186,138
Fixed rate instruments	6.23%	-	9,166	27,499	341,291	-	377,956
Variable rate instruments	4.41%	63,868	-	21,676	125,965	89,082	300,591
		250,006	9,166	49,175	467,256	89,082	864,685
30 June 2019							
Non-interest bearing liabilities	-	168,767	-	-	-	-	168,767
Fixed rate instruments	6.33%	-	1,804	5,411	18,170	-	25,385
Variable interest rate instruments	3.51%	74,759	7,265	21,908	104,842	84,866	293,640
		243,526	9,069	27,319	123,012	84,866	487,792

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

Liquidity and interest risk tables

THE COMPANY

Financial Liabilities	Weighted average effective interest rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	%	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
30 June 2020							
Non-interest bearing liabilities	-	137,004	-	-	-	-	137,004
Fixed rate instruments	6.23%	-	1,310	3,929	11,195	-	16,434
Variable rate instruments	4.41%	53,538	-	16,939	104,224	89,082	263,783
		190,542	1,310	20,868	115,419	89,082	417,221
30 June 2019							
Non-interest bearing liabilities	-	142,822	-	-	-	-	142,822
Fixed rate instruments	7.80%	-	181	542	652	-	1,375
Variable interest rate instruments	1.86%	53,552	3,509	10,526	78,379	84,866	230,832
		196,374	3,690	11,068	79,031	84,866	375,029

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

FOR THE YEAR ENDED 30TH OF JUNE 2020

38. 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 30th of June 2020 and 30th of June 2019 are as follows:

THE GROUP

	Fair value hierarchy	2020 Carrying value	2020 Fair value	2019 Carrying value	2019 Fair value
		Rs.'000.	**Rs.'000.**	Rs.'000.	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	**55,216**	**55,216**	78,211	78,211
Cash in hand and at banks	Level 2	**19,293**	**19,293**	25,286	25,286
		74,513	**74,513**	103,501	103,501
Financial liabilities:					
Interest-bearing loans and borrowings	Level 2	**678,547**	**678,547**	316,053	316,053
Trade and other payables	Level 2	**186,138**	**186,138**	86,689	86,689
		864,685	**864,685**	402,742	402,742

THE COMPANY

	Fair value hierarchy	2020 Carrying value	2020 Fair value	2019 Carrying value	2019 Fair value
		Rs.'000.	**Rs.'000.**	Rs.'000.	Rs.'000.
Financial assets:					
Trade and other receivables	Level 2	**52,753**	**52,753**	165,586	165,586
Cash in hand and at banks	Level 2	**49**	**49**	1,409	1,409
		52,802	**52,802**	166,995	166,995
Financial liabilities:					
Interest-bearing loans and borrowings	Level 2	**280,217**	**280,217**	232,207	232,207
Trade and other payables	Level 2	**137,004**	**137,004**	52,149	52,149
		417,221	**417,221**	284,356	284,356

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
FOR THE YEAR ENDED 30TH OF JUNE 2020

39. EVENTS AFTER THE REPORTING DATE

Main events after the reporting date are:

i. Securing additional bank loans to finance the short term funding requirements of Rs 77 million.

ii. Obtain agreement from the main shareholder to underwrite up to Rs 125 million of the right issue to part-finance the short term funding requirements

iii. Sign off of a termsheet with a commercial bank for borrowing of Rs 250 million.

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, Floreal, on Wednesday 30th December 2020 at 14:00 with the following agenda:

RESOLUTIONS

1. To consider and approve the audited financial statements for the year ended 30th June 2020
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 elect Mr David Amsellem as Director of the Company **
12. To ratify the remuneration paid to the auditors for the year ended 30th June 2020
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 2020

By Order of the Board

IBL Management Ltd
Company Secretary

16th November 2020

** - Biography of the directors can be found at pages 10.

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, Floreal, 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 30.11.2020.

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

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, Floreal on Wednesday 30th December 2020 commencing at 14:00 and at any adjournment thereof.
I/We direct my/our proxy to vote in the following manner:

Resolutions Vote with a tick

	FOR	AGAINST
1. To consider and approve the audited financial statements for the year ended 30th June 2020		
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 elect Mr David Amsellem as Director of the Company **		
12. To ratify the remuneration paid to the auditors for the year ended 30th June 2020		
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 2020		

Signed this Signature

Registered Office - Pierre Simonet Street Floreal

ANNEX 1: GRI STANDARDS CONTENT INDEX

GRI Materiality Disclosures The Lux Collective Ltd Nov 2020 Service

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	Mapping with Sustainable Development Goals (SDGs)
GRI STANDARD DISCLOSURES 'in accordance' Core option GRI 101: Foundation 2016				
GRI 102 General Disclosures 2016	102-1	Name of the organization	PAGE 1	
	102-2	Primary brands, products, and services.	PAGES 4 - 5	
	102-3	Location of the organization's headquarters.	PAGE 6	
	102-4	Number of countries where the organization operates	PAGE 17	
	102-5	Nature of ownership and legal form	PAGE 15	
	102-6	Markets served, and types of customers and beneficiaries	PAGE 17	
	102-7	Scale of the organisation	PAGE 17	
	102-8	Total number of employees by employment contract, gender and region	PAGE 90	
	102-9	Description of supply chain	PAGE 17	
	102-10	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	No significant changes	
	102-11	Whether and how the precautionary approach or principle is addressed by the organisation	PAGES 96	
	102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	PAGE 79	
	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	PAGE 79	
	102-15	Key impacts, risks, and opportunities	PAGE 16	
	102-16	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	PAGE 59	SDG 8
	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.		
	102-40	List of stakeholder groups engaged by the organisation	PAGE 82	
	102-41	Percentage of total employees covered by collective bargaining agreements	PAGE 91	
	102-42	Basis for identification and selection of stakeholders with whom to engage	PAGE 84	
	102-43	Organisation's approach to stakeholder engagement	PAGE 82	
	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	PAGE 81	
	102-45	All entities included in the organisation's consolidated financial statements or equivalent documents	PAGE 153	
	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 19-20 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	
	102-50	Reporting period for information provided	PAGE 84	
	102-51	Date of most recent previous report	TLC IAR 2018-2019	
	102-52	Reporting cycle	PAGE 84	
	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	PAGE 191	
	102-54	Claims of reporting in accordance with the GRI Standards	PAGE 79	
	102-56	Organisation's policy and current practice with regard to seeking external assurance for the report	PAGE 81	

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 84 TLC 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, nondiscrimination, market presence, effluents, procurement practices, socioeconomic compliance, supplier social assessment."	
	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 94	
	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 95	SDG 3,6,12, 13,14,15
	303-2	Water sources significantly affected by withdrawal of water		
GRI 304: Biodiversity 2016	304-3	Biodiversity	PAGE 99	
GRI 305: Emissions 2016	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)in metric tons of CO_2 equivalent	PAGE 97	SDG 13,14,15
	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		SDG 3,12,14
GRI 306: Effluents & Waste 2016	306-1	Total water discharge by quality and destination	PAGE 95	SDG 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	PAGE 90	SDG 5,8,16
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	PAGE 90	SDG 5,8
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	PAGE 91	SDG 3,8
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee by gender, and by employee category	PAGE 54	SDG 4,5,8
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	PAGE 53	SDG 5,8
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 91	
	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 104	SDG 1,2,3,4, 5,14,15,16,17
ECONOMIC				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	PAGE 104	SDG 2,5,7,8,9
	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	PAGE 97	

LUX* SALT TAMASSA SOCIO

Resorts & Hotels