BlueLife
THE FUTURE OF DEVELOPMENT

ANNUAL REPORT 2019

DEAR SHAREHOLDER,

The Board of Directors of BlueLife Limited is pleased to present its Annual Report for the year ended June 30, 2019. This report was approved by the Board of Directors on September 30, 2019.

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

Date: Wednesday, December 18, 2019
Time: 15.00 hours
Venue: Circle Square
Forbach

We look forward to seeing you.

Yours sincerely,

Sunil Banymandhub
Chairman

Christine Marot
Chief Executive Officer

#PranKont!

The story of a wake-up call

Nature is a priceless gift. With the idyllic landscapes of this paradise island, one would tend to forget that the environment is, nonetheless, fragile, facing the imminent threat of waste management. Stacked on beaches and roadsides, rubbish represents more than an eyesore: a major challenge that both the world and our country need to rise to. At Blue Life Ltd, we value nature as an indispensable asset and therefore decided to help preserve this glorious environment through #prankont, a regional sensitization campaign.

A global survey conducted in 2016 found that an individual generated an average of 0.74 kg of waste per day. With a growing population, this number is expected to increase by 70% by 2050. In Mauritius, prospects are equally daunting with the only landfill of the island totaling 500 000 tons of waste, and approaching a state of saturation.

In order to find more eco-friendly alternatives for the 1500 tons of daily waste generated in Mauritius, Blue Life Ltd, and Azuri launched #Prankont, a sensitization campaign to educate members of the public about this issue, and motivate them to take action. Meaning "beware of this", the creole phrase is a dynamic call to action, drawing the attention of inhabitants of the North-East region to the waste management problem while enlisting their help in concrete action: the World Cleanup Day, during which over 1400 kg of waste were collected and sorted. Combining diverse age groups to both action and educational aspects of the campaign certainly set the stepping stones for success. Indeed, the inherent element of this success is continuity, by setting forth a viable change in habits that will hopefully inspire other citizens of the country, and the world.

TABLE OF CONTENTS

Enn poubel pe atann ou salte.*

Every Mauritian discards at least 1Kg of trash every day! Please use a bin instead of tossing it everywhere!

Although, at times, rubbish bins are hard to find, there will always be one on your way to relieve you of the objects you would like to discard. It only takes one person to set the right example for all others to follow.

** Translation: A rubbish bin is waiting for you somewhere.*

GROUP STRUCTURE

ACTIS PARADISE JERSEY LIMITED
21.06%

GML INEO LTEE
7.45%

IBL LTD
48.99%

OTHER SHAREHOLDERS
22.5%

BlueLife
THE FUTURE OF DEVELOPMENT

100% OCEAN EDGE PROPERTY MANAGEMENT COMPANY LTD

100% CIRCLE SQUARE HOLDING COMPANY LTD

100% HAUTE RIVE HOLDINGS LTD

100% LES HAUTS CHAMPS 2 LTD

60% PL RESORT LTD

100% LIFE IN BLUE LIMITED

100% AZURI WATCH LTD

100% AZURI ESTATE MANAGEMENT LTD

100% AZURI SERVICES LTD

100% HR GOLF HOLDING LTD

100% AZURI GOLF MANAGEMENT LTD

100% HAUTE RIVE OCEAN FRONT LIVING LTD

100% HAUTE RIVE IRS COMPANY LTD

100% HAUTE RIVE PDS COMPANY LTD

62.9% HAUTE RIVE AZURI HOTEL LTD

100% AZURI SUITES LTD

FINANCIAL INDICATORS

BlueLife is a property investment and development company. Its portfolio of assets includes offices, retail units, hotels and land for mixed-used developments, mainly in Azuri Ocean & Golf Village, where there is ongoing development. The last 5 years have been difficult, mainly due to a non-performing hospitality cluster and delay in breaking ground with new property development projects. We showed resilience and turned around our hospitality segment since 2018 and, with the imminent breaking ground of the new phase of property development, we strongly believe that BlueLife will capitalise of the strong expertise it has developed as well as its strong corporate culture to successfully pursue the development of mixed-use and residential projects that will generate profits as from the next financial year.

BLUELIFE AT A GLANCE

MUR 4.11 BN
Total Assets

MUR 595M
Turnover

17
Companies

430
Employees

2
Hotels in Operations

200
Rooms in Operation

86.7%
Combined Occupancy Rate in hotels

135,613
Guests nights in hotels

403
Residential units built and sold since 2012

0
Construction on site next start Q4 2019

88
Residential units for sale in Rive Droite

1
9 hole Par 3 Signature ground breaking soon

3
Companies engaged in Facilities Management Services

2
Companies engaged in Rental Management

FINANCIAL INDICATORS

In the property development segment, revenues are determined by the sale of units in residential real estate projects. Hence, the results of BlueLife can fluctuate significantly from one year to another, depending on the number of projects which have reached the stage of construction, since it is only at that stage that revenue is recognised as a percentage of completion. The year 2019, was the one where there was the lowest revenue from property development, as compared to the previous year. This situation is attributable to the fact that there was no inventory of completed units for sale and that we had not yet broken ground of projects which would be recognised on percentage completion in the income statement.

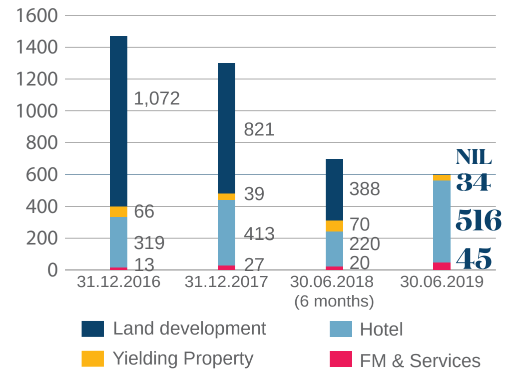
The sale of residential property under the regime of *Vente en Etat Future d'Achèvement*, transfers the ownership of a residential unit to the purchaser during the construction period. The revenue and margins are therefore recognised gradually as the asset under construction is transferred. Various major projects are currently being marketed (see Operations at page 32 of the Annual Report) and we are confident that they will shortly be at construction stage thereby contributing to the Group results in the next financial year although the main portion of revenue and margins will be accounted in the 2020-2021 financial year.

As opposed, the resilience and continued actions for the turnaround of our hotels have led to further improvement of performance with a turnover of MUR 516m. With the new financial year in 2018, which was a 6 months financial period ending on 30th June, it is difficult to compare the results with those of a full year in 2019. We, therefore, opted to emphasise the progress in hotel ratios. There was a combined occupancy rate of 86.7% in 2019 (was 78.7% as of 30 June 2018), a 16% increase in TREVPAR (Total Revenue per room) and a 45% increase in GOPPAR (Gross Profit per room).

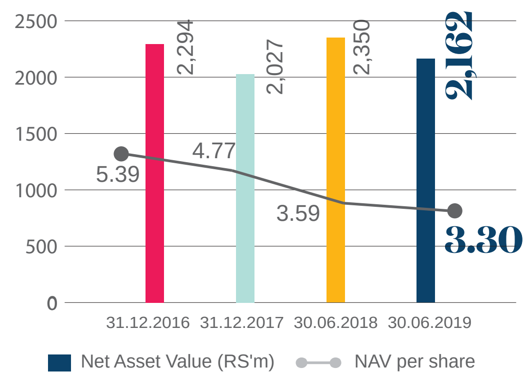
As we mentioned last year, revenue from our facilities management and other services segment started to outpace the revenue from yielding property. The activities of this segment are progressing and we are aiming to start generating profits gradually in the respective clusters as from next year.

Revenue from yielding property includes both the rental income and profit on disposal of retail and office type properties. The distortion in revenue in 2018 is explained by the proceeds from the disposal of one office floor in the Harbour Front Building. As a consequence of our strategy to sell assets to reduce the Group indebtedness and to focus on property development, the revenue from rentals will continue to drop to a marginal amount in the Group Revenue in the coming years.

TURNOVER PER ASSET SEGMENT (RS'M)



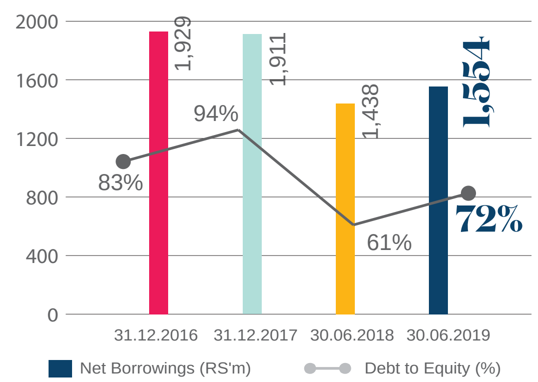
NET ASSET VALUE (RS 'M)



BlueLife's total assets value went down from MUR 4.2 billion to MUR 4.1 billion from 30 June 2018 to 30 June 2019. This drop is attributable to the cumulative effect of operating losses, although in reduction as compared to previous years, impairment on intangible assets and reversal of deferred tax assets.

Change in Net Asset Value is highlighted in the graph above.

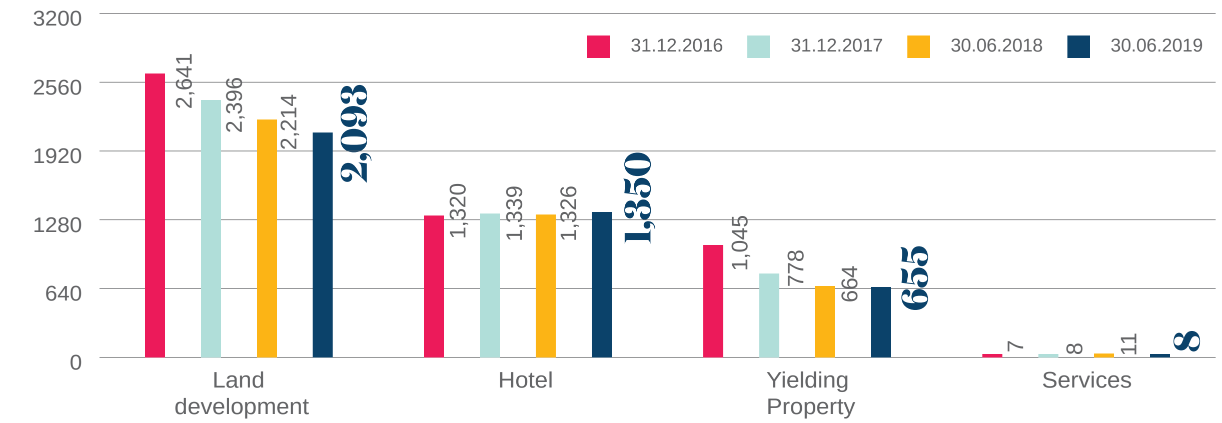
NET BORROWINGS AND DEBT-TO-EQUITY (RS 'M)



The delay in breaking ground of the new phase of residential projects in Azuri led to reduced earnings for the Group and has kept the pressure on the cash flow and led to additional short term funding.

We have paid interest of MUR 85m for the year ended 30 June 2019.

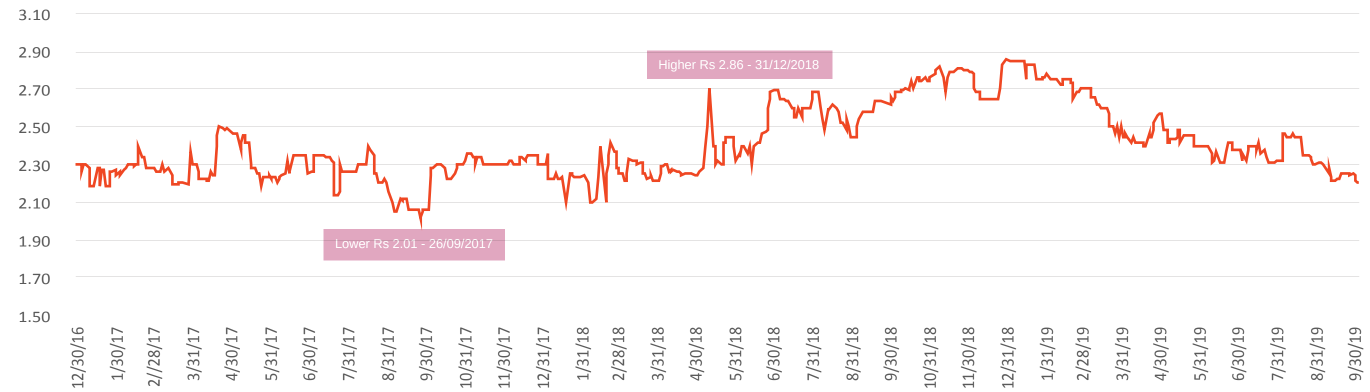
ASSET UNDER MANAGEMENT (RS'M)



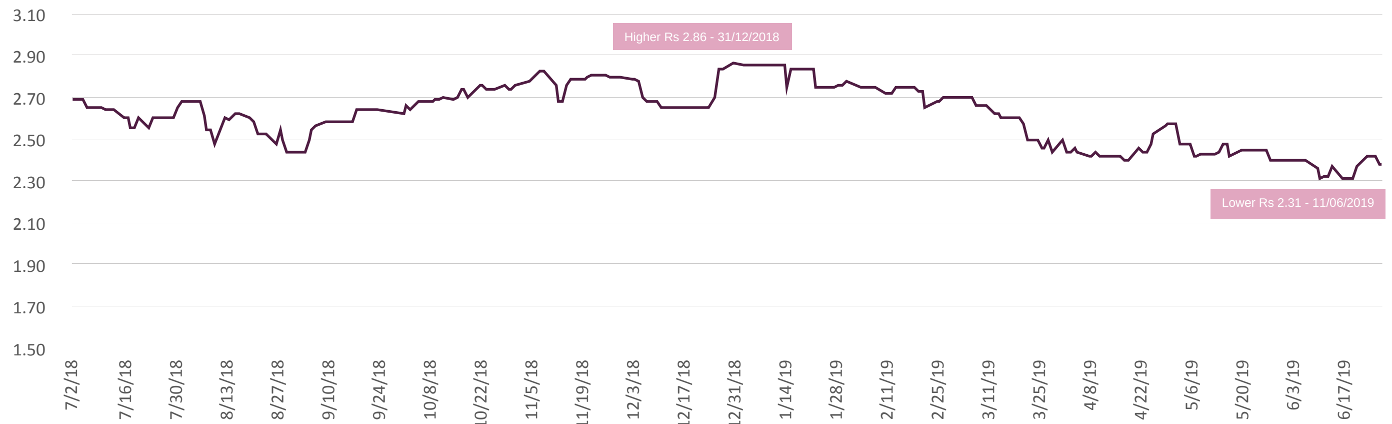
The land development segment reflects the value of the 403 arpents of freehold land available for future development, the carried cost for lots available for sales as well as the preliminary project planning and design expenses relating to on-going projects.

The yielding property under management remained stable, as compared to last year, but will be reduced in the financial year ending 30 June 2020 due to the sale of the HomeScene building in Circle Square Retail Park in August 2019, and the sale of the Motor City property aimed before the end of the next financial year.

SHARE PRICE EVOLUTION OVER A 3-YEARS PERIOD (MUR)



SHARE PRICE EVOLUTION IN 2018-2019 (MUR)



Lanatir, nou pli gran tresor.*

Mauritius generates 1375 tons of waste per day. This weight is equivalent to that of 100 adult whales. Let's reduce this scary statistic!

Mauritius is deemed a paradise island for a reason: its rich natural heritage. Protecting this treasure is therefore of the essence... And, sometimes, the simplest habits such as throwing one's rubbish in a bin are the biggest steps taken to respecting this gorgeous environment.

**Translation: Nature, our greatest gift.*

BOARD OF DIRECTORS

Photo taken in the Roche Bobois store at Circle Square Retail Park in Forbach, Mauritius.

BOARD OF **DIRECTORS**

01. KISHORE SUNIL BANYMANDHUB

Chairman

Citizen and resident of Mauritius

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

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

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

Core Competencies
- Strategic development, business and finance.

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

02. JAN BOULLE

Non-Executive Director

Citizen and resident of Mauritius

Appointed:
23/02/2018 (Board)

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

Qualifications
- "Ingenieur Statisticien Economiste" France.
- Post Graduate studies in Economics – Université Laval Canada.

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

Core competencies
- Strategic Development, Hospitality, Real Estate Development.

03. CHRISTINE MAROT

Executive Director

Citizen and resident of Mauritius

Appointed:
31/12/2013 (Board)

Skills & Experience
- Is the current Chief Executive Officer of BlueLife Limited.
- Started her career with De Chazal Du Mée & Co.
- Was Finance Executive – Corporate and Accounting at GML Management Ltée where she was involved at a senior level in businesses across the GML Group, now IBL Group.

Qualifications & Professional Development
- Accountant by profession.
- Completed the One-Year ESSEC General Management Program.

Core Competencies
- Business and finance, deal structuring, strategic business development, real estate management.

External appointments
- Is a member of the Board of Fondation Joseph Lagesse.
- Is a member of the governing committees of IBL Pension Fund.

04. RAVI PRAKASH HARDIN

Non-Executive Director

Citizen and resident of Mauritius

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

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

Qualifications & Professional Development
- B-Tech in Chemical Engineering, Indian Institute of Technology
- MBA, University of Surrey.

Core Competencies
- Strategic business development, real estate development and management.

05. JEAN-LUC WILAIN

Non-Executive Director

Citizen and resident of Mauritius

Appointed:
23/02/2018 (Board)

Skills & Experience
- Is the Head of Business Development – Strategic Initiatives and Integration of IBL Ltd.
- Works on developing IBL Group's strategies and integration projects.
- Responsible for Sustainable development, Central Purchasing, Trademarks and Consulates.
- Worked as a consultant or executive in several countries and in various fields, including re-engineering, supply chain, IT, Sales and marketing as well as manufacturing. Was General Manager in Czech Republic and in France.

Qualifications & Professional Development
- Graduated from Ecole Nationale Supérieure des Mines.
- Diploma in Advanced Management Program (AMP).

Core Competencies
- Group strategies and integration projects, re-engineering, IT, sales and marketing.

External appointments:
- Is a member of the Board of companies of the IBL Group.

06. ARNAUD LAGESSE

Non-Executive Director

Citizen and resident of Mauritius

Appointed:
31/12/2013 (Board)
10/03/2014 (Member: Corporate Governance Committee)

Skills and experience
Arnaud Lagesse is the Group CEO of IBL Ltd, Mauritius' largest business group. He is one of the Mauritian private sector's most prominent leader and is known to drive the Group he leads with innovative and challenging undertakings. Three years ago, he initiated the merger of GML Investissement Ltée and Ireland Blyth Limited, creating both a successful Group and substantial shareholder value for all stakeholders since the Group's introduction onto the local Stock Market.

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

External appointments
Chairman

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

Member of the Board of Directors
- IBL Ltd
- AfrAsia Bank Limited
- The United Basalt Products Ltd
- Pick and Buy Limited
- Esperance et Compagnie Limitee

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

07. ISABELLE DE GAALON DECAILLOT (Isabelle DE WAVRECHIN)

Independent Non-Executive Director

Non-citizen and non-resident of Mauritius

Appointed:
23/02/20018 (Board)
23/03/2018 (Chairman: Audit and Risk Committee)

Skills & Experience
- Was the CEO for Pierre & Vacances Real Estate Investment for 18 years.
- Was Member of the Executive Committee of the Group Pierre & Vacances Center Parcs (PVCP) for 23 years.
- Board Member & Senior Adviser of OPTYLON, Lisbon since March 2019.
- Chairman of Worldwide Invest Management (W2-IM), Dublin since May 2019.
- Director on the Board of the Association des Femmes du Tourisme since 2005.
- Received the French Legion of Honour.

Qualifications & Professional Development
- Institute of Business Administration – IAE: PhD in Management studies.
- Certified trilingual guide specialised in Van Gogh and the Roman period.

Core Competencies
- Strong knowledge of European and Asian markets, expertise in the analysis of real estate projects and marketing and commercial strategy.

External appointments:
- None

08. ROSHAN RAMOLY

Non-Executive Director

Citizen and resident of Mauritius

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

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

Qualifications & Professional Development
- BSc. Honours in Management Studies
- MBA, Durham University Business School

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

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

09. CHRISTOPHE BARGE

Independent Non-Executive Director

Non-citizen and non-resident of Mauritius

Appointed:
31/03/2016 (Board)
09/11/2016 (Chairman: Corporate Governance Committee)

Skills & Experience
- Has worked for 20 years in public affairs, for a Government ministry and for private companies.
- CEO of a Smart City Group, a company specialized in Smart Cities.
- Accompanies many cities in France on these aspects and collaborates with Fnac, the Caisse des Dépôts et Consignations and Roland Berger strategy firm on these issues.

Qualifications & Professional Development
- Graduate Sciences Po, Aix en Provence.
- Master's Degree in Information Systems, Paris 8.

Core Competencies
- Expert in new information technologies, in the field of smart cities and digital business transformation.

External appointments
- None.

CHAIRMAN'S MESSAGE

KISHORE SUNIL BANYMANDHUB
CHAIRMAN

Dear Shareholder,

I hereby present to you the integrated report of BlueLife Limited for the financial year ended June 2019.

Looking back on the past year, and ahead to the future, I wish to highlight the changing international and local landscape, and your company's response to the challenges this represents. The Report from the Chief Executive will comment on the past year's results in detail, while we continue to press ahead with plans already announced.

Real estate is characterised, like any other industry, by shifts in supply and demand. Many countries are emerging with competitive offers to high net worth individuals across the world. European countries like Cyprus, Malta, and Portugal offer clement weather, as well as residential access to the European Union. Islands in the Caribbean offer beach destinations.

Demand is also evolving as wealth shifts towards the Middle East and Asia, where potential investors have tastes and expectations different from their European counterparts. For the traditional foreign property buyers in Mauritius, namely from France and South Africa, constituting over 70% of past acquisitions according to the EDB's report, the additional options have led to increased competition. To counter these forces, we have been focussing on the unique selling proposition of the Azuri product, and we are tapping into other markets. In traditional source markets like France and South Africa, other intermediaries are being considered, and new avenues to market are being put in place, as well as targeting niche segments.

Locally, the need for a competitive offer is also an ongoing concern, as the construction industry faces challenges, with rising costs of construction, driven partly by the newly-enacted Workers' Rights Act. The challenge will be to maintain or even enhance quality, whilst keeping costs under control. The product offering also needs to be reviewed and packaged appropriately with additional features such as digitalization, as well as enhanced support services.

A TRANSITIONAL YEAR

This year's revenue was slightly lower than last year's but this can be explained by the cyclical nature of property development. The year has been one of transition, and future revenues will be recognised in line with progress of construction work.

Azuri is positioning itself as a lively seaside village, and a leading destination in the north of the island, offering vibrant community living. One of the attractions of the future Azuri will be the first 9-hole Executive golf course of the island. Around this golf course, the upscale neighbourhood of Rive Droite is, slowly but surely, rising from the ground, with its first showhouse as a flagship of the emblematic Azuri luxury in simplicity, and the first units of the neighbourhood being signed. The village is not just bricks and mortar, and its existing life and spirit keeps on rising. The latest additions are the Black Rock grill restaurant, already a hit with diners, the nursery school and, of course, the Montessori Kindergarten. This proves that the steppingstones laid by last year's re-defined vision have set the path to a destination which matches the investors' modern expectations of community life in a seaside village.

On another note, the repositioning strategy of the Radisson Blu Hotels proved very successful, generating significant operating profits. Occupancy rates for both hotels remained high at 86-87%, and key indicators such as TREVPAR and GOPPAR increased by 16% and 45% respectively.

PROMISING PROSPECTS

The latest report from the EDB heralded the potential of Mauritius to become a high-end health services and retirement destination. Catering for the specific needs of this new category of investors, while still servicing an active clientele, we partnered with IBL Life and Bloomage to create Healthscape. This new business venture will allow the creation, in Forbach, of the very first state-of-the art health and wellness facility of the island. Consisting of wellness, fitness and medical centres, as well as a retirement home and elderly care facilities, Healthscape will be the ultimate health and wellness destination of the island.

CHAMPIONING SOCIAL ENGAGEMENT

American poet Henry David Thoreau, pondering on nature, once wrote; "What's the use of a fine house if you haven't got a tolerable planet to put it on?". Property development being at the heart of this company's activity, the concept of environmental stewardship is of crucial importance, especially given the environmental crisis the world is facing. Therefore, we tackled the pressing issue of waste through #prankont, a regional awareness campaign, which combined concrete actions, through the cleaning of beaches, to educational campaigns on the importance of selectively sorting waste, as well as recycling. This will, hopefully, lay down a steppingstone to environmentally friendly habits trickling down to every Mauritian home, for a future in which waste management will no longer be a problem.

GOING FORWARD

We are already well into the new financial year and we aim at better and stronger performance, as we complete the sale of non-core assets, and start executing the Rive Droite development phase.

My sincere thanks go to our Chief Executive Officer, Christine Marot, the Management team, and all our employees, whose efforts have brought us this far, and whose dedication brings us even closer to our goals. I also thank my fellow Board members for their continued and valuable commitment and support.

I also thank all the relevant authorities, our shareholders, partners, customers and all other stakeholders for their renewed trust and relentless support to BlueLife,

Sunil Banymandhub
Chairman

CEO'S MESSAGE

CHRISTINE MAROT
CEO

OUR CONVICTION IS THAT ONGOING VALUE CREATION FOR PROPERTY OWNERS IN THE DEVELOPMENT OF PLACES, LIKE AZURI, IS THE KEY TO BUILD TRUST WITH PAST AND FUTURE INVESTORS.

Dear Partners,

It is my pleasure and privilege to present to you our Annual Report for the financial year ended June 30, 2019.

Throughout the year, we always kept sight of our strategic objectives aiming at restoring profitability and gearing reduction throughout the BlueLife Group companies, as well as properly managing and valuing our assets. We had anticipated a year with no revenue in the companies involved in property development and their results, as well as the unabsorbed structural costs, were according to plans.

After the change in the financial year-end last year with BlueLife reporting for the six months period ending June 30, 2018, we reported for a twelve months period ending June 30, 2019.

The Group registered operational losses of Rs.29.5M for the year ended June 30, 2019 as compared with losses of Rs.2.2M for the six months period ended June 30, 2018. This is mainly the result of the absence of revenue and subsequent profit on disposal from our property development sector throughout the financial period under consideration with no project at construction stage. However, the continuous improvement in the results of our hospitality cluster in a challenging market must be highlighted. Our hotels registered a combined 16% growth in the TREVPAR and 45% growth in the GOPPAR this year.

The Group's results have also been impacted by fair value decrease of investment properties for Rs.3.2M and impairment of goodwill of Rs.51.2M for the year compared to a combined Rs.69.2M for the six months ended June 30, 2018. An assessment of goodwill was performed during the financial year 2019 which resulted in an accelerated impairment of Rs.51.2m at Group level and Rs.11.5m at Company level. These amounts related to the remaining goodwill which initially arose on amalgamation on 31 December 2013 (Goodwill on amalgamation amounted Rs555.9m at 31 December 2013).

Financial costs of Rs.85M have been incurred for the year ended June 30, 2019. With the expected reduction of the Group's indebtedness as a result of assets sales, we are aiming to lower the financial costs' burden even further.

The income tax charge of Rs.15M for the financial year ended 30 June 2019 includes the reversals of deferred tax assets.

All the above contributed to Group losses of Rs.189M for the year ended June 30, 2019, as compared to Rs.133.4M for the six months period ended June 30, 2018.

With improved results in all the operational subsidiaries, we are confident that the objectives will be achieved upon launching of the Rive Droite development in the financial year ending June 30, 2020, despite some significant challenges which the residential property development sector needs to address.

Stepping into this new financial year, we were also tasked with diverse important missions, such as boosting the sales of residential properties with a renewed sales team, enacting the re-positioning strategy of Azuri, continuing the recovery journey of our hotels and embarking on new projects. At the core of these missions, however, lay a common denominator: leveraging our philosophy to strengthen our performance, so that each of these projects bears our seal and motto: "only excellence is good enough".

Values attract employees and customers. We had started the journey of creating a strong corporate value culture since the last financial period and this year has been pivotal in reiterating our values as a group and renewing our commitment to excellence in each of our endeavours.

Breathing new meaning and life to our values and actions, and instilling them into all the employees of BlueLife group who work in various business units and sites, rested on three main aspects. The first was to federate the employees through theme-oriented workshops where the company's values were promoted and where employees were brought to relate with them personally. The first phase was also aimed at reaffirming success through teamwork and collaboration. The second was to identify new areas of improvement internally as well as through new ventures, in line with our vision to embrace new challenges and never give up. The third and final was to actively initiate and engage with the community, driven by our responsibility to interact with integrity and respect.

CEO'S MESSAGE

HUMAN CAPITAL: CONSOLIDATING OUR STRENGTH

At BlueLife, we believe that our greatest asset is our human capital, more so when we know that happy employees make happy clients. Indeed, team members employ their skills and resources, daily, to help us reach our goals. Retaining these skilled employees is therefore just as important as finding them. Creating a conducive work environment, with a symbiotic relationship between the company and its People, is key. It is therefore important for our People to grow and, through proper alignment with the corporate objectives, drive growth in the company. It is through training that we promoted this culture of growth and alignment.

In addition to workshops, which were attended by all BlueLife staff members, a coaching process has started at the individual level. The aim of coaching is to fully develop the team members' potential, explore new prospects in their career paths and help them to be aligned with their environment. Team coaching sessions were also organised to optimise the members' collaborative capabilities. Developing such a comprehensive awareness of themselves, their colleagues and their workplace equipped our People with the necessary tools to enhance their communication skills and overall work performance.

More importantly, these activities have successfully provided a firm basis for training and evaluation purposes, creating concrete incentives for our People, and fully preparing them to conquer the new challenges that lie ahead.

EXPLORING NEW AVENUES IN THE REALISATION OF ASSETS VALUE

The strategic objectives included the sale of some assets having reached a certain maturity, and the sale of the developed and undeveloped property in Forbach had been anticipated since last year. While working on the sale of Home Scene and Motor City for finalisation in the next financial year, we also worked on the means to enhance value of the undeveloped land held in Forbach.

The current situation of the excessive residential property offer at a national scale motivated us to embark on new projects that favoured diversification. The future of real estate now including retirement-oriented facilities, we partnered with IBL and Bloomage to create Healthscape. This project will convert the Circle Square premises into one of the most advanced health and wellness facilities of the island. The centre will include medical, fitness and wellness centres as well as a retirement home. This infrastructure will gather a unique comprehensive offer that remains unmatched up to now. It is yet to be finalised what will be the ownership structure of the various operators in Healthsacpe so that BlueLife is expected to be partially selling land or becoming an equity investor in some property holdings or operational structure.

IDENTIFYING NEW CHALLENGES

Strong real estate markets are emerging throughout the world. With globalisation eliminating former limits, new places are being offered to property buyers. With a variety of new products from our Mauritian competitors and a supply which exceeds demand, succeeding in this industry no longer depends on borders, but rather, on offers. Competitiveness is as important as identifying to whom our products are to be marketed, but agility and ability to understand the varying needs are key, in order to adjust our offer, and match the expectations and needs of buyers in specific markets. The past year was therefore spent adapting our strategy to regain a leading place on the market. This strategy rests on two main tenets: knowing the buyers' profiles and tapping into new networks.

Indeed, delving into market analysis, we identified three types of buyers. While we were traditionally addressing the first two categories, we trust that the third will become even more prominent over time. This, in turn, demonstrated the salient features that will shape both our offer and strategy. The first category, that of the lifestyle buyer, highlighted the need for an attractive property as well as an overall competitive offer. This buyer must be convinced of moving to Mauritius and thereafter that Azuri is the best choice to match his needs and wishes. A project should thus provide for properties with the possibility of customisation, as far as interior design is concerned, but also to structural changes for high end properties. The second prominent category is the investor, looking for a vacation home or simply a great investment. We should thus be able to provide turnkey products with interesting returns, while taking into consideration the yield and potential capital appreciation. The third category, that of the retirement planning buyer, should rapidly take growing importance as Mauritius brands itself as an ideal retirement destination, highlighting the need for competitive fees and attractive infrastructure for this category of buyers.

In order to find the best buyers for these offers, it is therefore essential to develop new networks, while fostering our current European and South African clientele. Following the shifting wealth balance, we have therefore identified a strong potential to develop our networks in some countries such as Dubai where there is an apparent growth of alternative investment opportunities. In parallel, the emerging markets of Africa and Madagascar will also be explored, to increase our outreach from a continental perspective.

AN EVER-EVOLVING AZURI

Developments in Azuri continue, as the village has established its reputation on the market as an upscale destination, with a vibrant and diverse community. Through the existing development, prospective buyers already have a glimpse of their future lifestyle. Combined with clever use of digital marketing, this strategy proved efficient as, sales leads are strong in all the different neighbourhoods that will soon be built.

50% of the Ocean Villa Properties have already been sold, while the very first 9-hole, Par-3 golf course of the island is scheduled to break ground in early 2020, providing residents with the new luxury of being minutes away from their passion. Meanwhile, in the Rive Droite neighbourhood, the residential projects of Amara and Ennéa are progressing and have seen a total of 30 units optioned, making the breaking ground phase imminent. Sales in this neighbourhood should especially be boosted in the coming year with the opening of the Ennéa showhouse, which will proudly represent the sense of excellence, taste and design, awaiting the future residents of Rive Droite.

Our conviction is that ongoing value creation for property owners in the development of places, like Azuri, is the key to build trust with past and future investors. The ongoing engagement with owners, and enhancement of the Azuri experience to reply to the owners and market demands is thus essential. The future development is in no way detrimental to the current residents of Azuri, but will actually bring increased value to their properties. Indeed, they have also benefited from place making projects in the existing phases developed. Indeed, the opening of a new restaurant and tennis shop added some diversity to their leisurely weekends. The greatest feat of Azuri, however, with the same goal of constantly setting higher standards for the quality of life of its residents, was to invest in new technology to enhance the maintenance and water supply services for all residents.

OUR SOCIAL ENGAGEMENT

Waste management is becoming a pressing problem in Mauritius. With our only landfill nearly reaching full capacity, combined to years of littering, we decided to tackle this problem which is jeopardizing our most precious gift: nature. In an attempt to curb years of bad habits, we launched #prankont, a regional sensitization campaign to alert the population of this rampant problem. To make this initiative particularly impactful, educational campaigns introducing school children to the techniques of selectively sorting waste were accompanied by a social media campaign with powerful messages. Finally, intending to unite the local population against this problem, we also organized the World Cleanup Day, during which 250 volunteers gathered and sorted over 1467 kg of waste.

We have also taken the past year as an opportunity to give back to communities of the region. With the vow to interact with integrity and respect, we decided, instead of a single project, to initiate various actions in different neighbouring villages to share our skills and help the greatest possible number of people. Some of these actions included re-painting a stadium, providing landscaping services for a public school, and renovating a social welfare centre.

ACKNOWLEDGEMENTS

As we step into a decisive new year, and as we breathe new life into all these plans and projects, I am glad to know that we can rely on the combined forces of many people to achieve our goals. My sincere thanks go to every single employee whose dedication and determination took us thus far in our journey.

My sincere thanks also go to the Board and our Chairman for their irreplaceable and infallible advice and support.

As we step on to this road that we have successfully paved to the future, our motivation is still unchanged as we strive to excel.

Christine Marot
CEO

MANAGEMENT
TEAM

CHRISTINE MAROT
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

MICHELE ANNE ESPITALIER NOEL
CHIEF FINANCIAL OFFICER

HUGUES LAGESSE
HEAD OF PROJECTS AND STRATEGIC PROPERTY DEVELOPMENT

NICOLAS REY
ASSET AND OPERATIONS MANAGER

ISABELLE JACQUES
OFFICE AND ICT MANAGER

GUY REGIS FANCHETTE
AZURI ESTATE MANAGER

NICOLAS DE ROSNAY
HEAD OF CONSTRUCTION

MANAGEMENT PROFILE

01 CHRISTINE MAROT

Chief Executive Officer and Executive Director

Christine Marot, born in 1969 and an accountant by profession, joined BlueLife Limited in May 2015. She started her career with De Chazal Du Mée & Co, Chartered Accountants in Mauritius before joining IBL (formerly GML). She acquired vast experience working at IBL Management Ltée, where she acted as Finance Executive – Corporate and Accounting, up to April 2015. She has been a member of the Board of Directors as well as Committees of the Board of several quoted as well as unquoted companies, involved in the financial services industry, human capital management, telecommunication and property management. Christine Marot is still a member of the governing committees of IBL Pension Fund.

02 MICHELE ANNE ESPITALIER NOEL

Chief Financial Officer

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

03 HUGUES LAGESSE

Head of Projects and Strategic Property Development

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

04 NICOLAS REY

Asset & Operations Manager

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

05 ISABELLE JACQUES

Office and ICT Manager

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

06 GUY REGIS FANCHETTE

Azuri Estate Manager

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

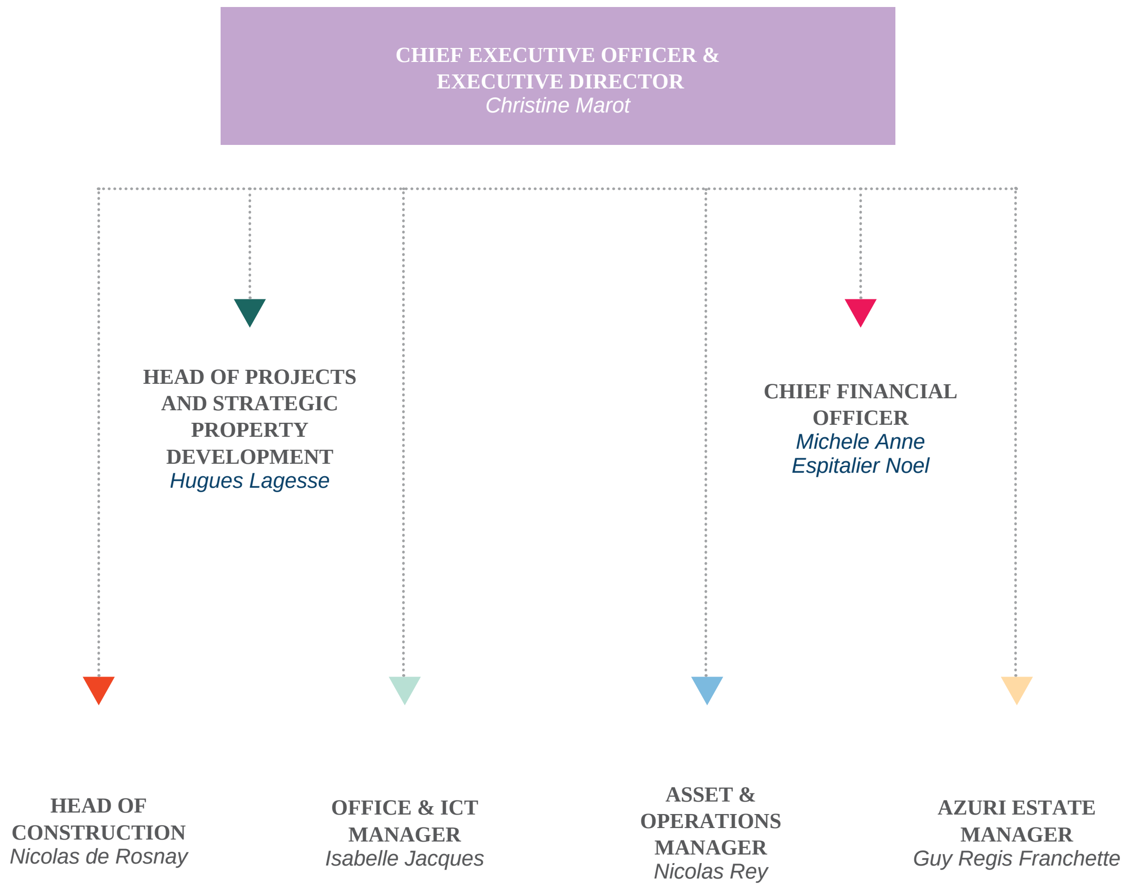
07 NICOLAS DE ROSNAY

Head of construction

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

Please note that Senior Officers as per Statutory Disclosures are, in addition to the CEO/Executive Directors, Michele Anne Espitalier Noel and Hugues Lagesse.

ORGANISATIONAL CHART & STATEMENT OF ACCOUNTABILITY



Salte pe nway nou!*

All around the world, 20 billion tons of rubbish accumulate in the ocean every year. This would be enough to occupy a continent like Australia. Don't forget that the sea is an important resource!

The only thing tarnishing this island's pristine environment is the inconsiderate dumping of waste. With litter everywhere, it is much harder to appreciate the beautiful landscapes this country has to offer. it is time to act before its too late, by adopting more efficient waste disposal habits.

**Translation: We are drowning in rubbish!*

OUR BUSINESS OBJECTIVES, ACHIEVEMENTS AND PRIORITY INDICATORS

	STRATEGIC OBJECTIVES	ACHIEVEMENTS IN 2018-2019	PRIORITIES IN 2019-2020
FINANCE	• Restore profitability in loss making subsidiaries • Maintain conservative loan to value ratios and terms of indebteness within sustainable limits to maintain our ability to seize investment opportunities	• Significant improvement in the hospitality segment operating results • Reduction of debt levels from Financial Institutions by approximately Rs 75.6M with short term loans from our main shareholder in accordance to debt restructuring plan	• Continue reduction in borrowings by the sale of earmarked assets • Restore cash flow surplus
PROPERTY DEVELOPMENT	• Continue promoting and making of AZURI a reference lifestyle destination in Mauritius • Continue promoting the AZURI Work, Live and Play concept • Ensure profitability and sustainbility in all our projects	• Complete refurbishment works in retail outlet in Azuri to open a new restaurant, Black Rock, operated by Radisson Blu Azuri • Opening of The Play School, a Montessori nursery school, in the AZURI village, improving the lifestyle quality of the residents and enhancing the concept Work, Live, Play • Launch of the Ennea and Amara residential projects on the market with portfolio of apartments, penthouses and villas to suit various buyers' needs. Sales priority given to Amara development • Start of the Ennea mock up villa from the Rive Droite Project • Completion and handing over of La Mivoie project phase 1 in Black River • Phase 1 of the new Customer Relationship Management ('CRM') and digital marketing solutions implemented • Letter of approval for PDS development of Amara and Ennea received 18/01/2019 • Application for EIA and planning permits submitted in February and March 2019. Permits are being awaited	• Finalise AZURI masterplan. Agree on the detailed road map to launch phases as established to meet the various markets • Obtain planning permits and EIA by end of 2019 for the start of works for both residential and golf • Obtain PDS certificate for Amara and Ennea • Complete implementation of the CRM and digital marketing tools • Start construction of Golf View Villas in Q4 2019 • Start infrastructure and golf construction works as from Q4 2019 • Reach adequate level of sales for construction start Amara residential by Q2 2020
YIELDING ASSETS	• Master our asset portfolio to increase our assets' value and assess maturity profile of assets in view of sales options • Adjust the positioning of Circle Square to become a residential, leisure and retail destination	• Finalisation of terms sales and due-diligence process, for sale of the HomeScene building in Circle Square to Bloomage Ltd - Transaction date effective 16 August 2019 • Finalisation of splitting of Circle Square-Motor City in individual lots with the creation of a co-ownership and start of negotiations with potential acquirers • Masterplanning of future Circle Square development in collaboration with IBL Life and Bloomage around a 'Health Destination' theme branded HealthScape • Defaulting tenant has vacated industrial building premises, increasing our ability to redevelop or sell the property	• Complete the sale of Motor City lots under the co-ownership principle by Q4 2019 • Find a potential buyer or reconversion opportunity for the Industrial Building in Rivière du Rempart • Fill in the 203 m² vacant space in Harbour Front and sell as a yielding asset to interested buyers
HOTELS	• Return to profitability for the hotel cluster	• Increase in hotel operating results: Occupancy rate (86.7%), TREVPAR (+16%), GOPPAR (+45%) • Completion of soft refurbishment of Radisson Blu Azuri hotel with new entrance, new reception area, uplifted buffet restaurant & kitchen area • Appointment of Jones Lang LaSalle to sell PL Resort Limited (operating as Radisson Blu Poste Lafayette) and progress on discussions with potential buyers	• Improve further the operating results and get closer to break even in Radisson Blu Azuri • Complete the sale of PL Resort

OUR BUSINESS OBJECTIVES, ACHIEVEMENTS AND PRIORITY INDICATORS

	STRATEGIC OBJECTIVES	ACHIEVEMENTS IN 2018-2019	PRIORITIES IN 2019-2020
FACILITIES MANAGEMENT & SERVICES	• Promote the use of latest technologies and systems for improved efficiencies • Be smart in our service proposals to stakeholders • Promote green initiatives in Azuri	• Complete surveys and selection of systems and suppliers for the implementation of the smart and digital water management system • Appoint a service provider for a Computer Maintenance Management System (CMMS) for the maintenance operations of the Azuri estate as well as buildings under syndic management. Start implementation • Launch of the waste recycling initiative in Azuri for PET and Glass in dedicated collecting areas • Launching of new campaign ''PranKont!'' around the theme of pollution and waste reduction, aiming to: - promote awareness in Rivière du Rempart village and its surroundings; - provide additional bins and improve the facilities for recycling in Rivière du Rempart; - organise several events around the theme (i.e waste pick up days or plogging)	• Increase client base and profitability of our 2 companies involved in facilities management and services • Complete implementation of the CMMS and have it live by Q4 2019. Training of staff • Constantly review and work on improving our waste recycling channels and valorise waste collected
HUMAN CAPITAL	• Recruit, Reward, Retain • Talent management • Effective Performance Management System (PMS)	• Major recruitements: Head of Construction; Finance Manager - Corporate & Projects & sales team members • Implementation of a cloud based modular HR Management System (HRMS) for more efficient human resources tasks Module 1 (payroll) done • Individual and team coachings. Staff training	• Complete implementation of the PMS • Complete implementation of the HRMS with modules 2 (HR Admin) & 3 (Employee Self Service) to be implemented
RISK	• Establish a governance structure (board, board sub-committees, executive responsibilities, risk management functions) • Systematically manage to leverage risk information into decision making process. Accepts, transfers or mitigates identified risks	• Review of Risk register dashboard by risk officer • Implementation of GDPR (General Data Protection Policy) policy • Set up a new risk management monitoring structure with top management being inducted to increase risk awarness and monitoring process • Internal audit review on Health & Safety for our operations in Azuri on adequacy to policies and procedures, risk assessment and controls as well as incident management. H&S Officer recruited (part time on service basis)	• Set up formal quarterly collective review of Risk register dashboard by management team with action taken to mitigate and manage operational and strategic risks • Create awareness and train employees on GDPR • Implement recommendations of H&S audit. New H&S office to finalise H&S procedures • Staff training on H&S procedures and controls

OPERATIONS

PROPERTY DEVELOPMENT

RESIDENTIAL

Since 2012 we have successfully completed several residential developments (403 units) which are now 100% sold and delivered. We have recently started three new individual projects within a 9 holes golf course which will be an exciting development on the leisure offerings in Azuri. This new phase of development will lead us to achieve a footprint of 25% out of the initial land bank available for the development of Azuri.

Our 3 new residential offerings, namely Golf View Villas, an extension of the Ocean River Villas development, AMARA and ENNEA are currently on sale, representing a portfolio of 88 units. Priorities for 2019-2020 are to progress on the sales for these 88 units to break ground. 2020 and more specifically 2021 are expected to deliver stronger revenues and margins for our residential property development segment as they can be recognised to our Income Statement on percentage construction completion.

OCEAN RIVER VILLAS

AZURI

Phase 1 - 12 serviced lands and 5 residential units 100% sold and delivered in full.

Phase 2 – 16 plots with 3 serviced lands and 13 plots are on sale and 50% sold.

Breaking ground Q4 2019.

AMARA

AZURI

Mix of 16 apartments and 26 villas on the golf course

Sales have started with 20 units optioned.

Planning permission and environment permit applications submitted in February 2019.

Breaking ground Q2 2020.

ENNEA

AZURI

Mix of 18 apartments and 12 villas on the golf course.

Sales have started with 10 units optioned.

MockUp unit is under construction.

Planning permission and environment permit applications submitted in February 2019.

Breaking ground TBC.

GOLF COURSE

THE NINE GOLF COURSE

AZURI

Construction of a 9 holes Par 3 golf course with clubhouse and facilities. Golf design by IMG Golf Course Services, a global leader in the field of golf course design, development and management. The land is currently agricultural land.

Land conversion exemption permit application submitted in March 2019.

Planning permission and environment permit applications were submitted in February 2019.

Breaking ground Q1 2020.

RETAIL AND OTHERS

Today, buyers of residential property are conscious that increased property value is achieved through well managed and buoyant living places offering a greater, more flexible mix of facilities at their doorstep, evolving from the traditional residential compound to more sustainable and community-oriented places. We believe that the Azuri Ocean and Golf Village is at the forefront of these evolving requirements as we aim to design and build the living places of tomorrow. The continuous refurbishments or construction of new facilities for the benefit of our owners, present and future, form part of our development strategy and, we believe, place Azuri as a very attractive living place in Mauritius.

BLACK ROCK RESTAURANT

AZURI

Refurbishment of a retail unit to open a new restaurant place in Azuri. Opened in February 2019.

Setting area: 424 m².

Operated by Radisson Blu Azuri Hotel.

NURSERY SCHOOL

AZURI

Montessori pre-primary school in Azuri of an area of 70m².

Works Completed on April 2019

Opened in May 2019 and is welcoming 11 kids as at September 2019 intake.

Managed by Melanie d'Argent, holder of an International Diploma in Early Childhood Teaching from the Montessori Center International of London.

OPERATIONS

TENNIS SHOP

AZURI

As a support to the Azuri Tennis Academy with an increasing number of players from Azuri and the region, a tennis shop was opened in March 2019.

REFURBISHMENT OF AZURI SALES OFFICE

AZURI

The Azuri sales office was refurbished to better welcome clients and present the properties for sale

Works completed in October 2018.

MIXED-USE

With the unsuccessful sale of the whole Forbach property, a redevelopment project was launched in early 2019. This new project was created in partnership with Bloomage Ltd and IBL Life Ltd, both subsidiaries of IBL Ltd. Beyond the redevelopment and resale of initial investment properties held, we have been working towards the creation of a sustainable new project to promote health and wellness facilities.

HEALTHSCAPE

FORBACH

In partnership with IBL Life and Bloomage
The precinct will include medical, fitness and wellness centres, a retirement home, a clinic, and cultural area. The HomeScene building, was sold to Bloomage Ltd, in August 2019, as an integral part of this Master Plan.
Design in progress.
Masterplan architects: Architect Studio Ltd.
Permit applications to be filed by Mid-2020.
Breaking ground Q3 2020.

CIRCLE SQUARE RETAIL PARK – HOMESCENE

FORBACH

On 17 August 2019, HomeScene building has been sold to Bloomage Ltd.

Will form an integral part of the redeployment of the site under HealthScape.

CIRCLE SQUARE RETAIL PARK – MOTORCITY

FORBACH

Redeployment of the building is planned with the creation of a co-ownership and the sale of the building in lots.

Discussions with actual tenants have started.

Planning permissions submitted in Q3 2019.

Sales to be completed by Q2 2020.

PROJECT MANAGEMENT

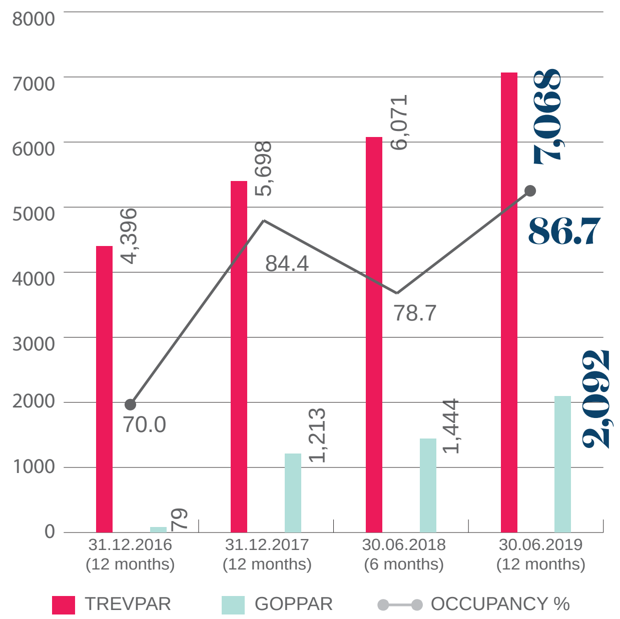
LA MIVOIE

Developed by BlueLife Limited for Les Relais de la Mivoie Ltd.

These 42 high-end residential properties have been successfully delivered to their owners.

HOSPITALITY

EVOLUTION OF HOTEL KEY RATIOS (COMBINED) (RS ‘M)



The Radisson Group (formerly the Carlson Rezidor Group) was appointed in 2015 to replace the former hotel management company. During their first year of operation as Radisson Blu hotels, the results had been deceiving. However, with gradual repositioning of the hotels as well as good cost control there has been increased profitability. The success of the turnaround operated by Radisson can be measured through key hotel ratios, Occupancy (%), TREVPAR and GOPPAR. The increase in occupancy is distorted by the change in reporting period as well as a 3 weeks closure of the Radisson Blu Azuri for soft refurbishment in June 2018. However, when considering the same periods year on year, the occupancy was above 80% over the last 3 years. Combined TREVPAR increased by 16% in 2019, mainly as a result of the good performance of Radisson Blu Azuri. GOPPAR of the 2 hotels increased by 45% resulting from the combined effort on revenue and cost control (+23% for Radisson Blu Poste Lafayette and +66% for Radisson Blu Azuri).

OPERATIONS

OPERATING KPIS

Radisson Blu Poste Lafayette | Radisson Blu Azuri

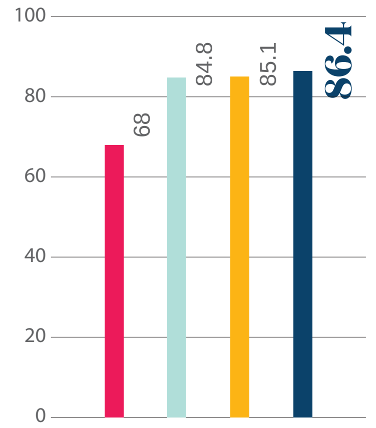
Occupancy (%)

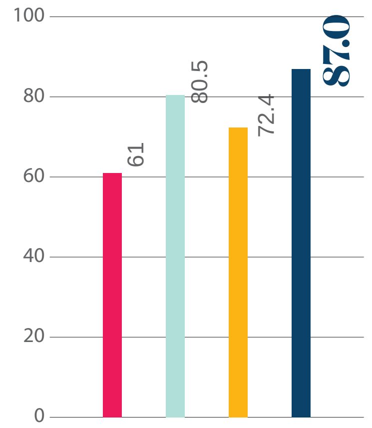
KPI Definition:

Total rooms occupied divided by available rooms.

Comment:

We reported increasing occupancy rates for both hotels although OR% is distorted between 2018 and 2019 by period reporting as well as a 3 weeks closure of RB Azuri in June 2018 for soft refurbishment.





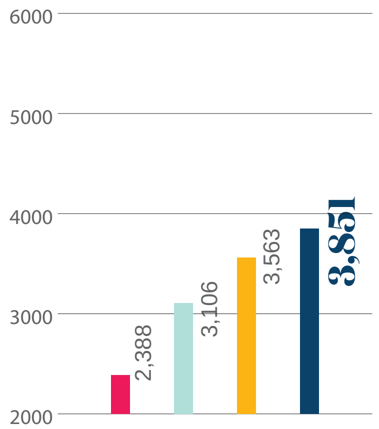
ARR (MUR)

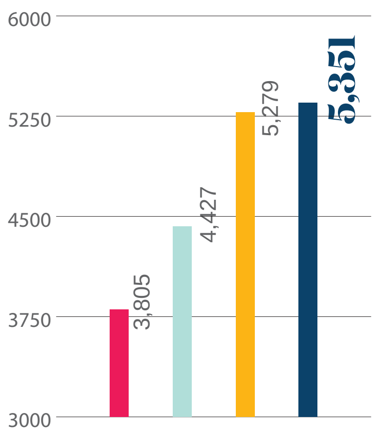
KPI Definition:

Total room revenue divided by number of rooms occupied.

Comment:

We reported average room rate increasing by 6%. Average room rate increased mainly at Radisson Blu Poste Lafayette (+8%) and however stayed stable in Radisson Blu Azuri (+1%).





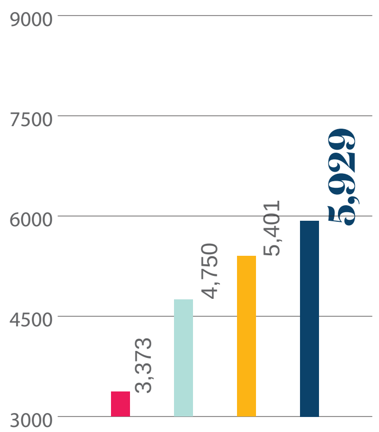
TREVPAR (MUR)

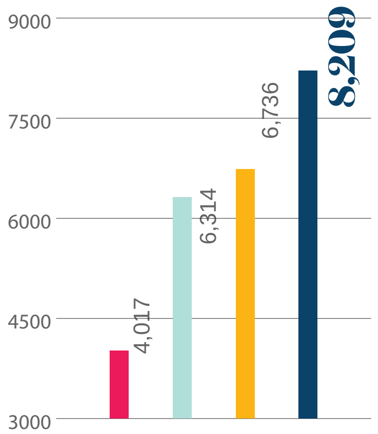
KPI Definition:

Total revenue per available room. Total revenue divided by number of available rooms.

Comment:

The 16% increase in combined TREVPAR is mainly driven by the one of Radisson Blu Azuri (+22%) due to increase in occupancy as well F&B revenues per room. (Radisson Blu Poste Lafayette +10%).





Legend

- 12 months to December 2016
- 12 months to December 2017
- 6 months to June 2018
- 12 months to June 2019

SERVICES

These operations are mainly located in the Azuri Ocean & Golf Village and are provided through various subsidiaries of the group:

- Syndic Management for the administration of co-ownerships. Co-owners are free to choose between Ocean Edge Property Management Services Ltd ('Ocean Edge') or other service providers. While 3 Azuri co-ownerships had shifted to third parties in 2018, one of them voted Ocean Edge back as syndic in 2019. Currently, 15 out of the 17 co-ownerships in Azuri are managed by Ocean Edge; representing 757 lots under management. We have also been approached for the administration of co-ownerships outside Azuri and we are confident to sign new contracts soon.

- It is to be noted that amendments to the Mauritian Code Civil have been voted in November 2018 with a view to modernise the current regime of co-ownership. This will promote greater professionalisation of the duties of syndic for which we have already geared ourselves.

- Housekeeping and Maintenance (Azuri Service Ltd) where 199 contracts are managed by our dedicated employees

- Rental services, both seasonal and long term, as well as resales, are offered by Life In Blue Ltd and Azuri Suites Ltd in order to provide owners with adequate solutions to increase returns.

As mentioned previously, the contribution of the facilities management and services segment in the Group results remains marginal. However, we consider these services as essential and they indirectly promote the Azuri residential offering through the quality of support service available to the homeowners of the properties we developed for a carefree ownership in a well-managed living place.

HUMAN RESOURCES...
UNLOCKING POTENTIAL

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

Human capital management relies on proper recruitment, retention of talents as well as fair and adequate reward to the team. Human capital grows through training and alignment, as well as a strong corporate culture.

Recruiting Talent & Developing Next-Generation Leaders

Our entrepreneurial and pragmatic culture is fundamental to our ability to attract, develop, motivate and retain our talented people, with a high level of involvement from senior and executive management as well as cross-disciplinary teamwork. We recognise the benefits of our positive culture and work hard to maintain it through:

- A collegial style with recognition of successbased upon the contribution and timely interaction of every member of the team and meetings held weekly, monthly and quarterly across the various teams on different aspects of the business.
- Recruiting high-quality individuals with a constructive mindset and valuable experience and formal and extensive induction process for new joiners.

Performance Management

Operational experience is the key driver in the development of competence. Together with the coaching and feedback of their supervisors, employees will achieve further individual growth by cultivating new knowledge and skills in order to reach their targets while also respecting corporate values.

We are aiming to a more systematic approach to measuring the performance of employees as well as their personal development plan and training needs analysis. This process is meant to align our mission, goals, and objectives with available resources, systems and set the priorities.

As a basis for the implementation of these measures, we have reviewed the job description of staff members, establishing the key result areas of the companies, the key tasks, and the key performance indicators will follow. This process has promoted alignment, efficiency and improved business continuity. The values workshop with the staff allowed the team to fully integrate the ethos and values of BlueLife. By 2020 we shall have completed the planning and setting of expectations so that full implementation be possible in 2020. We shall then be able to monitor the performance, development and required improvement, through periodic rating. The reward and compensation system will thereafter be improved.

Digital transformation of our HR department

Digital transformation affects businesses and it is also an opportunity to improve processes and other aspects of the business. At BlueLife, human capital management has been among the priorities in our digital transformation program.

We are currently implementing Sicorax HRMS, which is a cloud-based modular HR Management System (HRMS). The Payroll module was implemented first and is up and running. The next module will be the HR administration and training modules with the on-boarding process to facilitate the integration of new employees. It helps create company events and keeps all teams informed of the news. The HRMS has an employee portal and the implementation of the Employee Self Service module will give employees the autonomy to view and update their HR information on the system.

Using the latest technologies, the program automatically shows up-to-date leaves records of employees facilitating planning as well as leaves requests and approval by respective managers. Employee records update will be improved. Issuing payslips to employees is already automated and the cloud-based HR program will allow accessibility of records from anywhere and at any time, subject to authorisation levels.

The PMS implementation, as well as the new digital platform, will promote better management of our team members with monitoring of areas of improvement or focus points required.

Since July 2018, the Company has embarked on various activities or programs

- **Diversity and work environment**: The work environment brings together team members with different backgrounds, profiles, aptitudes and, of course, different age groups. From young people who have just started to the most experienced, as well as employees from other countries. Good collaboration and effective teamwork among such diversity strengthen the company. We foster a friendly environment that engenders a strong camaraderie.
- **Individual coaching:** The objective of individual coaching is to equip our people with the tools, knowledge and opportunities they need to fully develop themselves to be effective in their commitment to themselves, the company, their work and their colleagues.

  Our senior management and selected staff members, 9 persons in total, have been individually accompanied by a coach to enable their personal development and learning on their attitudes towards colleagues and teamwork.

- **Team coaching:** While effective leadership and outstanding talent are essential ingredients in boosting team performance, a successful team relies entirely on effective collaboration. Team coaching provides teams with the tools and communication mechanisms to achieve success. Similar to one-on-one coaching, team coaching aims at developing individual accountability and improving performance within a team. What sets it apart is that it involves the development of teams to strengthen lines of communication, streamline collaboration and improve ongoing performance.

  In February this year, Sophie Maingard Lagesse facilitated two team workshops on the theme “Mieux se connaître pour évoluer ensemble avec agilité”.The Head Office and Operations teams were split into 2 groups and it was an opportunity to build the team spirit: Team success relies on the collaboration of individuals working towards collective goals. By bringing together the different teams, our aim was to ensure that we know our peers better in order to improve communication and collaboration, as well as avoiding or better manage conflicts. During these workshops, the teams were given the right tools and mechanisms to better understand their colleagues and improve performance on an ongoing basis.

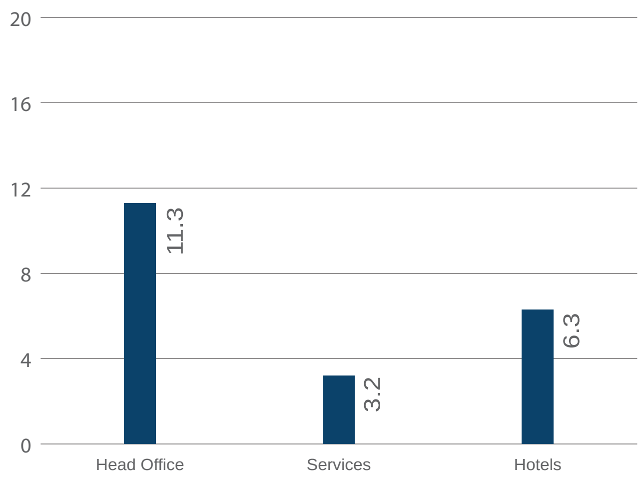
  The team alignment exercise was pursued with a “Values in action” workshop, led by Sophie Maingard Lagesse, in September. The aim was to bring alive the values that had been identified a year ago during the session where our philosophy statement, as well as our purpose, were defined. The corporate values were defined as RESPECT, INTEGRITY, COMMITMENT, RESPONSIBILITY and PASSION. These values needed to be clearly articulated and linked to real case scenarios. This contributed to defining the behaviours and code of conduct each team member should adhere to, whilst driving their everyday tasks and in the decision-making process. Working on a company's values to bring them to life is as simple (and as difficult) as getting people together to talk about what they mean and reaching mutual agreement on behaviours. The Values in Action workshop was designed to bring these values to life through storytelling and activities. Too often when we talk about values, we start describing the world we want to live in, rather than looking at the unique context and reality within which we operate. By telling real stories we start to do the latter.

  One of the underlying capabilities of team coaching is that it successfully instills a coaching mindset in each team member. With this mindset, individuals are better equipped to communicate in the workplace and achieve important business objectives. It also gives them the skills to coach others to adopt the same mindset. This is extremely valuable, particularly for training and developing new employees or new team members. Finally, these sessions contribute to team bonding and through taking a moment out of an everyday routine to enjoy time with our colleagues.

- **Activities and teambuilding:** In human capital management, teambuilding activities or the creation of company events form part of new trends, but more and more attention is also being given to creating a workspace that promotes collaboration between departments and employees. Studies show that moments of conversation between employees increase productivity by 20%, and even feeling that you have a friend among your colleagues can improve motivation up to 70%. The interactions between team members have been promoted through the use of Workplace by Facebook. A company mascot accompanied teams in their everyday tasks so that each department was brought to explain to the rest of the staff the importance of their job.
- **Training**: We encourage opportunities for people to grow in their career providing both opportunities for personal and professional development. We aim at investing in the leadership development skills of our young managers to distinguish the people who will lead the next generation. Over the year, our staff undertook a variety of training programs and seminars, in-house tailored or external, covering a variety of subjects: Risk management, Leadership, Sales, the Art of Negotiation, Real Estate financials and human capital management.

HUMAN RESOURCES

NUMBER OF TRAINING HOURS PER EMPLOYEE BY SEGMENT



Leavers and newcomers

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

Mr. Nicolas de Rosnay joined the Company in February 2019 at a management position as Head of Construction. His profile is presented at page 24 of the Annual Report.

Mrs. Elena Pougnet also joined the Company in February 2019 as Finance Manager – Corporate & Projects to assist the CFO in daily and strategic affairs.

Mr. Christophe de Froberville, Sales Manager, has left the Company in January 2019 to take on new personal challenges. The sales team has been strengthened in September 2019 with the arrival of Mrs. Olivia Bathfield as Sales Executive in charge of English-speaking markets and we are currently outsourcing a Sales and Business Development Consultant for the French and digital markets.

Working together for a good cause

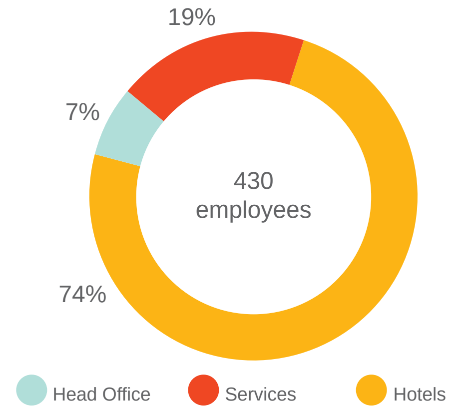
BlueLife and Azuri are behind a new campaign to raise awareness of the environmental cause with the #PranKont campaign which is further described in this Annual Report.

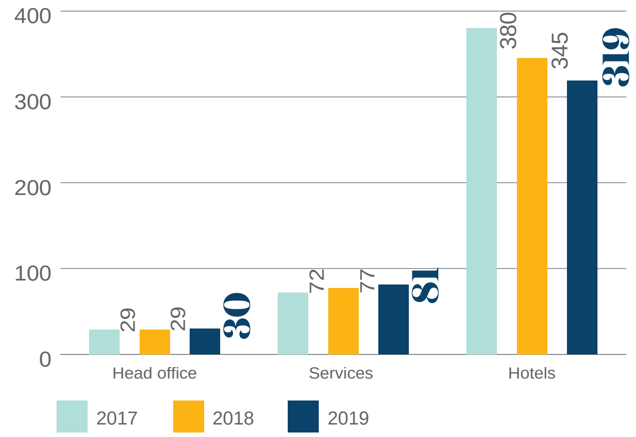
In support of this initiative and for the World Cleaning Day on the 21st of September 2019, **150 employees** of the group have actively contributed to the cleaning of the Roches Noires public beach.

The result of this team effort together with the participation of our partners and residents of Roches Noires and Poste Lafayette was that 1.467 tons of waste were removed from the beach and partly recycled.

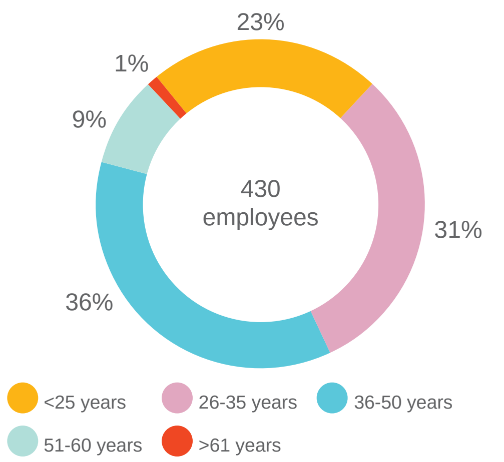
HR at a glance…

NUMBER OF EMPLOYEES 2019 AT 30 JUNE 2019





EMPLOYEES PROFILE AGE NUMBER OF PEOPLE

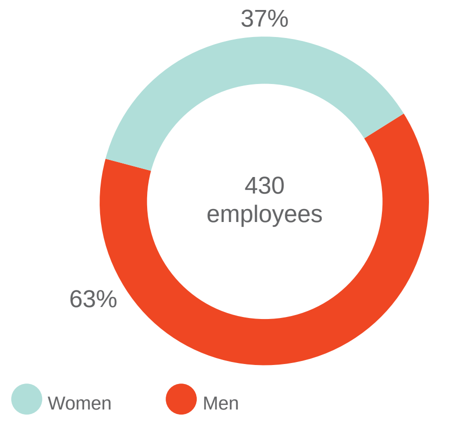


Our staff is young, one employee out of two is less than 35 but they are mainly in the low managerial and operating levels of our workforce.

Youth improves workforce diversity and provides different perspectives, skills, insight and values.

We aim at giving existing employees a chance to grow by mentoring/training our young managers as we see in them the leaders of tomorrow. We want them to value the chance of being part of a company that makes a difference and where the work brings out the best in them.

EMPLOYEE PROFILE GENDER DIVERSITY NUMBER OF PEOPLE



Female empowerment is an important social issue. Our policy remains that selection should be based on the best person for the role, although we also recognise the benefits to the business of having a gender-diverse workforce. We have increased the women's gender ratio from 34% to 37% of our workforce. Moving forward, we plan to increase this ratio to 40% by 2022.

As of 30 June 2019, the gender gap pertains to the nature of our activities where hotels and services employ 7 men out of 10 employees, including management levels. At the head office, we have more women than men and, at management level, women represent nearly 50% of the team. The Company is one of the very few where the CEO and CFO are both women.

SMART INITIATIVES

BLUELIFE AND AZURI: RENEWING OUR COMMITMENT TO EXCELLENCE

Dynamism and innovation are values that lie at the core of BlueLife's identity, constantly pushing us to find new initiatives that will push all entities of the group closer to reaching their full potential.

Lively and ever-evolving, Azuri drives us to constantly better our offer, making efficiency and service stand out as decisive elements that we know to be crucial to our residents. Embracing new technologies is therefore key to bringing this major component of excellence into the ideal lifestyle that our residents seek.

At an even larger scale, the role we hold, as a key actor in the region, leaves us, at BlueLife, with a duty to act responsibly and ethically, prompting our social and environmental endeavours to leave a positive mark on our surroundings. This is why the past financial year has seen numerous new incentives aimed at making us more digitally proficient, sustainably engaged, and socially active.

DIGITAL

With tremendous progress in the village of Azuri and the future arrival of many new residents as soon as the works on Rive Droite are completed, flawless service will be of the essence for these exceptional properties. Providing such a great number of residents with the best possible service and maintenance lies at the core of our vision: "only excellence is good enough". We, therefore, started working on making the management of the Azuri estate smarter and not harder.

In order to meet this goal, we have found the best maintenance technology that will help our teams perform their duties in an even more organised way. Indeed, a computer Managed Maintenance system is being deployed by Azuri Estate Management and Ocean Edge. This system will enable the optimal planning, scheduling and implementation of maintenance for both preventive and corrective interventions. This mobile application will also enable the technicians to directly receive and keep track of their work orders and verification lists, for more efficient interventions, and sharp reports. With real-time access to schedules, supervisors will have an accurate overlook of the work accomplished, for better evaluations. Also, eliminating the trouble of paperwork, a simple utilities record application will be deployed, reducing errors and keeping a photographic record of meter readings.

Since automating meter readings and saving water, in general, was a key concern, a smart management system for water supply and distribution has been chosen. After extensive research, a private LoRA Wan® network will be installed. This network, covering the whole of Azuri and the future Rive Droite, will convey data from the water meters to a gateway, and platform providing continuous analysis of water balances, establishing consumption patterns, but also detecting leaks. This software will be key to monitoring water consumption and alerting the co-ownerships accordingly. This could potentially halve the 23% of the total water consumption that, up to now, remains unaccounted for in the Estate.

Technology also plays a key role in marketing our offers, as investing in digital marketing proved particularly fruitful in terms of outreach. By favouring digital marketing and SEO campaigns, the ranking of our offers in Google search results considerably increased. This success should help target foreign markets through social media campaigns in the coming year.

SUSTAINABILITY

Nature being Azuri's prime asset, sustainability is undeniably a constant concern of ours. Promoting a sustainable lifestyle in this lively village, we decided to foster eco-friendlier waste management habits through concrete incentives for the residents. As a test, a collection area for recyclable rubbish was set up near the offices. Large bins were installed, owners are encouraged to discard their PET plastic, glass and aluminium items there. The plastic and aluminium waste is then collected and stored in the technical yard, waiting for a monthly pick-up by Reso Green Ltd, taking it to local recyclers. The Glass is likewise stored until a full truckload is available to be deposited at Plankton Ltd in Bel Ombre.

Tackling the issue of waste management on an even larger scale, we, at BlueLife, launched a regional sensitisation campaign called #prankont to champion the environmental cause and raise awareness throughout the region. This broad-reaching endeavour united the forces of a powerful social media campaign, but also educational tours, installations of waste and recycling bins in focal public areas in the region and several other concrete actions to alert the local population of the pressing issue: waste is tarnishing our beautiful environment. With powerful messages circulated across social media, but also workshops for school children on how to sort waste selectively, our message caught on, paving the way for a successful World Clean-Up Day. For this event, around 250 volunteers showed up last September to clean up the beach of Roches Noires, gathering over 1,400 kg of litter, sorted for more efficient disposal with the help of Zero Waste Mauritius.

SOCIAL

Driven by the need to actively contribute to the well-being of citizens of our region, we used every possible occasion to help the greatest possible number of people throughout the district.

This is why we seized the opportunity of the National Clean-up day to donate money to the welfare department of the District Council. This contribution helped colleges and schools in the vicinity of Riviere du Rempart with the painting of walls, to help the establishments look fresher and more appealing to the children and teachers.

As part of a lasting effort to renovate a school of the region, we provided landscaping services to the Marie Reine RCA School. After equipping each classroom of this school with new bins in 2018, we also prepared certain portions of land on the grounds, so that each class of the school may be responsible for a plot of land planted with decorative plants and aromatic herbs. This will hopefully teach them the love of nature, and their responsibility to help it thrive.

We were also able to complete renovation works at L'Espérance Trebuchet Primary Government School. Indeed, after helping the institution with landscaping, a new building was erected, providing the youngest pupils and the disabled with a brand new bathroom, kitchenette and toilets. The primary section playground was also refurbished, offering the school children the possibility to play in a beautiful, new environment, as an incentive to work even harder when in class. The best pupils were even rewarded with trophies and presents after their December examinations, on the occasion of the inauguration of that new building.

Moreover, we renovated the Rivière du Rempart Social Welfare Centre. Closed for three months, the building was extended to accommodate a welcoming recreational space with a billiard table, and increase its overall hosting capacity from 125 to 350 persons.

These are only a few of the many social contributions made to people of the region, as part of an effort to give back to the local community.

RISK MANAGEMENT

OUR APPROACH TO RISK

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

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

Our risk culture and our management of risks

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

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

Setting up and monitoring our risk appetite

Context:

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

How the Board monitors the Group's principal risks

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

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

Risk management framework

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

BOARD

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

AUDIT & RISK COMMITEE

1ST LINE OF DEFENCE RISK OWNERS	2ND LINE OF DEFENCE RISK OWNERS	3RD LINE OF DEFENCE RISK OWNERS
BUSINESS MANAGEMENT	**RISK MANAGEMENT AND COMPLIANCE FUNCTIONS**	**INTERNAL AUDIT FUNCTION / OTHER ASSURANCE PROVIDERS**
Implementation, ongoing maintenance and enhancement of the risk management framework, including: • identification and effective management / mitigiation of risks; and • issues identification, recording, escalation and management. Include executives and management committees (Property Development Committee and Digital & Sustainability).	Independant oversight of the risk profile and risk management framework, including: • effective challenge to activities and decisions that materially affect the Group's risk profile; • assistance in developing, maintaining and enhancing the risk management framework; • independent reporting lines to appropriately escalate issues.	At least annually, independent assurance that the risk management framework has been complied with and is operating effectively. At least every three years, a comprehensive review of the appropriateness, effectiveness and adequacy of the risk management framework.

BUSINESS RISKS

Our focus during the year

Promoting the selling of residential properties in Azuri. One of our strategic priorities for the last months and for the months to come is to achieve significant pre-sales (*Contrat de Réservation Préliminaire*) on our new development program of 88 residences and a 9 holes golf course named Rive Droite which was launched at the end of 2018. The current challenging market conditions have led us to review all aspects of our marketing strategy and actions, reinforced the sales team and invested significant efforts in the digital marketing.

Promote sale of earmarked assets for cash generation. Sale of earmarked assets being key to the ungearing of the group, we have pursued the process of disinvestment with assets sold in 2019 while others should be sold in the coming financial year;

Revisiting our health & safety procedures in Azuri. Our operations are growing and becoming more complex in Azuri where our companies and people are involved in facilities management, syndic operations and events management; working with heavy machineries, working at height and manipulating chemicals for example. Our internal auditors carried out an audit of our H&S arrangements on site on a various number of points ranging from adequacy to the H&S governance and laws to the use, transportation and storage of equipment and materials and provided new guidance within the following scope:

RISK MANAGEMENT

- Adequacy of policies and procedures
- Governance
- Risk assessment & controls
- Incident management
- Staff training on H&S risk

Recommended actions have been addressed and implemented by the management. Regular monitoring under the supervision a newly appointed H&S Officer (external on contract) is undertaken.

Ensure compliance to GDPR. By dealing with EU nationals, we are exposed to the complex EU data protection law that came into effect in 2018. We are in the ongoing process of reviewing the way we collect, store, and process such data. Focus has been put on review of procedures regarding consent, legal reasons for data collection, and use.

There is ongoing staff awareness creation in order to ensure that the team understands what is personal data and is conscious of the procedures with respect to obtaining consent to collect them a well as the those surrounding their treatment, in view of respecting the clauses of the set Privacy Policy. There is also an ongoing review of processes taking place, to ensure proper reporting of breaches, to mitigate the risks attached to them.

How we manage risk

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

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Competition Competition is a risk at the business opportunity, account and product levels We face competition from other residential development projects (locally & abroad)	• Any oversupply of residential development in the same market segment may adversely affect our sales program, price targets and sales revenue • The development of the resale market with an increased inventory has generated new competition • Our inventory was until recently limited to one type of villas and we currently have inventory of completed residential units	HIGH	→	↑	• Ensuring a robust development project screening process is in place • Adopting competitive pricing strategies • Ensuring the permanent adequacy of our offerings to customers' needs • Favour the proper diversification of the Group's activities by having a blend of property, office and retail development • Ensuring that there is inventory of completed projects at all time
Sales Channels Sales channels not properly defined Representatives in the various channels not managed efficiently Conflicts with representatives in the sales channels. Example : sales channel representatives consider promoter's sales team as a competitor or is not satisfied with commissioning structure The best local sales channels representatives working on exclusivity with competing promoters	• Reduction in leads registered through a specific sales channel	HIGH	→	↑	• Research new channels for qualifying lead generation • Implement digital marketing strategy to obtain direct lead generation • Implement CRM to collect and store market information in order to constitute a client database favouring B2C business • Improve the sales efficiency by formal lessons-learned at the end of each project
Customer Needs **Conception issue** Shifting customer needs and perceptions so that developed projects are out of market price ranges or do not match to market demand This would result in less demand for our products	• Time lag in achieving break even sales upon launching of project • Negative comments from the market on concept and design	HIGH	↑	→	• Implement a Project Development Committee to centralise all ideas, opportunities and concepts for new projects development, to think ahead, communicate and evaluate portfolio of projects • Review, confirm maximum input received from market researcher • Sales team brought at early stage of design to ensure product and pricing in line with market • Ensure a robust development project screening process in place • Ensure the permanent adequacy of our offerings to customers' needs • Test the market of end-users before entering into the commitment to actual starting of construction of a project while ensuring a certain rate of pre-letting or pre-selling before starting construction • Launch smaller phases in order to promote agility and product adjustment for increased market alignment

RISK MANAGEMENT

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Lead Qualification **Negotiation** **Objection Handling** Poor handling of leads with failure to establish at early stages whether the sales leads qualifies with respect to the particular product and has ability to convert into sale. For example: leads which do not actually have financial ability to purchase the property. This includes clients who do not have the budget, ability to transfer the money as a result of exchange control in their country of origin, doubtful source of funds, etc..... A negotiation that fails to lead to closing a deal. For example: misreading customer motivation, poor objection handling resulting in failure to close the deal, etc....	• Delay in converting leads • Delay in signing Contrats de Reservation Préliminaire (CRPs) • Delay in funding deposit or calls of funds	HIGH	↑	→	• Review marketing strategies / targeted market segment / Engage further markets • Increase marketing activity and sales initiatives • Appoint additional sales force • Pursue [pre-let/pre-sale] & [tenant/buyer] demand driven development projects • Review the outcome from the commercialisation phase regularly • Increase incentives, reduce prices • Develop agility in order to set alternative plans
Resources Losing top performing sales team members to a competitor who then attract your customers to competing products An unpopular incentive plan that causes several top performers to leave your sales team Lack of qualified sales team members	• No proper sales team in place at a critical selling point in project cycle • Recruitment unsuccessful with candidates refusing our employment proposals • Underperforming sales team	MEDIUM	↓	→	• Succession planning and staff retention plans introduced across the group • Offering market-related salaries and benefits (commissions scheme clear and fair) • Keep database of interesting CVs & contacts
Macro-Economic An economic downturn or recession that results in customers freezing new spending Financial market turmoil leading to continued low occupier demand and pricing correction	• Political changes in local or key markets • Slowdown in the IRS market in 2017 • Competition from other markets on the residential segment (For example: Portugal, Spain, Malta, Cyprus Italy, etc…)	MEDIUM	→	→	• Build attractive residences on prime sites to enhance demand • Look at new markets [Africa, Far East]

The current risk in respect of residential sales is on the high side since we are in an off-plan sales phase. All built units have been sold and the high risk is attributable to the need of reaching sales levels which allow the launching of the various Rive Droite components. At this stage, we rely largely on the ability of design and concepts to be attractive, the right range and pricing of products as well as performing sales team and channels.

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

Risk description	Trigger event / indicator	Present Risk Rating	Likelihood change from LY	Impact change from LY	Control process to mitigate risk
Reputation Reputational risks such as a hotel that receives bad publicity due to a guest service incident. With reviews on the internet becoming the norm for rating guests' satisfaction, the high impact of trusted guests' reviews can rapidly and significantly affect the bookings	• Declining reviews, rankings and bookings. • Bad press	MEDIUM	↓	→	• Reputation management at 2 levels - Understanding what's said about the hotels online - Actively working on improving the hotel's reputation • Social media monitoring to quickly address negative reviews and encourage happy guests to write positive reviews • Keep and test a Crisis Management procedure
Macro-Economic A decline in the attractiveness of Mauritius to international visitors, a depressed Hospitality Industry, increased cost of air tickets reduced air access which result in a reduction in tourists arrival and a shift in demand to hotels operating in other segments or for other types of residential offerings (3* / going to bungalows would have a material adverse effect on our hotel revenue levels.)	• Declining bookings and reduction in business on the book figures for previous comparative periods with pressure on prices.	MEDIUM	→	→	• Pricing strategy aligned on market demand • Develop strong relationship with TOs • Tackle various markets to position our hotel offers
New ways of travelling and booking A decline in the traditional feeder channels with increased direct bookings The change in travelling habits with democratisation of the hospitality industry and increased demand for self-catering residential units such as AirBnB	• Declining booking from traditional tour operators and other booking agents • Failure of operators such as recent receivership of Thomas Cook • Increased number of tourists' arrivals with reduction in market share	MEDIUM	NEW	NEW	• Avoid over-reliance on business providers • Monitor market evolution and plan change in offering to tap into new market trends

With current increased occupation and rates in our hospitality cluster as well as improved general rating on social media, the risk is considered as being contained. However the recent failure of Thomas Cook raises concern on necessity to follow on the evolution of distribution channels and market demand for destinations as well as type of product.

RISK **MANAGEMENT**

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

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

Currently we do not have projects under construction. Although the Revenue Risks relates to unexpected increases in cost or managing change orders during construction are therefore reduced, they will raise again at the time of the Rive Droite development will be on ground.

BLUELIFE LIMITED

RISK **MANAGEMENT**

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

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

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

RISK MANAGEMENT

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

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

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

RISK **MANAGEMENT**

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

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

The funds raised in the financial restructuring undertaken in 2018 have been used essentially towards the restructuring of the Group's indebtedness. Further reduction of gearing in planned through realisation of some Group assets. Sales proceeds from earmarked assets are also intended to provide the seed money for the various projects in the pipeline as well as to support the overheads until the cash flows from project upon construction progress.

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

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

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

Si pena poubel, amenn lakaz.*

The yearly amount of waste collected in Mauritius could fill 200 Olympic swimming pools. The first step to reducing it is to use reusable plastic bags.

The easiest choice is not always the best one, and giving in to littering, because there is no option in your immediate surroundings, is unforgivable. Although it is sometimes hard to keep the environment clean for a lack of rubbish bins, the wisest choice is to keep one's rubbish in hand, and discard it properly at home.

**Translation: If there is no bin, take it home.*

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

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

Approved by the Board of Directors on September 30, 2019 and signed on its behalf by

Sunil Banymandhub
Chairman

Jean-Luc Wilain
Director

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board of BlueLife Limited ("BLL") is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of BLL's business. The key corporate governance practices and activities during the year ended 30 June 2019 are highlighted in this report, as well as in other sections of the Annual Report which is available on the website of the Company on **www.bluelife.mu**.

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

GOVERNANCE STRUCTURE

Corporate governance framework

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

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

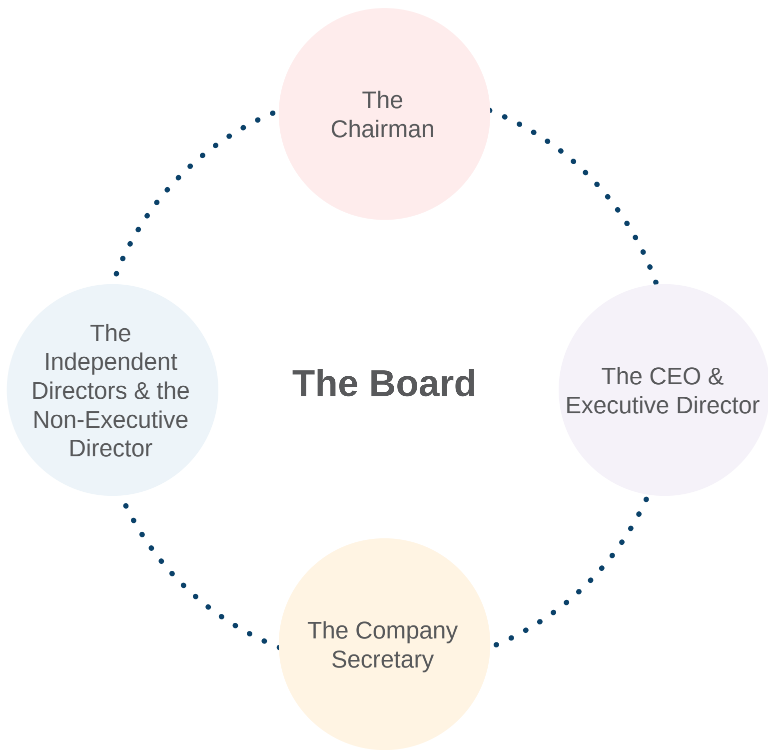
The Board functions independently of management, with a clear division of responsibilities between the Chairman and the Chief Executive Officer. The day-to-day management of the business is delegated to the Chief Executive Officer and Senior Management. The Board has also specific matters reserved to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

Constitution

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

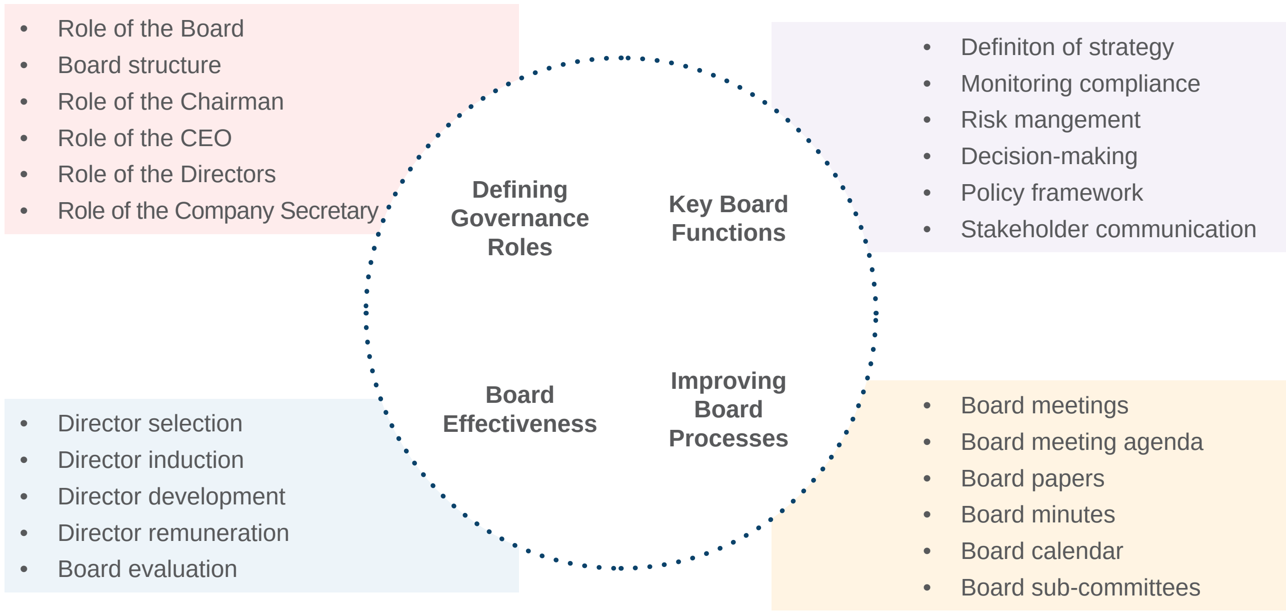
THE STRUCTURE OF THE BOARD

The Board of BLL is currently managed by a unitary Board of nine Directors, comprising the Chairman who is a Non-Executive Director, one Executive Director, two Independent Non-Executive Directors and five Non-Executive Directors.



CORPORATE GOVERNANCE REPORT

The Board's mandate

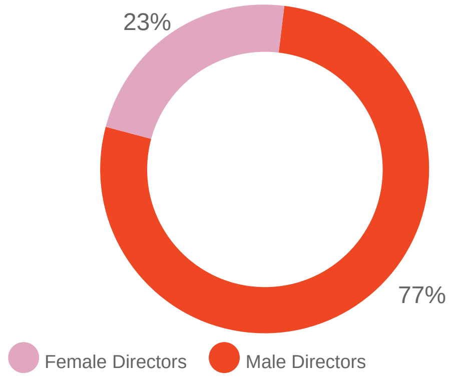


Key roles and responsibilities of the Board

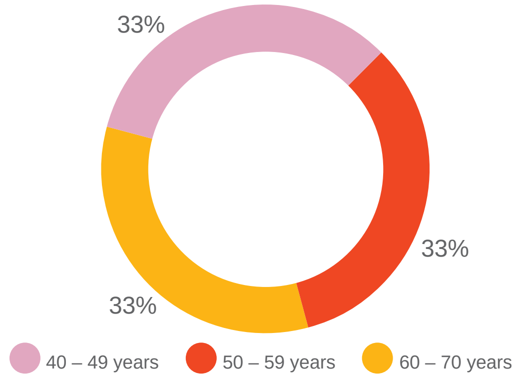
Chairman (Sunil Banymandhub)	**CEO & Executive Director (Christine Marot)**
Key responsibilities (i) Providing leadership to the Board (ii) Ensuring its effectiveness (iii) Setting its agenda (iv) Ensuring effective links between shareholders, the Board and management	Key responsibilities (i) Developing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

Balance and Gender Diversity

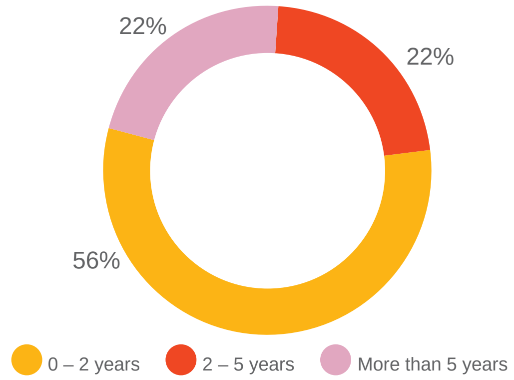
Directors by Gender



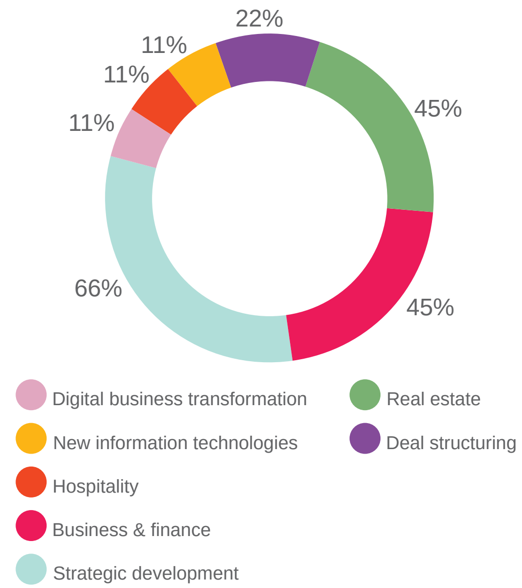
Directors by AGE



Directors' tenure in office



Skills & Experience



Skills and experience

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

Independence

Isabelle de Gaalon Decaillot and Christophe Barge are considered by the Board to be independent based on the following:

- they are not or have not been employees of the Company or Group within the past three years.
- they do not have or had within the past three years, a material business relationship with the Company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company.
- they have not received or receive additional remuneration from the Company apart Directors' fees or as members of the Company's pension scheme.
- they are not nominated Directors representing a substantial shareholder.
- they do not have close family ties with any of the Company's advisers, directors or senior employees.
- they do not have cross-directorships or significant links with the other directors through involvement in other companies or bodies.
- they have not served on the Board for more than nine continuous years.

CORPORATE GOVERNANCE REPORT

Board meeting process

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

Board meetings in 2018/2019

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

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

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

Financial Matters
- 2018-2019 Budget
- Quarterly financial statements
- Half-year results
- Year-end results

Corporate Governance Matters
- Review and approval of the Corporate Governance Report
- Review of the performance management system

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

Strategic Matters
- Approval of Rive Droite Project
- Review and approval of other relevant projects

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

The Board's attendance in 2018/2019

	02/10/2018	12/02/2019	26/04/2019	10/05/2019	Total number of meetings attended
Chairman					
Sunil Banymandhub	•	•	•	•	4
Executive Director					
Christine Marot	•	•	•	•	4
Non-Executive Directors					
Jan Boullé	•	•	X	•	3
Ravi Prakash Hardin	•	•	X	•	3
Arnaud Lagesse	•	•	X	•	3
Roshan Ramoly	•	•	•	•	4
Jean-Luc Wilain	•	•	X	•	3
Independent Non-Executive Directors					
Christophe Barge	•	•	•	•	4
Isabelle de Gaalon Decaillot	•	•	•	•	4

Note: Roshan Ramoly was appointed as Non-Executive Director on 2 October 2018

THE STRUCTURE OF THE BOARD'S COMMITTEES

CORPORATE GOVERNANCE REPORT

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

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

The Audit & Risk Committee in 2018-2019

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

The Committee's attendance in 2018/2019

	17/09/2018	08/11/2018	12/02/2019	09/05/2019	Total number of meetings attended
Chairman					
Isabelle de Gaalon Decaillot	•	•	•	•	4
Members					
Ravi Prakash Hardin	•	•	•	•	4
Roshan Ramoly	•	•	•	•	4
In attendance					
Christine Marot	•	•	•	•	4
Michele Anne Espitalier Noel	•	•	•	•	4

Note: Roshan Ramoly was appointed as member on 2 October 2018

Key focus areas in 2018/2019

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

Regular Financial Matters	• Abridged audited annual financial statements and full audited financial statements • Abridged financial statements for the first, second and third quarters
Internal Audit Matters	• Haute Rive Azuri Hotel Ltd & PL Resort Ltd: Procurement & IT Processes • BLL Head Office: HR & IT Processes
Other Matters	• Approval of the Internal Audit Plan for the year 2018/2019 • Follow-up on internal audit reports & implementation of recommendations • Discussion on the new risk management framework

The Corporate Governance, Remuneration & Nomination Committee in 2018-2019

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

The Committee's attendance in 2018/2019

	17/09/2018	12/02/2019	Total number of meetings attended
Chairman			
Christophe Barge	•	•	2
Members			
Sunil Banymandhub	•	•	2
Arnaud Lagesse	•	•	2
In attendance			
Christine Marot	•	•	2

CORPORATE GOVERNANCE REPORT

Key focus areas in 2018/2019

There were two meetings for the year 2018/2019 and matters discussed included:

Corporate Governance Matters	• Review and recommend to the Board for approval, BLL's relevant Charters • Review and recommend to the Board for approval, the Corporate Governance Report
Remuneration Matters	• Consider and recommend to the Board for approval the remuneration of the members of the Property Development Committee and the Digital and Sustainable Committee
Nomination Matters	• Consider and recommend to the Board for approval, the appointment of Roshan Ramoly as Non-Executive Director

The Property Development Committee in 2018-2019

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

The Committee's attendance in 2018/2019

	19/09/2018	09/11/2018	30/01/2019	Total number of meetings attended
Chairman				
Jan Boullé	•	•	•	3
Members				
Sunil Banymandhub	•	•	•	3
Isabelle de Gaalon Decaillot	•	•	•	3
In attendance				
Michele Anne Espitalier Noel	•	•	•	3
Hugues Lagesse	•	•	•	3
Christine Marot	•	•	•	3

Key focus areas in 2018/2019

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

The Digital and Sustainable Committee in 2018-2019

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

The Committee's attendance in 2018/2019

	17/09/2018	Total number of meetings attended
Chairman		
Christophe Barge	•	1
Members		
Jean-Luc Wilain	•	1
Marie Laurence Dupont	•	1
Delphine Lagesse	•	1
In attendance		
Christine Marot	•	1
Michele Anne Espitalier Noel	•	1
Guy Regis Fanchette	•	1
Hugues Lagesse	•	1

Key focus areas in 2018/2019

The Committee met once during the year under review to examine the digital and sustainable strategy. Focus was put on the digitalisation strategy to improve the project and construction process, property sales and operations in Azuri. Due to strategy implementation lead time required, the monitoring of the digital strategy will be undertaken in the first quarter of the next financial year.

DIRECTOR APPOINTMENT PROCEDURES

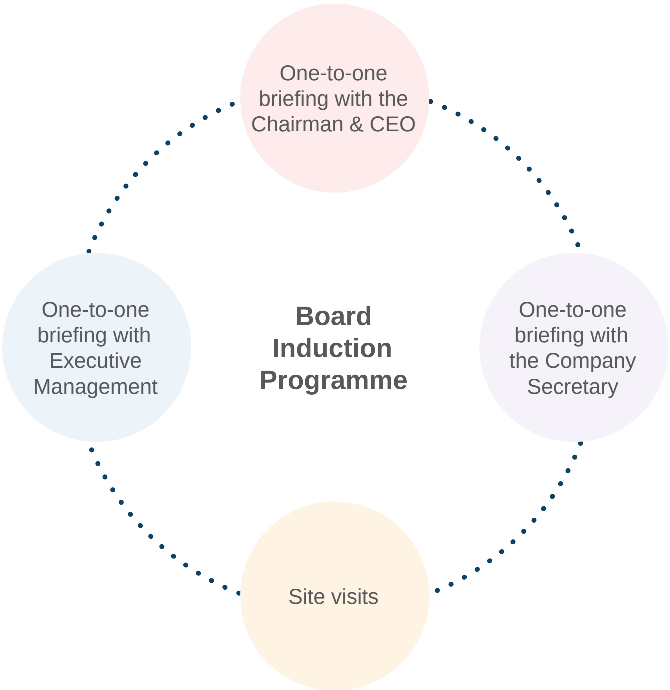
Appointment and re-election

Potential candidates are identified and selected by the Nomination Committee → Recommendation by the Nomination Committee to the Board → Appointment of new Director approved by the Board → Newly appointed Director is then subject to election in the first year of appointment at the Annual Meeting

CORPORATE GOVERNANCE REPORT

At the Annual Meeting of Shareholders scheduled on 18 December 2019, Roshan Ramoly who has been appointed by the Board shall offer himself for election.

Board induction



Professional development and training

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

Time Commitments

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

Succession plan

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

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

Directors' Duties

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

a) The Board Charter

b) The Board sub-committees' Charters

c) BLL's Constitution

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

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

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

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

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

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

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

Code of Ethics

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

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

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

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

Information monitoring

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

Board Information

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

Information to Shareholders and Investors

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

Information Technology and Information Security Governance

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

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

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

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

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

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

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

The internal audit plan for 2018/2019 provides for a full review of existing ICT and Information Security Policies as well as on the control procedures and adherence to the relevant policies and procedures.

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

Remuneration policy

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

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

CORPORATE GOVERNANCE REPORT

At the Annual Meeting of shareholders held last year, the following schedule of fees had been approved by the shareholders.

BLL Board	Annual Fees Rs.	Attendance Fees per Meeting Rs.
Chairman	500,000	25,000
Local Directors	150,000	25,000
Foreign Directors	300,000	25,000
Corporate Governance Committee		
Chairman	50,000	Nil
Members	25,000	Nil
Audit and Risk Committee		
Chairman	50,000	Nil
Members	25,000	Nil
Property Development Committee		
Chairman	Nil	10,000
Local Members	Nil	10,000
Foreign Members	Nil	EUR 2,500
Digital & Sustainable Committee		
Chairman	Nil	EUR 2,500
Foreign Members	Nil	EUR 2,500
Local Members	Nil	Rs. 5,000

The table below depicts the fees paid to Directors for their involvement in the Board and Committees for the year under review.

Directors	Board Fees (MUR)		Audit & Risk Committee Fees (MUR)		Corporate Governance Fees (MUR)		Property Development Committee Fees (MUR)		Digital and Sustainable Committee Fees (MUR)		Total Fees (MUR)
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	
Sunil Banymandhub[2]	500,000	100,000	NIL	NIL	25,000	NIL	NIL	30,000	NIL	NIL	655,000
Christophe Barge	300,000	100,000	NIL	NIL	50,000	NIL	NIL	NIL	NIL	€2,500	550,000
Jan Boullé[3]	150,000	75,000	NIL	NIL	NIL	NIL	NIL	30,000	NIL	NIL	255,000
Isabelle de Gaalon Decaillot	300,000	100,000	50,000	NIL	NIL	NIL	NIL	€7,500	NIL	NIL	750,000
Robin Hardin[3]	150,000	75,000	25,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	250,000
Arnaud Lagesse[3]	150,000	75,000	NIL	NIL	25,000	NIL	NIL	NIL	NIL	NIL	250,000
Christine Marot[4]						NIL					
Roshan Ramoly[5]	112,500	75,000	18,750	NIL	NIL	NIL	NIL	NIL	NIL	NIL	206,250
Jean-Luc Wilain[3]	150,000	75,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL	5,000	230,000

Note:

1. *Fixed fees refer to annual fees and variable fees to attendance fees*
2. *Fees paid to ACTIS*
3. *Fees paid to IBL Ltd*
4. *Christine Marot is the CEO and Executive Director and is not entitled to receive fees for attending Board and Board Sub-Committees' meetings*
5. *Roshan Ramoly was appointed as Director on 2 October 2018 and fees were paid to him on a pro-rata basis*

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

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

Remuneration and benefits paid to the Executive Director under employment contract

	Total Fees (MUR)
Executive Director	9,222,848

Note: For reasons of confidentiality and due to commercial sensitivity of such information, total remuneration has been disclosed.

Long term incentive plan

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

Board evaluation

The Board of BLL has deemed it appropriate to carry out a board evaluation in the next financial year given the various Board changes at the beginning of 2018.

RISK GOVERNANCE AND INTERNAL CONTROL

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

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

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

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

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

Whistleblowing

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

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

REPORTING WITH INTEGRITY

Financial and operational performance

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

Environment

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

Social Responsibility

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

CORPORATE GOVERNANCE REPORT

Health and Safety

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

AUDIT

Internal Audit

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

The internal audit function has been outsourced to Messrs. PwC and the audit plan covers the areas of risks that may arise in the business activities of the Group. An internal audit plan for the financial year 2018/2019 has been approved by the Audit and Risk Committee in the first quarter. Audit reports submitted by Messrs. PwC are circulated to the management and members of the Audit and Risk Committee. These reports are thereafter submitted to the Board for analysis and discussions.

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

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

External Auditors

The Audit and Risk Committee is responsible for reviewing, with the external auditors, before the audit commences, the auditors' letter of engagement, the terms, nature and audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope. At least once a year, the external auditors meet the members of the Committee and have direct access to the members should they wish to discuss any matters privately. The current auditors have been appointed in 2013. Following the amendment of the Finance Act 2016 and subsequent regulation regarding the rotation of auditors, the Board has decided to rotate its auditors. At its annual meeting of shareholders scheduled on 18 December 2019, the Board shall recommend to its shareholders the appointment of Messrs. Ernst & Young as external auditors.

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

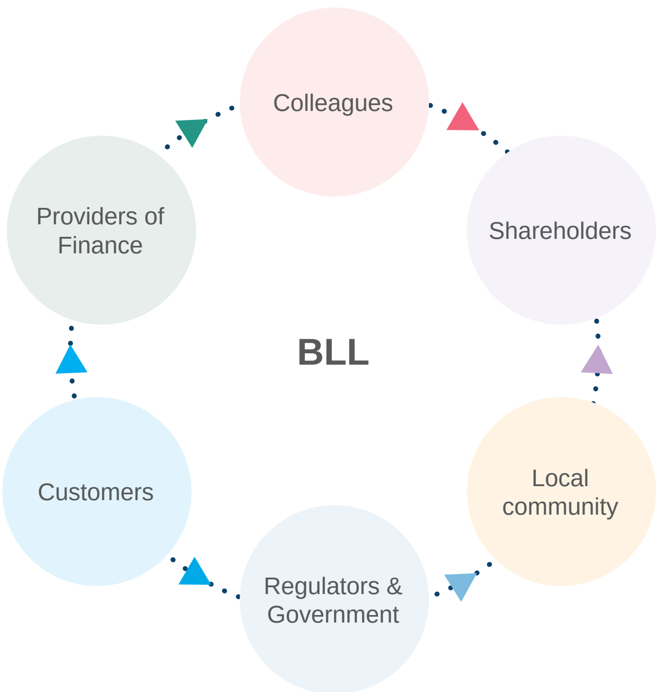
Auditors' Independence

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

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

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

BLL's key stakeholders



Reflecting our engagement towards our stakeholders

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

Colleagues	Shareholders	Local Community
BLL believes in the welfare of its employees. The Company strives to maintain a high standard of professionalism and its employees are thus encouraged to attend regular training and refresher courses. Further details are set out in the section "Human Capital" of the Annual Report.	The Company Secretary is the focal point of communication between the Company and its shareholders. Views of retail shareholders when received are communicated to the management/Board.	The social contribution from the IRS projects has been used to improve life in the community. A major project has been the construction of decent toilets, bathrooms and kitchen in a school from the Azuri locality.
	Any major announcement relating to the activities of the Company are disclosed in a timely manner and posted on the website of the Company.	Funds and time of the CSR coordinator were devoted to the welfare of senior citizens, disabled and social organisations in the region.
	The Annual Meeting of shareholders provides the opportunity to the shareholders to be apprised of the Group's performance and strategic direction. Shareholders are also encouraged to attend this meeting and to question the Directors thereon.	We have set up an awareness campaign for the respect of the environment to be implemented as from August 2019. This campaign on social media as well as on the ground, through actions, is meant to trigger respect of the environment by the local community.

Regulators & Government	Customers	Providers of Finance
Meetings as and when required are held with the relevant regulatory authorities.	We have started training of our employees to be increasingly client focused.	We regularly interact with banks who are also invited to visit our operations for increased transparency and understanding of the businesses we are in.
BLL conducts its business ethically and in accordance with national regulations.	We are promoting interactions between team members and customers to ensure increased satisfaction with product and services as well as the general customer journey.	

Main shareholders

As at June 30, 2019, there were 2,935 shareholders recorded in the share register of the Company and the main shareholders were:

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

CORPORATE GOVERNANCE REPORT

Shareholders' agreement

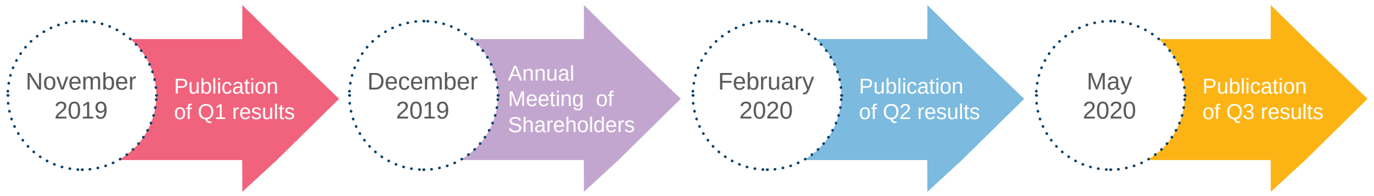
There exists no Shareholders' Agreement to the knowledge of the Company.

Dividend Policy

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

Calendar of forthcoming shareholders' events

The Annual Meeting of shareholders has been scheduled for December 18, 2019 and shareholders entitled to receive notice of the meeting are those registered at close of business on November 18, 2019.



Approved by the Board of Directors on September 30, 2019 and signed on its behalf by

Sunil Banymandhub
Chairman

Jean Luc Wilain
Director

STATEMENT OF COMPLIANCE

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

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

Reporting Period: June 30, 2019

Throughout the year ended June 30, 2019 to the best of the Board's knowledge, BlueLife Limited has not applied Principles 2 and 4 of the Corporate Governance Code for Mauritius (2016). Reasons for non-application are set out below:

Areas of non-application of the Code		Explanation for non-application
Principle 2	Affirmation that Directors do not have a relationship with the organisation.	Out of the 9 Directors, 4 are executives and/or Directors of IBL Ltd and/or its subsidiary companies. IBL Ltd is a related party and the major shareholder of the Company.
Principle 4	The Board has not conducted an evaluation of the effectiveness of the Board, its committees and its individual directors.	The Board has agreed to postpone the evaluation exercise for the next financial year.

Sunil Banymandhub
Chairman

Jean Luc Wilain
Director

September 30, 2019

SECRETARY'S CERTIFICATE

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

Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

September 30, 2019

STATUTORY DISCLOSURES

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

Principal Activities

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

Directors

The name of the Directors of the Company and its subsidiaries as at June 30, 2019 were as follows:

Name of Subsidiary	Name of Director	Date of Appointment during the period under review	Date of Resignation during the period under review
BlueLife Limited	Sunil Banymandhub		
	Christophe Barge		
	Jan Boullé		
	Isabelle de Gaalon Decaillot		
	Ravi Prakash Hardin		
	Arnaud Lagesse		
	Christine Marot		
	Roshan Ramoly	02/10/2018	
	Jean-Luc Wilain		
Azuri Golf Management Ltd	Christine Marot		
	Sunil Banymandhub		
	Jan Boullé		
Azuri Estate Management Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
	Sunil Banymandhub		
Azuri Services Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
	Sunil Banymandhub		
Azuri Suites Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
	Sunil Banymandhub		
Azuri Watch Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
Circle Square Holding Company Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
Haute Rive Azuri Hotel Ltd	Sunil Banymandhub		
	Olivier Fayolle		
	Arnaud Lagesse		
	Thierry Lagesse		17/09/2018
	Christine Marot		
	Kevin Teeroovengadum		

STATUTORY DISCLOSURES

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

Name of Subsidiary	Name of Director	Date of Appointment during the period under review	Date of Resignation during the period under review
Haute Rive Holdings Ltd	Sunil Banymandhub		
	Christophe Barge		
	Jan Boullé		
	Isabelle de Gaalon Decaillot		
	Ravi Prakash Hardin		
	Arnaud Lagesse		
	Thierry Lagesse		17/09/2018
	Christine Marot		
	Jean-Luc Wilain		
Haute Rive IRS Company Limited	Sunil Banymandhub		
	Jan Boullé		
	Arnaud Lagesse		
	Thierry Lagesse		17/09/2018
	Christine Marot		
Haute Rive Ocean Front Living Ltd	Sunil Banymandhub		
	Jan Boullé		
	Arnaud Lagesse		
	Thierry Lagesse		17/09/2018
	Christine Marot		
Haute Rive PDS Company Ltd	Sunil Banymandhub		
	Jan Boullé		
	Michele Anne Espitalier Noel		
	Christine Marot		
HR Golf Holding Ltd	Sunil Banymandhub		
	Jan Boullé		
	Christine Marot		
Les Hauts Champs 2 Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
Life in Blue Limited	Michele Anne Espitalier Noel		
	Christine Marot		
	Nicolas Rey		

Name of Subsidiary	Name of Director	Date of Appointment during the period under review	Date of Resignation during the period under review
	Sebastien Bax de Keating		
	Gregory Mayer		
	Harold Mayer		
Ocean Edge Property Management Company Ltd	Sunil Banymandhub		
	Michele Anne Espitalier Noel		
	Christine Marot		
PL Resort Ltd	Sunil Banymandhub		
	Olivier Fayolle		
	Arnaud Lagesse		
	Thierry Lagesse		17/09/2018
	Christine Marot		
	Kevin Teeroovengadum		

Directors’ and Senior Officers’ Interests in Shares

No debt securities are issued by the Company. The direct and indirect interests of the Directors and the Senior Officers in the equity securities of the Company as at June 30, 2019 were as follows:

	Direct Interest	Indirect Interest
Directors	%	%
Sunil Banymandhub	-	-
Christophe Barge	-	-
Jan Boullé	-	0.015
Isabelle de Gaalon Decaillot	-	-
Ravi Prakash Hardin	-	-
Arnaud Lagesse	-	0.251
Christine Marot	-	-
Roshan Ramoly	-	-
Jean-Luc Wilain	-	-
Senior Officers	%	%
IBL Management Ltd	-	-
Michele Anne Espitalier Noel	0.0001	0.0002
Hugues Lagesse	-	0.254

STATUTORY DISCLOSURES

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

Directors' Remuneration and Benefits

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

	From the Company		From Subsidiaries	
	2019	2018 (6 months)	2019	2018 (6 months)
	Rs.	Rs.	Rs.	Rs.
Executive	9,222,848	6,016,262		
Non-Executive	2,487,500	1,537,500	1,387,500	712,500

Directors' service contracts

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

Contract of significance

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

Directors' Insurance

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

Political and Charitable Donations

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

Auditors' remuneration

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

	2019	2018 (6 months)
	Rs.	Rs.
BDO & Co The Company	800,000	730,000
Subsidiaries of the Company		
• PL Resort Ltd	240,000	200,000
• Circle Square Holding Company Ltd	45,000	45,000
• Haute Rive Holdings Ltd	110,000	90,000
• Haute Rive Azuri Hotel Ltd	240,000	200,000
• Haute Rive IRS Company Limited	90,000	90,000
• Haute Rive Ocean Front Living Ltd	90,000	50,000
• Haute Rive PDS Ltd	50,000	50,000
• Ocean Edge Property Management Company Ltd	80,000	75,000

Auditors' remuneration (cont'd)

	2019	2018 (6 months)
	Rs.	Rs.
• Azuri Services Ltd	80,000	75,000
• Azuri Estate Management Ltd	80,000	75,000
• Azuri Suites Ltd	50,000	50,000
• Azuri Watch Ltd	25,000	25,000
• HR Golf Holding Ltd	25,000	25,000
• Les Hauts Champs 2 Ltd	25,000	25,000

	Non-Audit Services			
	Details of Services	Audit Firm	2019	2018 (6 months)
			Rs.	Rs.
The Company	Internal audit	PwC	660,000	-
	Consultancy	BDO & Co		50,000
	Mandatory offer – Independent adviser and valuer fees	KPMG		850,000
	Transaction Adviser for Mandatory Takeover by IBL	BDO & Co	300,000	
	Vendors due diligence for PL Resort Ltd	KPMG	680,000	
Subsidiaries of the Company			-	-
			-	-

Approved by the Board on September 30, 2019 and signed on its behalf by

Sunil Banymandhub
Chairman

Jean Luc Wilain
Director

Pou ki dime nou zanfan kapav respire.*

Mare Chicose ena 500 000 tonn salte, e li preske ranpli. Kot ou pou zet ou salte apre ? Anou koumans resikle.

Adopting good habits is just the start of a tradition. One that will be passed on to the next generation so that your children can help maintain and build on the work you started to clean up the environment, and protect its beauty.

**Translation: A better « tomorrow » for our children to enjoy.*

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BlueLife Limited

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of BlueLife Limited (the "Company") and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 91 to 135 which comprise the statements of financial position as at June 30, 2019, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 91 to 135 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2019, 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.

Basis for Opinion

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

Key Audit Matters

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

The Key Audit Matters of the Group and the Company are detailed below:

KEY AUDIT MATTER	AUDIT RESPONSE
1 Revenue Recognition	
During the financial year, the Group and the Company adopted IFRS 15 Revenue from Contracts with Customers which establishes a single and comprehensive framework which sets out how much revenue is to be recognised, and when. The three major distinct source of revenue for the group are as follows: - Rental income from leasing building spaces to customers for office and commercial purposes; - Revenue generated from hotels' operations; - Revenue from sale of residential units to customers on a 'Vente A L'etat Future d'achevement' (VEFA) basis We identified the revenue recognition as a key audit matter as it is quantitatively significant to the consolidated financial statements as a whole, combined with the significant judgements used by management that may significantly affect the determination of the amount and timing of revenue from contracts with customers.	Our audit procedures to address the risk of material misstatement relating to revenue recognition include: • Testing of design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure accurate processing of revenue transactions; • Reviewing the terms and conditions of the agreement with the buyer to determine the accounting treatment with regards to recognition of revenue from sale of residential units, that is either based on percentage completion or revenue recognition at completion; • Ensuring completeness of income through substantive tests performed, analytical review procedures and cut off tests on revenue recognised.
Refer to note 2.16 and note 18 of the accompanying financial statements.	

KEY AUDIT MATTER	AUDIT RESPONSE
2 Compliance with debt covenant requirements	
As at June 30, 2019, the Group had bank loans of Rs.797.7m, has regular debt repayments and a number of restrictive covenants over a proportion of its debt. Management prepare a cash flow forecast and undertake an analysis of the key assumptions to verify that debt covenants are being met at the end of each reporting period. We consider compliance with debt covenant requirements a key audit matter as this is part of management's assessment of the going concern assumption as such breaches technically give the right to the Group's lenders to accelerate repayment before scheduled maturity.	Our audit procedures included: • Discussing with management on the continued support of the lenders. • We have had discussions with management to understand their plans and business changes. We have considered management's assessment as to whether the Company would face liquidity problems as a result of any breaches in the loan covenants. • We obtained and reviewed the loan terms relative to the covenants and ensured that management has complied with all relevant covenants at the end of the reporting period. • We have also obtained management representation on this matter.
Refer to notes 2.19 and 18 of the accompanying financial statements.	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BlueLife Limited

The Key Audit Matters of the Group are detailed below:

KEY AUDIT MATTER	AUDIT RESPONSE
3 Fair Value of Investment Properties	
The Group's investment properties of Rs.1,967m, representing 91% of its owners' interests, have been carried at fair value, with changes in fair value being recognised in profit or loss. The Group's investment properties have been fair valued either by independent valuation specialists, by Directors or based on latest sales price, as detailed in note 6 of the financial statements. When determining the valuation of investment properties, estimates have been developed by the independent valuation specialists and Directors based on the most appropriate source data and are subject to significant judgement. The valuation of investment properties was considered to be a key audit matter due to the significance of the estimates and the level of judgement involved.	Our audit procedures included, amongst others: • Reviewing the data used by the valuer in their valuation by: Comparing the current period (2019) actual results with the figures included in the prior year (2018) forecast to consider whether any forecasts included assumptions that, with hindsight, had been optimistic. We found that actual performance was consistent with forecast performance. Challenging the assumptions used by the independent valuation specialists and Directors. • Where recent transaction price have been used for valuing remaining plot of bare land, we have recomputed the value based on latest sales price.
Refer to note 6 of the accompanying financial statements.	

KEY AUDIT MATTER	AUDIT RESPONSE
4 Assessment of Impairment – Investment of Subsidiaries	
The Company's investment in subsidiaries amounted to Rs.1,831m net of impairment, representing 81% of net assets of the Company. We focused on this area due to the size of the investment balance and because the Company's assessment of the 'value in use' of the subsidiaries involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts. The Company's management performed an assessment of impairment of the subsidiaries' investment by: • Comparing some subsidiaries' book values with their net asset values and/or value in use. • Comparing some subsidiaries' book values with the enterprise value derived from valuation of these subsidiaries using the Discounted Cash Flow technique.	Our audit procedures included, amongst others: • Reviewing the data used in the Director's valuation by evaluating the subsidiaries' cashflow forecasts and the process by which they were developed, including considering the mathematical accuracy of the underlying calculations. • Challenging management with: - the key assumptions for growth rates in the forecasts by comparing them to historical results. - the discount rate used in the model and comparing it to market data and industry research.
Refer to note 10 of the accompanying financial statements.	

The Key Audit Matters of the Company are detailed below:

KEY AUDIT MATTER	AUDIT RESPONSE
5 Recoverability of receivables from related parties	
As at June 30, 2019, the Company has group receivables amounting to Rs. 481.3m, representing 18% of the total assets. These group receivables have been categorized under stage 3 of the expected credit loss (ECL) model for the purpose of assessment of impairment. The related impairment loss amount to Rs. 12.8m as at the end of the reporting period. "The Group exercises significant judgement using subjective assumptions over both when and how much to record as impairment and estimation of the amount of impairment loss relating to group receivables. Because group receivables form a major portion of the Company's assets and due to the significance of the judgements used in determining the related impairment loss requirements, this audit area is considered a key audit matter.	Our audit procedures included, amongst others: • Ensured that the current impairment methodology for the Group is consistent with the requirements of IFRS 9; • Checked appropriateness of the Group's determination of significant increase in credit risk and the resultant basis for classification of the receivables under stage 3 of the ECL model; • Checked and understood the key data sources and assumptions for data used in the ECL model used by the Group to determine impairment provisions, including forward looking assumptions; Tested the mathematical integrity of the ECL model; • Examined management's estimate of future cash flows and assessed their reasonableness; • Checked the appropriateness of the opening balance adjustments
Refer to note 2.7 and note 12 of the accompanying financial statements.	

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report (but does not include the Corporate Governance Report, 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 and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Corporate Governance Report, Statement of Compliance, Company Secretary's Certificate and Statutory Disclosures that we obtained prior to 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.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BlueLife Limited

Other information (cont'd)

When we read the other statements which will be made available to us after that date, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Corporate Governance Report

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

Responsibilities of Directors and Those Charged with Governance 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 in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

Other Matter

This report is made solely to the members of BlueLife Limited (the "Company"), 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.

BDO & CO
Chartered Accountants
Port Louis,
Mauritius.

Rookaya Ghanty, FCCA
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019

		THE GROUP			THE COMPANY		
	Notes	June 30, 2019	Restated June 30, 2018	Restated December 31, 2017	June 30, 2019	Restated June 30, 2018	Restated December 31, 2017
ASSETS		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-current assets							
Property, plant and equipment	5	1,115,959,933	1,127,868,633	1,145,026,294	1,003,659	1,841,991	2,531,499
Investment properties	6	1,967,194,535	1,954,566,723	951,507,671	102,848,792	93,316,140	136,526,900
Intangible assets	7	54,051,514	107,003,542	1,741,500,305	24,643	11,710,574	17,149,696
Investment in subsidiaries	10	-	-	-	1,831,441,846	1,963,092,959	2,302,477,749
Deferred tax assets	16	26,262,673	41,880,125	38,927,895	1,124,999	543,211	-
		3,163,468,655	3,231,319,023	3,876,962,165	1,936,443,939	2,070,504,875	2,458,685,844
Current assets							
Inventories	8	8,164,034	7,799,198	10,982,349	-	-	-
Inventory property	9	156,020,287	111,294,968	214,469,557	37,891,627	36,122,387	36,122,387
Trade and other receivables	12	107,100,529	139,776,482	257,780,874	114,351	365,348,794	320,897,697
Other financial assets at amortised cost	12 A	32,737,845	-	-	477,207,568	-	-
Cash and cash equivalents	29(b)	62,901,160	140,255,691	89,101,154	26,243,908	4,685,505	1,410,239
		366,923,855	399,126,339	572,333,934	541,457,454	406,156,686	358,430,323
Non-current assets classified as held for sale	11	575,311,872	583,925,520	62,000,000	342,889,068	342,940,818	-
Total assets	Rs.	4,105,704,382	4,214,370,882	4,511,296,099	2,820,790,461	2,819,602,379	2,817,116,167
EQUITY AND LIABILITIES							
Capital and reserves (attributable to owners of the parent)							
Stated capital	14	3,472,320,310	3,472,320,310	3,027,298,338	3,472,320,310	3,472,320,310	3,027,298,338
Other reserves		26,080,000	26,080,000	26,080,000	-	-	-
Actuarial reserves		(3,438,916)	206,740	(315,450)	78,997	1,325,893	1,223,939
Revenue deficit		(1,333,152,181)	(1,148,158,436)	(1,025,572,366)	(1,199,818,517)	(985,399,523)	(844,714,909)
Owners' interests		2,161,809,213	2,350,448,614	2,027,490,522	2,272,580,790	2,488,246,680	2,183,807,368
Non-controlling interests	10	(15,552,889)	(9,781,967)	924,363	-	-	-
Total equity		2,146,256,324	2,340,666,647	2,028,414,885	2,272,580,790	2,488,246,680	2,183,807,368
LIABILITIES							
Non-current liabilities							
Borrowings	15	606,586,800	623,398,431	488,570,757	214,647	293,216	330,995
Retirement benefit obligations	13	14,520,477	6,287,388	5,941,476	3,473,669	1,354,133	1,146,435
Deferred tax liabilities	16	-	-	3,801,522	-	-	3,590,039
		621,107,277	629,685,819	498,313,755	3,688,316	1,647,349	5,067,469
Current liabilities							
Trade and other payables	17	191,003,185	265,006,630	463,701,864	41,731,598	67,037,227	68,287,548
Current tax liabilities	25	-	5,699,324	9,054,353	-	-	-
Borrowings	15	721,489,127	666,466,838	1,511,811,242	368,103,622	256,169,816	559,953,782
		912,492,312	937,172,792	1,984,567,459	409,835,220	323,207,043	628,241,330
Liabilities directly associated with non-current assets classified as held for sale	11	425,848,469	306,845,624	-	134,686,135	6,501,307	-
Total liabilities		1,959,448,058	1,873,704,235	2,482,881,214	548,209,671	331,355,699	633,308,799
Total equity and liabilities	Rs.	4,105,704,382	4,214,370,882	4,511,296,099	2,820,790,461	2,819,602,379	2,817,116,167

These financial statements have been approved for issue by the Board of Directors on September 30, 2019

Sunil Banymandhub
Chairman

Jean Luc Wilain
Director

The notes on pages 95 to 135 form an integral part of these financial statements.

Auditor's report on pages 88 to 90.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	Notes	THE GROUP		THE COMPANY	
		Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
			Restated		Restated
Continuing operations		Rs.	Rs.	Rs.	Rs.
Revenue	18	575,803,081	676,697,775	9,548,160	7,856,017
Cost of sales	19	(215,728,524)	(480,281,447)	-	-
Gross profit		360,074,557	196,416,328	9,548,160	7,856,017
Other income	20	19,392,229	7,454,037	38,353,015	77,378,264
Other (losses)/ gains - net	26	(3,553,072)	3,203,198	-	(10,791)
Selling and marketing expenses	19	(24,466,958)	(11,808,192)	-	-
Administrative expenses	19	(373,216,607)	(190,475,722)	(87,857,157)	(61,105,857)
Other operating expenses	19	(7,683,452)	(6,984,516)	(810,725)	(470,243)
		(29,453,303)	(2,194,867)	(40,766,707)	23,647,390
Net (decrease)/increase in fair value of investment properties	6(i)	(3,186,060)	(37,820,409)	9,532,652	(43,210,760)
Impairment charges	24	(51,235,990)	(31,786,174)	(143,114,927)	(112,273,304)
Finance costs	21	(84,951,336)	(47,729,823)	(19,360,106)	(13,002,072)
Loss before taxation	23	(168,826,689)	(119,531,273)	(193,709,088)	(144,838,746)
Income tax (charge)/credit	25	(15,038,146)	986,792	326,401	4,154,132
Loss for the year/period from continuing operations		(183,864,835)	(118,544,481)	(193,382,687)	(140,684,614)
Discontinued operations					
Loss from discontinued operations net of tax	11	(5,216,309)	(14,927,991)	-	-
Loss for the year/ period		(189,081,144)	(133,472,472)	(193,382,687)	(140,684,614)
Other comprehensive income for the year/ period, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of post employment benefit obligations, net of deferred tax	27	(4,889,588)	702,262	(1,246,896)	101,954
Total comprehensive income for the year/ period	Rs.	(193,970,732)	(132,770,210)	(194,629,583)	(140,582,660)
Loss attributable to:					
Owners of the parent		(184,554,154)	(122,586,070)	(193,382,687)	(140,684,614)
Non-controlling interests		(4,526,990)	(10,886,402)	-	-
	Rs.	(189,081,144)	(133,472,472)	(193,382,687)	(140,684,614)
Total comprehensive income attributable to:					
Owners of the parent		(188,199,810)	(122,063,880)	(194,629,583)	(140,582,660)
Non-controlling interests		(5,770,922)	(10,706,330)	-	-
	Rs.	(193,970,732)	(132,770,210)	(194,629,583)	(140,582,660)
Loss per share (Rs/cs)					
- From continuing and discontinued operations	28	(0.282)	(0.209)	(0.295)	(0.240)
- From continuing operations	28	(0.274)	(0.183)	(0.295)	(0.240)

The notes on pages 95 to 135 form an integral part of these financial statements.

Auditor's report on pages 88 to 90.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

THE GROUP	Notes	Attributable to owners of the parent						
		Stated capital	Other reserves	Actuarial reserves	Revenue deficit	Total	Non-controlling interests	Total Equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2018		3,472,320,310	26,080,000	206,740	(1,148,158,436)	2,350,448,614	(9,781,967)	2,340,666,647
- Effect of changes in accounting policy		-	-	-	(439,591)	(439,591)	-	(439,591)
- as restated		3,472,320,310	26,080,000	206,740	(1,148,598,027)	2,350,009,023	(9,781,967)	2,340,227,056
Loss for the year		-	-	-	(184,554,154)	(184,554,154)	(4,526,990)	(189,081,144)
Other comprehensive income for the year	27	-	-	(3,645,656)	-	(3,645,656)	(1,243,932)	(4,889,588)
Total comprehensive income for the year		-	-	(3,645,656)	(184,554,154)	(188,199,810)	(5,770,922)	(193,970,732)
At June 30, 2019	Rs.	3,472,320,310	26,080,000	(3,438,916)	(1,333,152,181)	2,161,809,213	(15,552,889)	2,146,256,324
At January 1, 2018		3,027,298,338	26,080,000	(315,450)	(1,025,572,366)	2,027,490,522	924,363	2,028,414,885
Loss for the period		-	-	-	(122,586,070)	(122,586,070)	(10,886,402)	(133,472,472)
Other comprehensive income for the period	27	-	-	522,190	-	522,190	180,072	702,262
Total comprehensive income for the period		-	-	522,190	(122,586,070)	(122,063,880)	(10,706,330)	(132,770,210)
Issue of shares		445,021,972	-	-	-	445,021,972	-	445,021,972
At June 30, 2018	Rs.	3,472,320,310	26,080,000	206,740	(1,148,158,436)	2,350,448,614	(9,781,967)	2,340,666,647

THE COMPANY	Notes	Stated capital	Actuarial reserves	Revenue deficit	Total
		Rs.	Rs.	Rs.	Rs.
At July 1, 2018					
- as previously reported		3,472,320,310	1,325,893	(985,399,523)	2,488,246,680
- Effect of changes in accounting policy	35	-	-	(21,036,307)	(21,036,307)
- as restated		3,472,320,310	1,325,893	(1,006,435,830)	2,467,210,373
Loss for the year		-	-	(193,382,687)	(193,382,687)
Other comprehensive income for the year	27	-	(1,246,896)	-	(1,246,896)
Total comprehensive income for the year		-	(1,246,896)	(193,382,687)	(194,629,583)
At June 30, 2019	Rs.	3,472,320,310	78,997	(1,199,818,517)	2,272,580,790
At January 1, 2018		3,027,298,338	1,223,939	(844,714,909)	2,183,807,368
Loss for the period		-	-	(140,684,614)	(140,684,614)
Other comprehensive income for the period	27	-	101,954	-	101,954
Total comprehensive income for the period		-	101,954	(140,684,614)	(140,582,660)
Issue of shares		445,021,972	-	-	445,021,972
At June 30, 2018	Rs.	3,472,320,310	1,325,893	(985,399,523)	2,488,246,680

The notes on pages 95 to 135 form an integral part of these financial statements.

Auditor's report on pages 88 to 90.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

		THE GROUP		THE COMPANY	
	Notes	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
		Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities					
Cash (absorbed in)/ generated from operations	29(a)	(88,042,331)	79,571,085	(194,776,234)	(119,139,738)
Tax paid		(4,118,357)	(9,054,345)	-	-
Interest paid		(109,337,952)	(74,599,678)	(15,161,476)	(18,728,098)
Interest received		1,117,246	28,427	-	-
Net cash used in operating activities		(200,381,394)	(4,054,511)	(209,937,710)	(137,867,836)
Cash flows from investing activities					
Purchase of property, plant and equipment, net		(24,522,934)	(13,041,208)	(359,124)	(47,000)
Purchase of intangible assets		(1,147,700)	-	-	-
Expenditure incurred on investment properties		(11,214,050)	(10,125,773)	-	-
Proceeds from disposal of property, plant and equipment		340,000	-	-	-
Deposit on sale of investment property		120,000,000	-	-	-
Net proceeds from disposal of non-current assets classified as held for sale		-	58,848,000	-	-
Net cash generated from/(used in) investing activities		83,455,316	35,681,019	(359,124)	(47,000)
Cash flows from financing activities					
Net payment on borrowings		(72,626,624)	(297,327,580)	(108,000,000)	(238,083,333)
Net proceeds from borrowings		120,000,000	-	348,000,000	
Finance lease capital repayment		(919,417)	(788,202)	(74,036)	(35,775)
Issue of shares		-	445,021,972	-	445,021,972
Net cash generated from financing activities		46,453,959	146,906,190	239,925,964	206,902,864
Net movement in cash and cash equivalents	Rs.	(70,472,119)	178,532,698	29,629,130	68,988,028
Movement in cash and cash equivalents					
At July 1/January 1,		(173,228,223)	(354,157,760)	(201,410,302)	(270,388,205)
Effect of foreign exchange difference		1,713,208	2,396,839	-	(10,125)
(Decrease)/increase		(70,472,119)	178,532,698	29,629,130	68,988,028
At June 30,	29(b) Rs.	(241,987,134)	(173,228,223)	(171,781,172)	(201,410,302)

The notes on pages 95 to 135 form an integral part of these financial statements.

Auditor's report on pages 88 to 90.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

1. GENERAL INFORMATION

BlueLife Limited (the "Company") is a public company limited by shares, incorporated and domiciled in Mauritius. Its registered office is situated at Circle Square Retail Park, Forbach, Mauritius.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the "Group") and the separate financial statements of the parent company (the "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest Rupee, except when otherwise indicated.

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

(i) land and buildings are carried at revalued amounts;
(ii) investment properties are stated at fair value; and
(iii) relevant financial assets and liabilities are carried at amortised cost.

The Group had revenue deficit of Rs.1,333 million (2018: Rs. 1,148 million) and net current liabilities of Rs.545.6 million (2018: Rs. 538m) and the Company had revenue deficit Rs.1,200 million as at June 30, 2019 (2018: Rs. 985m). In preparing the financial statements, the Board of Directors have given careful consideration to the liquidity of the Group and the Company having regards to:

(1) The cash and revenue generation from the Rive Droite project which will bring the holding company back in a profitable situation with expected positive cash flows. The breaking ground of the Rive Droite development in Azuri, comprising a nine-hole golf and 89 residences with a sales value of Rs 2.9 billion, is planned for the second semester of 2019.
(2) Contemplated monetization plan on disposal of non-core assets having achieved maturity level.
(3) Continued support from lenders through capital moratorium and rescheduling of repayment terms of loans of certain subsidiaries.

The Board of Directors are confident that the Group would continue as a going concern in the foreseeable future and they consider it appropriate to prepare the financial statements on a going concern basis.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from July 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.7. The Group has elected to apply the exemption in IFRS 9 paragraph 7.2.15 not to restate prior periods in the year of initial application of the standard. The Group has chosen to adopt the simplified expected credit loss model for trade receivables in accordance with IFRS 9 paragraph 5.5.15.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The group has adopted IFRS 15 Revenue from Contracts with Customers from July 1, 2018 which resulted in changes in accounting policies. The new accounting policies are set out in note 2.16. In accordance with the transition provisions in IFRS 15, the group has not restated comparatives for the 2018 financial year.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Group's financial statements.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The amendment has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.
- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Group's financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Group's financial statements.

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2019 or later periods, but which the Group has not early adopted.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

Prepayment Features with negative compensation (Amendments to IFRS 9)

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

Annual Improvements to IFRSs 2015-2017 Cycle

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

Definition of a Business (Amendments to IFRS 3)

Definition of Material (Amendments to IAS 1 and IAS 8)

IFRS 16 Leases

Where relevant, the Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements, except as detailed below:

IFRS 16 Leases

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Company will be 1 January 2019.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The only exceptions are short-term and low-value leases.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

Transition to IFRS 16

As at 30 June 2019, the Group has non cancellable operating lease commitments of Rs 100,879,902. A preliminary assessment indicates that these arrangements relate to leases other than short term leases and leases of low value assets. The Group will recognise a right of use of Rs 36,262,494 and a corresponding liability of Rs 36,262,494 in respect of all these leases.

The preliminary assessment indicates that the group does not have any arrangement relating to short term leases and leases of low value assets.

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. The Group does not expect any significant impact on the financial statements based on its activities as a lessor. However, some additional disclosures will be required from next year.

2.2 Property, plant and equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

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

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

Freehold land is not depreciated.

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

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

2.3 Investment property

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Group, is carried at fair value, representing the open-market value. Changes in fair values are included in the profit or loss. The fair value of certain investment properties are determined by independent valuation specialists while that of others are determined by the directors of the Group.

Properties that are under construction or development to earn rentals or for capital appreciation or both is accounted as investment property. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets

(a) Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(b) Leasehold rights

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

(c) Computer software

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

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

2.5 Investment in subsidiaries

Separate financial statements of the investor

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

Consolidated financial statements

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

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

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

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

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

Transactions and non-controlling interests

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

Disposal of subsidiaries

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

2.6 Non-current assets classified as held for sale

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

2.7 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Company's/Group's accounting policy for each category is as follows:

Amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets (cont'd)

Amortised cost (cont'd)

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

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

2.8 Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired.

The Group's accounting policy for other financial liabilities are as follows:

Other financial liabilities include the following items:

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

(ii) Trade and other payables which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.9 Share capital

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

2.10 Current and deferred income tax

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

Current tax

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

Deferred tax

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

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

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

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

2.11 Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

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

2.12 Leases

(a) Leases are classified as finance leases where 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. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(b) Accounting for leases - where Group is the lessee

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Leases (cont'd)

(c) Accounting for leases - where Group is the lessor

Assets leased out under operating leases are included in investment property in the statements of financial position. They are carried at fair value, as determined by external valuers. Rental income is recognised in line with the relevant lease terms.

(d) Operating leases - where Group is the lessor

Payments under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.13 Retirement benefit obligations

(a) Defined contribution plans

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

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

(b) Defined benefit plans

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

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

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

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

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

(c) Retirement gratuity

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

(d) Termination benefits

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

2.14 Inventories

Inventories - Hotel Operations

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

Inventory property

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

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

- Freehold land
- Amounts paid to contractors for development
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services,property transfer taxes, development overheads and other related costs

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

2.15 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Revenue recognition

(a) Revenue derived from hotel operations

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

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

- Rental income from investment property - recognised in profit or loss on an accrual basis in accordance with the rental agreement.
- Interest income - recognised on a time proportion basis using the effective interest method.
- Dividend income - when the shareholder's right to receive payment is established.

(c) Sale of completed property

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

(d) Sale of property under development

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

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

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

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

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

2.18 Dividend distribution

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

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

2.20 Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

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

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

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

(a) Market risk

(i) **Currency risk**

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

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

Currency profile

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

		June 30, 2019		June 30, 2018	
THE GROUP		Financial assets	Financial liabilities	Financial assets	Financial liabilities
		Rs.	Rs.	Rs.	Rs.
MUR		83,823,166	1,443,443,760	181,631,716	1,393,380,970
USD		17,620,540	321,767	28,868,338	15,822,854
EURO		60,030,702	17,170,677	38,128,030	373,100
ZAR		88,292	49,600	70,640	-
GBP		16,396,868	120,675	5,130,367	-
	Rs.	177,959,568	1,461,106,478	253,829,092	1,409,576,924

		June 30, 2019		June 30, 2018	
THE COMPANY		Financial assets	Financial liabilities	Financial assets	Financial liabilities
		Rs.	Rs.	Rs.	Rs.
MUR		502,325,775	402,855,701	405,124,561	310,878,974
USD		63,424	-	65,001	-
EUR		327,778	-	-	-
	Rs.	502,716,977	402,855,701	405,189,562	310,878,974

The figures above exclude prepayments and accruals.

Sensitivity analysis

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

THE GROUP	Year ended June 30, 2019		Six months period ended June 30, 2018	
Impact on post-tax results	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
	+	+	+	+
USD	881,027	16,088	721,708	395,571
EURO	3,001,535	858,534	953,201	9,328
ZAR	4,415	2,480	1,766	-
GBP	819,843	6,034	128,259	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(i) Currency risk (cont'd)

Currency profile (cont'd)

THE COMPANY	Year ended June 30, 2019		Six months period ended June 30, 2018	
Impact on post-tax results	**Financial assets**	**Financial liabilities**	Financial assets	Financial liabilities
	Rs.	**Rs.**	Rs.	Rs.
	+	**+**	+	+
USD	**3,171**	**-**	1,349	-
EUR	**16,389**	**-**	-	-

(ii) Cash flow and fair value interest rate risk

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

Cash flow interest rate risk

Sensitivity analysis

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

	THE GROUP		THE COMPANY	
Impact on post-tax results	**Year ended June 30, 2019**	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
	+/-	+/-	**+/-**	+/-
Liabilities				
Borrowings	**6,573,926**	3,214,707	**1,840,125**	640,240

Fair value interest rate risk

At the end of reporting date, if interest rates on fixed rate borrowings had been 50 basis points lower/higher with all variables held constant, the impact on post-tax result for the year would not be material.

(b) Credit risk

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

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

Tenant's receivables

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

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

Revenue from hotels

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk

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

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

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

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

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At June 30, 2019				
Borrowings	**807,488,256**	**140,091,239**	**362,004,038**	**242,377,603**
Trade and other payables	**191,003,185**	**-**	**-**	**-**
At June 30, 2018				
Borrowings	732,406,671	203,383,981	185,989,270	355,918,421
Trade and other payables	265,006,630	-	-	-

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At June 30, 2019				
Borrowings	**393,124,476**	**92,373**	**138,265**	**-**
Trade and other payables	**32,037,872**	**-**	**-**	**-**

THE COMPANY (cont'd)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At June 30, 2018				
Borrowings	272,145,437	97,433	220,122	-
Trade and other payables	67,037,224	-	-	-

3.2 Fair value estimation

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

3.3 Capital risk management

The Group's objectives when managing capital are:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk management (cont'd)

The debt-to-adjusted capital ratios at June 30, 2019 and June 30, 2018 were as follows:

		THE GROUP		THE COMPANY	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
		Rs.	Rs.	Rs.	Rs.
Total debt		1,328,075,927	1,289,865,269	368,318,269	256,463,032
Less: cash and cash equivalents		(62,901,160)	(140,255,691)	(26,243,908)	(4,685,505)
Net debt	Rs.	1,265,174,767	1,149,609,578	342,074,361	251,777,527
Total equity	Rs.	2,146,256,324	2,340,666,647	2,272,580,790	2,488,246,680
Debt-to-adjusted capital ratio		0.58:1	0.49:1	0.14:1	0.10:1

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

(a) Estimated impairment of goodwill

The Group tests annually whether Goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.4.

(b) Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to confirm the fair value of some of its investment properties which were determined by the directors as at June 30, 2019. For these investment properties, the valuer used a valuation technique based on capitalisation of net operating income. Other investment properties comprise of bare land held for capital appreciation whose fair values have been determined by an independent valuation specialist on an open market basis.

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

(c) Limitation of sensitivity analysis

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

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

(d) Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(e) Asset lives and residual values

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

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

(f) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the company would currently obtain from disposal of the asset, if the asset was already of age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(g) Impairment of assets

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

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

The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

(h) Impairment of investment in subsidiaries

The group follows the guidance of IAS 36 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the group evaluates, amongst other factors, the duration and extent to which the fair value of an investment is less than cost, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(i) Revenue recognition

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

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

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

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

(j) Deferred tax on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property, the directors reviewed the Group's investment property and concluded that some properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time and others are recovered through sale. Since the Company has a land promoter and property developer licence, the Group has recognised deferred taxes on changes in fair value of investment properties.

(k) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

(l) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

5. PROPERTY, PLANT AND EQUIPMENT

(a)

	Freehold land and buildings	Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Capital work in progress	Total
THE GROUP - 2019	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION						
At July 1, 2018	1,199,275,448	32,276,436	6,649,678	89,590,416	2,312,715	1,330,104,693
Transfer	2,312,715	-	-	-	(2,312,715)	-
Additions	8,908,614	673,977	833,463	14,106,880	-	24,522,934
Disposal	-	-	(2,377,797)	(367,968)	-	(2,745,765)
At June 30, 2019	**1,210,496,777**	**32,950,413**	**5,105,344**	**103,329,328**	**-**	**1,351,881,862**
DEPRECIATION						
At July 1, 2018	104,595,437	18,493,375	4,864,749	74,282,499	-	202,236,060
Charge for the year	21,261,579	1,417,827	720,344	12,817,377	-	36,217,127
Disposal adjustment	-	-	(2,362,886)	(168,372)	-	(2,531,258)
At June 30, 2019	**125,857,016**	**19,911,202**	**3,222,207**	**86,931,504**	**-**	**235,921,929**
NET BOOK VALUE						
At June 30, 2019	**1,084,639,761**	**13,039,211**	**1,883,137**	**16,397,824**	**-**	**1,115,959,933**

	Freehold land and buildings	Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Capital work in progress	Total
THE GROUP - 2018	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION						
At January 1, 2018	1,216,615,664	31,179,659	7,931,778	87,835,366	-	1,343,562,467
Additions	7,206,760	1,221,383	-	2,300,350	2,312,715	13,041,208
Disposal	-	-	(1,282,100)	(545,300)	-	(1,827,400)
Transfer to non-current assets classified as held for sales (note 11)	(24,546,976)	(124,606)	-	-	-	(24,671,582)
At June 30, 2018	**1,199,275,448**	**32,276,436**	**6,649,678**	**89,590,416**	**2,312,715**	**1,330,104,693**
DEPRECIATION						
At January 1, 2018	108,597,142	16,223,337	5,718,145	67,997,549	-	198,536,173
Charge for the period	12,382,796	2,270,038	428,704	6,901,960	-	21,983,498
Disposal adjustment	-	-	(1,282,100)	(492,828)	-	(1,774,928)
Transfer to non-current assets classified as held for sales (note 11)	(16,384,501)	-	-	(124,182)	-	(16,508,683)
At June 30, 2018	**104,595,437**	**18,493,375**	**4,864,749**	**74,282,499**	**-**	**202,236,060**
NET BOOK VALUE						
At June 30, 2018	**1,094,680,011**	**13,783,061**	**1,784,929**	**15,307,917**	**2,312,715**	**1,127,868,633**

(b)

		Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Total
THE COMPANY - 2019		Rs.	Rs.	Rs.	Rs.
COST					
At July 1, 2018		2,798,355	620,000	9,877,190	13,295,545
Additions		298,220	-	60,904	359,124
Disposal		(51,817)	-	-	(51,817)
At June 30, 2019		**3,044,758**	**620,000**	**9,938,094**	**13,602,852**
DEPRECIATION					
At July 1, 2018		2,322,819	90,417	9,040,318	11,453,554
Charge for the period		240,766	155,000	762,827	1,158,593
Disposal adjustment		(12,954)	-	-	(12,954)
At June 30, 2019		**2,550,631**	**245,417**	**9,803,145**	**12,599,193**
NET BOOK VALUE					
At June 30, 2019	Rs.	**494,127**	**374,583**	**134,949**	**1,003,659**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

		Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Total
THE COMPANY - 2018		Rs.	Rs.	Rs.	Rs.
COST					
At January 1, 2018		2,751,355	1,902,100	10,337,990	14,991,445
Additions		47,000	-	-	47,000
Disposal		-	(1,282,100)	(460,800)	(1,742,900)
At June 30, 2018		**2,798,355**	**620,000**	**9,877,190**	**13,295,545**
DEPRECIATION					
At January 1, 2018		2,184,321	1,295,017	8,980,608	12,459,946
Charge for the period		138,498	77,500	436,030	652,028
Disposal adjustment		-	(1,282,100)	(376,320)	(1,658,420)
At June 30, 2018		**2,322,819**	**90,417**	**9,040,318**	**11,453,554**
NET BOOK VALUE					
At June 30, 2018	Rs.	**475,536**	**529,583**	**836,872**	**1,841,991**

(c) There was no additions to assets held under finance leases during the year ended June 30, 2019 and period ended June 30, 2018 for the group and the company.

(d) Leased assets included above comprise of:

		Plant and machinery		Motor vehicles	
		June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
THE GROUP		**Rs.**	Rs.	**Rs.**	Rs.
Cost-capitalised finance leases		**5,543,342**	5,543,342	**6,375,830**	6,375,830
Accumulated depreciation		**(2,021,088)**	(1,788,323)	**(5,380,497)**	(4,670,683)
Net book value	Rs.	**3,522,254**	3,755,019	**995,333**	1,705,147

	Motor vehicles	
	June 30, 2019	June 30, 2018
THE COMPANY	**Rs.**	Rs.
Cost-capitalised finance leases	**620,000**	620,000
Accumulated depreciation	**(245,417)**	(90,417)
Net book value	**374,583**	529,583

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

(f) Depreciation expense for the year ended June 30, 2019 of Rs.36,217,127 (Six months ended June 30, 2018: Rs.21,983,498) for the Group and Rs.1,158,593 (Six months ended June 30, 2018: Rs.652,028) for the Company have been charged in administrative expenses.

6. INVESTMENT PROPERTIES

		THE GROUP		THE COMPANY	
		June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
Fair value model		**Rs.**	Rs.	**Rs.**	Rs.
At July 1/ January 1		**1,954,566,723**	2,549,711,008	**93,316,140**	136,526,900
Additions		**11,214,050**	6,584,803	**-**	-
(Decrease)/Increase in fair value (note 6(i))		**(3,186,060)**	(37,820,409)	**9,532,652**	(43,210,760)
Straight lining adjustments		**4,599,822**	-	**-**	-
Transfer to non-current assets classified as held for sales (note 11)		**-**	(563,908,679)	**-**	-
At June 30,	Rs.	**1,967,194,535**	1,954,566,723	**102,848,792**	93,316,140

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Continuing operations	**(3,186,060)**	(37,820,409)	**9,532,652**	(43,210,760)
Discontinued operations (note 11)	**-**	-	**-**	-
	(3,186,060)	(37,820,409)	**9,532,652**	(43,210,760)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

6. INVESTMENT PROPERTIES (CONT'D)

(ii) The information about the fair value hierarchy of the investment properties as at June 30, 2019 and 2018 as follows:

		THE GROUP		
		Level 2	Level 3	Total
		Rs.	Rs.	Rs.
June 30, 2019				
Bare lands at Azuri, Haute Rive (Note 6 (viii)		1,588,651,983	-	1,588,651,983
Bare lands at Piton and Riviere du Rempart (note 6 (iii))		28,500,000	-	28,500,000
Industrial building, Riviere du Rempart (note 6 (v))		-	74,348,792	74,348,792
Harbour Front Building, Port Louis (note 6 (vi))		-	104,867,399	104,867,399
Commercial building - Retail (note 6 (vii))		-	170,826,361	170,826,361
	Rs.	1,617,151,983	350,042,552	1,967,194,535
June 30, 2018				
Bare lands at Azuri, Haute Rive (Note 6 (viii)		1,610,831,149	-	1,610,831,149
Bare lands at Piton and Riviere du Rempart (note 6 (iii))		28,500,000	-	28,500,000
Industrial building, Riviere du Rempart (note 6 (v))		-	64,816,140	64,816,140
Harbour Front Building, Port Louis (note 6 (vi))		-	96,780,258	96,780,258
Commercial building - Retail (note 6 (vii))		-	166,266,988	166,266,988
	Rs.	1,639,331,149	327,863,386	1,967,194,535

		THE COMPANY		
		Level 2	Level 3	Total
		Rs.	Rs.	Rs.
June 30, 2019				
Bare lands - Piton and Riviere du Rempart (note 6 (iii))		28,500,000	-	28,500,000
Industrial building, Riviere du Rempart (note 6 (v))		-	74,348,792	74,348,792
	Rs.	28,500,000	74,348,792	102,848,792
June 30, 2018				
Bare lands - Piton and Riviere du Rempart (note 6 (iii))		28,500,000	-	28,500,000
Industrial building, Riviere du Rempart (note 6 (v))		-	64,816,140	64,816,140
	Rs.	28,500,000	64,816,140	93,316,140

(iii) Bare lands at Forbach, Piton and Riviere Du Rempart have been fair valued in December 2017 by Gexim Real Estate Ltd, an independent professionally qualified valuer. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties. As at June 30, 2019, the independent professionally qualified valuer has confirmed that there has not been any change in value. Bare Land at Forbach has been classified as non-current asset held for sales as at June 30, 2019.

(iv) Circle Square Retail Park was valued by the Directors at June 30, 2019, based on capitalisation of net operating income. The rentals were calculated on a fully let basis, allowing for a long term vacancy provision. The net operating income has then been capitalised at yields representing different characteristics of the centre, including their location, age and tenant mix. Yields range from 7.5% to 9%. As at June 30, 2019, the Circle Square Retail Park was classified as non-current asset held for sales and the directors has assessed any impairment in value of the Circle Square Retail Park. The Directors are of opinion that the carrying amount of Circle Square Retail Park at June 30, 2019 was lower than the potential transaction price and hence no indication of impairment was noted.

(v) The industrial building was valued by Gexim Real Estate Ltd on June 30, 2019, based on capitalisation of net operating income. The rentals were calculated on a fully let basis. The net operating income has been capitalised at yield of 12% (2018: 15%) representing the default risk of the current tenant, option to redevelop the property and time to replace the current tenant.

(vi) Lots in harbour front building were valued by the Directors on June 30, 2019, based on capitalisation of net operating income. The rentals were calculated on a fully let basis, allowing for a long term vacancy provision. The net operating income has then been capitalised at yields representing different characteristics of the office, including their location, age and tenant mix. Yields range from 9% to 10%.

(vii) Commercial buildings comprise of lots at Azuri and boatyard and sports facilities. The land pertaining to the lots were valued by Gexim Real Estate Ltd, an independent professionally qualified valuer on December 26, 2017 using direct market comparison approach. The building was valued using the depreciated replacement costs. As at June 30, 2019, the independent professionally qualified valuer has confirmed that there has not been any change in value. The "Boat'' yard and sports facilities were valued by Directors as at June 30, 2019, based on depreciated replacement cost. The Directors are of the opinion that the carrying amount of the boat yard and sports facilities approximate its fair value as at June 30, 2019.

(viii) Bare lands at Azuri, Haute Rive have been fair valued on July 26, 2019 by Gexim Real Estate Ltd, an independent professionally qualified valuer. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties.

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

(x) Investment properties include reclasssification adjustments relating to bare land situated at Azuri, which was previously classified under non current land development costs. This reclassification has been made further to a review of the nature and classification of non current assets for the Group and the Company. Further details are provided in note 35.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

6. INVESTMENT PROPERTIES (CONT'D)

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
	Rs.	Rs.	Rs.	Rs.
Continuing and discontinued operations				
Rental income	56,927,075	27,733,829	9,548,160	7,856,017
Direct operating expenses arising from investment properties that generate rental income	8,165,187	3,836,886	84,005	198,000
Direct operating expenses arising from investment properties that do not generate rental income	-	618,220	-	334,078

7. INTANGIBLE ASSETS

		Goodwill	Leasehold rights	Computer software	Total
(a) THE GROUP		Rs.	Rs.	Rs.	Rs.
2019					
COST					
At July 1 2018		232,831,304	61,568,451	13,957,823	308,357,578
Additions		-	-	1,147,700	1,147,700
Disposal		-	-	(742,400)	(742,400)
Impairment charges		(51,235,990)	-	-	(51,235,990)
At June 30, 2019		181,595,314	61,568,451	14,363,123	257,526,888
AMORTISATION					
At July 1, 2018		181,595,314	7,608,053	12,150,669	201,354,036
Charge for the year		-	1,231,368	1,412,546	2,643,914
Disposal adjustment		-	-	(522,576)	(522,576)
At June 30, 2019		181,595,314	8,839,421	13,040,639	203,475,374
NET BOOK VALUE					
At June 30, 2019	Rs.	-	52,729,030	1,322,484	54,051,514
2018					
COST					
At January 1, 2018		267,205,352	61,568,451	14,211,943	342,985,746
Disposal		-	-	(254,120)	(254,120)
Transfer to non-current assets classified as held for sale (note 11)		(2,587,874)	-	-	(2,587,874)
Impairment charges		(31,786,174)	-	-	(31,786,174)
At June 30, 2018		232,831,304	61,568,451	13,957,823	308,357,578
AMORTISATION					
At January 1, 2018		181,595,314	6,992,368	11,101,096	199,688,778
Charge for the period		-	615,685	1,287,810	1,903,495
Disposal adjustment		-	-	(238,237)	(238,237)
At June 30, 2018		181,595,314	7,608,053	12,150,669	201,354,036
NET BOOK VALUE					
At June 30, 2018	Rs.	51,235,990	53,960,398	1,807,154	107,003,542

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

7. INTANGIBLE ASSETS (CONT'D)

		Goodwill	Computer software	Total
(b)	**THE COMPANY**	Rs.	Rs.	Rs.
	COST			
	At July 1, 2018	191,207,664	2,057,895	193,265,559
	Disposal	-	(607,400)	(607,400)
	Impairment charges	(11,463,814)	-	(11,463,814)
	At June 30, 2019	179,743,850	1,450,495	181,194,345
	AMORTISATION			
	At July 1, 2018	179,743,850	1,811,135	181,554,985
	Charge for the period	-	83,855	83,855
	Disposal adjustment	-	(469,138)	(469,138)
	At June 30, 2019	179,743,850	1,425,852	181,169,702
	NET BOOK VALUE			
	At June 30, 2019	-	24,643	24,643
	COST			
	At January 1, 2018	196,480,968	2,312,015	198,792,983
	Disposal	-	(254,120)	(254,120)
	Impairment charges	(5,273,304)	-	(5,273,304)
	At June 30, 2018	191,207,664	2,057,895	193,265,559
	AMORTISATION			
	At January 1, 2018	179,743,850	1,899,437	181,643,287
	Charge for the period	-	149,935	149,935
	Disposal adjustment	-	(238,237)	(238,237)
	At June 30, 2018	179,743,850	1,811,135	181,554,985
	NET BOOK VALUE			
	At June 30, 2018 Rs.	11,463,814	246,760	11,710,574

(c) The goodwill for the Group and Company arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd in prior years. An assessment of impairment of goodwill has been performed by management, further to which an impairment charge of Rs. 51,235,990 (Period ended June 30, 2018: Rs. 31,786,174) for the Group and Rs.11,463,814 (Period ended June 30, 2018: Rs.5,273,304) for the Company have been charged to profit or loss as at June 30, 2019

(d) Amortisation charge for the year ended June 30, 2019 of Rs.2,643,914 (Period ended June 30, 2018: Rs.1,903,495) for the Group and Rs.83,855 (Period ended June 30, 2018: Rs.149,935) for the Company has been charged in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

8. INVENTORIES

	THE GROUP		THE COMPANY	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
COST	**Rs.**	Rs.	**Rs.**	Rs.
Operating equipment	**-**	1,113,412	**-**	-
Consumables	**8,164,034**	6,685,786	**-**	-
Rs.	**8,164,034**	7,799,198	**-**	-

(a) Inventories recognised as expense during the year ended June 30, 2019 amounted to Rs. Nil (Six months ended June 30, 2018: Rs.25,600,761).

9. INVENTORY PROPERTY

	THE GROUP		THE COMPANY	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
COST	**Rs.**	Rs.	**Rs.**	Rs.
Inventory property	**156,020,287**	111,294,968	**37,891,627**	36,122,387

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

(b) The Group develops residential property which it sells in the ordinary course of business and has entered into contracts to sell these properties where control passes on to the customers as and when work progresses based on the milestones certified by the quantity surveyor. Costs incurred with respect to developing the property are capitalised in accordance with IFRS 15. Development expenditure incurred in respect of work in progress dealt with under the percentage of completion method is recognised in profit or loss in the period incurred.

At June 30, 2019, advance received from customers for development projects is Rs.Nil (June 30, 2018: Rs.120,225,515) for the Group and Rs.Nil (June 30, 2018: Rs.Nil) for the Company.

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

	THE GROUP		THE COMPANY	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
At July 1/January 1	**111,294,968**	214,469,556	**36,122,387**	36,122,387
Development costs incurred	**44,725,319**	107,824,008	**1,769,240**	-
Disposals (recognised in cost of sales)	**-**	(210,998,596)	**-**	-
Rs.	**156,020,287**	111,294,968	**37,891,627**	36,122,387

The amount recognised in cost of sales for the period in respect of sale of property under development is as follows:

	THE GROUP	
	Year ended June 30, 2019	Six months period ended June 30, 2018
	Rs.	Rs.
In respect of sales recognised on a percentage of completion basis Rs.	**-**	210,998,597

10. INVESTMENT IN SUBSIDIARIES - COST

	THE COMPANY	
	June 30, 2019	June 30, 2018
	Rs.	Rs.
At July 1/ January 1	**1,963,092,959**	2,302,477,749
Additions	**-**	117,061,756
Impairment losses (note 24)	**(131,651,113)**	(107,000,000)
Transfer to non-current assets classified as held for sales (note 11)	**-**	(342,889,068)
Transfer to trade and other receivables	**-**	(6,557,478)
At June 30 Rs.	**1,963,092,959**	1,963,092,959

The directors have performed an assessment of impairment of its investment in subsidiaries by comparing the carrying amount with the net asset values at 30 June 2019. An impairment of Rs. 131.7m was recognised as a result of this exercise.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

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

June 30, 2019 Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest Direct %	Proportion of ownership interest Indirect %	Proportion of ownership interests held by non controlling interests	Proportion of voting power held %	Place of registration and operation	Main business
Société des Primevères	Ordinary	June 30, 2018	60,000,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Oie	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de la Perruche	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Héron	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ibis	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Cocotiers	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ecureuil	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Figuiers	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Tigre	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
PL Resort Ltd	Ordinary	June 30, 2018	215,000,000	60.0	-	40.0	60.0	Mauritius	Hotel operation
Circle Square Holding Co Ltd	Ordinary	June 30, 2018	450,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management Company Ltd	Ordinary	June 30, 2018	100	100.0	-	-	100.0	Mauritius	Management and consultancy activities
Haute Rive Holdings Ltd	Ordinary	June 30, 2018	1,150,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	June 30, 2018	1	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Ocean Front Living Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	June 30, 2018	399,000,000	-	62.9	37.1	60.0	Mauritius	Hotel operations
HR Golf Holding Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Management and consultancy activities
Azuri Golf Management Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Services Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Estate Management Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Watch Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Les Hauts Champs 2 Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Life in Blue Limited	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Real estate activities
Haute Rive PDS Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Real estate activities

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

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

June 30, 2018 Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest Direct %	Proportion of ownership interest Indirect %	Proportion of ownership interests held by non controlling interests	Proportion of voting power held %	Place of registration and operation	Main business
Société des Primevères	Ordinary	June 30, 2018	60,000,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Oie	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de la Perruche	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Héron	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ibis	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Cocotiers	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ecureuil	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Figuiers	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Tigre	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Property holding
PL Resort Ltd	Ordinary	June 30, 2018	215,000,000	60.0	-	40.0	60.0	Mauritius	Hotel operation
Circle Square Holding Co Ltd	Ordinary	June 30, 2018	450,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management Company Ltd	Ordinary	June 30, 2018	100	100.0	-	-	100.0	Mauritius	Management and consultancy activities
Haute Rive Holdings Ltd	Ordinary	June 30, 2018	1,150,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	June 30, 2018	1	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Ocean Front Living Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	June 30, 2018	399,000,000	-	62.9	37.1	60.0	Mauritius	Hotel operations
HR Golf Holding Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Management and consultancy activities
Azuri Golf Management Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Services Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Estate Management Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Watch Ltd	Ordinary	June 30, 2018	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Les Hauts Champs 2 Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Life in Blue Limited	Ordinary	June 30, 2018	1,000	100.0	-	-	100.0	Mauritius	Real estate activities
Haute Rive PDS Ltd	Ordinary	June 30, 2018	1,000	-	100.0	-	100.0	Mauritius	Real estate activities

* Life in Blue Limited and Haute Rive PDS Ltd have been incorporated during the year ended June 30, 2018.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(c) Subsidiaries with non-controlling interests

Details of subsidiaries that have non-controlling interests:

	2019		2018	
Name	**Loss allocated to non-controlling interests during the year**	**Accumulated non-controlling interests at June 30,**	Loss allocated to non-controlling interests during the period	Accumulated non-controlling interests at June 30,
	Rs.	**Rs.**	Rs.	Rs.
PL Resort Ltd	**380,734**	**(4,571,390)**	(712,878)	(4,691,974)
Haute Rive Azuri Hotel Ltd	**(4,907,724)**	**(10,981,499)**	(10,173,524)	(5,089,993)
Rs.	**(4,526,990)**	**(15,552,889)**	(10,886,402)	(9,781,967)

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

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

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

June 30, 2018 Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Loss from continuing operations	Other comprehensive income for the period	Total comprehensive income for the period
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PL Resort Ltd	56,906,309	439,192,494	207,714,272	300,114,467	97,762,088	(1,782,196)	105,789	(1,676,407)
Haute Rive Azuri Hotel Ltd	68,714,322	772,321,319	664,172,501	190,582,798	122,017,366	(27,421,898)	371,306	(27,050,592)

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

(ii) Summarised cash flow information:

Name	**Operating activities**	**Investing activities**	**Financing activities**	**Net (decrease)/ increase in cash and cash equivalents**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Year ended June 30, 2019				
PL Resort Ltd	**7,489,004**	**(5,363,561)**	**(11,732,605)**	**(9,607,162)**
Haute Rive Azuri Hotel Ltd	**38,516,631**	**(18,689,914)**	**(14,569,674)**	**5,257,043**
Six months period ended June 30, 2018				
PL Resort Ltd	25,284,203	(4,283,265)	(10,318,513)	10,682,424
Haute Rive Azuri Hotel Ltd	19,313,232	(8,492,093)	(11,133,239)	(312,100)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

11. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
		Rs.	Rs.	**Rs.**	Rs.
(a) At June 30,	Rs.	**575,311,872**	583,925,520	**342,889,068**	342,889,068

(b) During the financial period ended 30 June 2018, the directors confirmed their intention to dispose of the entire shareholding in Circle Square Holding Company Ltd. On June 20, 2019, the Directors formally approved the sale of part of the investment property, the 'HomeScene' building, to a third party, for an amount of Rs.169m excluding VAT. Management is still contemplating offers obtained from potential buyers for the remaining investment properties as at the end of the reporting period. As at reporting date, the assets and liabilities of Circle Square Holding Company Ltd for the group has been classified as held for sales and investment in subsidiary for the company has been classified as held for sale. The operations of Circle Square Holding Company Ltd has been disclosed as discontinued operations in the statements of profit and loss for the group for the year ended June 30, 2019 and comparative figures for the period ended June 30, 2018 have been amended to reflect the discontinued operations.

(c) Non-current assets classified as held for sale

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
Property, plant and equipment	**4,480,428**	8,162,899	**-**	-
Investment properties (note 6(iii) & (iv))	**563,908,679**	563,908,679	**-**	-
Investment in subsidiary	**-**	-	**342,889,068**	342,889,068
Intangible assets	**-**	2,587,874	**-**	-
Cash and cash equivalents	**2,986,029**	3,676,403	**-**	-
Trade and other receivables	**3,936,736**	5,589,665	**-**	51,750
	575,311,872	583,925,520	**342,889,068**	342,940,818

(d) Liabilities directly associated with non-current assets classifed as held for sale

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
Trade and other payables	**123,781,717**	5,462,637	**134,686,135**	6,501,307
Borrowings	**288,853,890**	288,853,890	**-**	-
Deferred tax liabilities	**13,212,862**	12,529,097	**-**	-
	425,848,469	306,845,624	**134,686,135**	6,501,307

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Revenue	**31,524,484**	17,426,755	**-**	-
Other income	**4,042,455**	250,000	**-**	-
Fair value adjustment	**(1,583,051)**	-	**-**	-
Administrative and other operating expenses	**(18,336,293)**	(11,292,346)	**-**	-
Goodwill written off	**(2,587,874)**	-	**-**	-
Finance costs	**(17,592,265)**	(8,994,783)	**-**	-
Loss before tax of discontinued operations	**(4,532,544)**	(2,610,374)	**-**	-
Income tax charge	**(683,765)**	(12,317,617)		-
Loss after tax of discontinued operations	**(5,216,309)**	(14,927,991)	**-**	-

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
(f) Operating cash flows	**(690,375)**	18,230,683	**-**	-
Investing cash flows	**-**	-	**-**	-
Financing cash flows	**-**	(17,171,636)	**-**	-
	(690,375)	1,059,047	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**116,574,793**	127,593,674	**6,729,169**	14,662,365
Less provision for impairment	**(9,474,264)**	(17,337,419)	**(6,614,818)**	(9,371,052)
Net trade receivables	**107,100,529**	110,256,255	**114,351**	5,291,313
Receivables from related parties, net of impairment (note 34)	**-**	470,858	**-**	346,952,539
Other receivables, net of impairment	**-**	17,481,104	**-**	12,137,818
Prepayments	**-**	11,568,265	**-**	967,124
	107,100,529	139,776,482	**114,351**	365,348,794

(i) *Impairment of Trade receivables*

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

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

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at June 30, 2019 and July 1, 2018, (on adoption of IFRS 9) was determined as follows for trade receivables.

GROUP

At June 30, 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate (%)	0.04 - 3.4	0.07 - 4.42	0.13 - 6.94	100	%
Gross carrying amount - trade receivable	38,459,023	26,921,326	16,149,583	35,044,861	116,574,793
Loss allowance	(28,168)	(80,123)	(81,624)	9,664,179	9,474,264

At July 1, 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate (%)	0.04 - 3.4	0.07 - 4.42	0.13 - 6.94	100	%
Gross carrying amount - trade receivable	31,284,971	30,223,129	24,160,087	41,925,487	127,593,674
Loss allowance	228,192	145,750	196,643	16,766,834	17,337,419

COMPANY

At June 30, 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate (%)	0.04 - 3.4	0.07 - 4.42	0.13 - 6.94	100	%
Gross carrying amount - trade receivable	78,815	43,750	(73,300)	6,679,904	6,729,169
Loss allowance	3,321	4,893	-	6,606,604	6,614,818

At July 1, 2018	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Expected loss rate (%)	0.04 - 3.4	0.07 - 4.42	0.13 - 6.94	100	%
Gross carrying amount - trade receivable	2,877,727	1,225,151	1,147,453	9,412,034	14,662,365
Loss allowance	194,248	133,173	170,336	8,873,295	9,371,052

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) *Impairment of Trade receivables (cont'd)*

The closing loss allowances for trade receivables as at June 30, 2019 reconcile to the opening loss allowances as follows:

	Trade receivables			
	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
At June 30 (IAS 39)	**17,337,419**	13,897,938	**9,371,052**	6,804,693
Amounts restated through opening retained earnings	**439,592**	-	**556,314**	-
Loss allowance as at July 1, 2018 (IFRS 9)	**17,777,011**	13,897,938	**9,927,366**	6,804,693
Loss allowance recognised in profit or loss during the year	**3,455,185**	3,439,481	**8,445,384**	2,566,359
Receivables written off during the year as uncollectible	**(11,757,932)**	-	**(11,757,932)**	-
At June 30, 2019	**9,474,264**	17,337,419	**6,614,818**	9,371,052

In 2018, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
MUR	**58,123,263**	94,974,434	**467,628,198**	365,348,794
USD	**14,978,088**	11,753,821	**-**	-
GBP	**51,226,481**	3,759,054	**-**	-
EUR	**15,510,540**	29,289,173	**-**	-
Rs.	**139,838,372**	139,776,482	**467,628,198**	365,348,794

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

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

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

(v) In 2018, trade receivables were recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables was established when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of receivables.

12A. FINANCIAL ASSETS AT AMORTISED COST

		THE GROUP	THE COMPANY
		2019	**2019**
		Rs.	**Rs.**
(a)	Receivable from related parties	**-**	**490,953,835**
	Other receivables	**33,848,565**	**7,118,166**
	Less: Loss allowance	**(1,110,720)**	**(20,864,433)**
		32,737,845	**477,207,568**

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

12A. FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(b) Impairment and risk exposure

(i) The loss allowance for financial assets at amortised cost as at June 30, 2018 reconciles to the opening loss allowance on July 1, 2018 and to the closing loss allowance as at June 30, 2019 as follows:

	THE GROUP	THE COMPANY		
	Other receivables	Related parties	Other receivables	Total
	Rs.	Rs.	Rs.	Rs.
Loss allowance at 30 June 2018 (IAS 39)	1,110,720	35,464,947	1,110,720	36,575,667
Amounts restated through opening retained earnings	-	20,479,987	-	20,479,987
Loss allowance at 1 July 2018 (IFRS 9)	1,110,720	55,944,934	1,110,720	57,055,654
Reversal of provisions for impairment	-	(27,733,950)	-	(27,733,950)
Allowance recognised in profit or loss during the year	-	(8,457,271)	-	(8,457,271)
Loss allowance at 30 June 2019	1,110,720	19,753,713	1,110,720	20,864,433

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

(c) The financial assets at amortised cost were accounted for as receivables in 2018.

13. RETIREMENT BENEFIT OBLIGATIONS

		THE GROUP		THE COMPANY	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Amounts recognised in the statements of financial position					
Other post employment benefits	Rs.	14,520,477	6,287,388	3,473,669	1,354,133
Analysed as follows:					
Non-current liabilities	Rs.	14,520,477	6,287,388	3,473,669	1,354,133

		THE GROUP		THE COMPANY	
		Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
		Rs.	Rs.	Rs.	Rs.
Amount charged to profit or loss:					
Other post employment benefits	Rs.	2,342,019	1,192,010	617,252	330,534
Amount charged/(credited) to other comprehensive income:					
Other post employment benefits	Rs.	5,891,070	(846,098)	1,502,283	(122,836)

(a) Other post employment benefits

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

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

The assets of the plan are part of the IBL Pension Fund which are held independently and administered by Pension Consultants and Administrators Ltd.

The most recent actuarial valuation of the plan assets and the present value of the other post retirement benefits were carried out at June 30, 2019 by Anglo Mauritius (Actuarial Valuer).

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Other post employment benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Present value of unfunded obligations	14,520,477	6,287,388	3,473,669	1,354,133
Liability in the statements in financial position	14,520,477	6,287,388	3,473,669	1,354,133

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
At July 1/January 1,	6,287,388	5,941,476	1,354,133	1,146,435
Charged to profit or loss	2,342,019	1,192,010	617,252	330,534
Charged/(credited) to other comprehensive income	5,891,070	(846,098)	1,502,284	(122,836)
At June 30,	14,520,477	6,287,388	3,473,669	1,354,133

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
At July 1/January 1,	6,287,388	5,941,476	1,354,133	1,146,435
Current service cost	2,129,985	1,043,473	572,566	301,873
Interest expense	212,034	148,537	44,686	28,661
Remeasurements:				
Actuarial losses/(gains) arising from experience adjustment	5,891,070	(846,098)	1,502,284	(122,836)
At June 30,	14,520,477	6,287,388	3,473,669	1,354,133

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
	Rs.	Rs.	Rs.	Rs.
Current service cost	2,129,985	1,043,473	572,566	301,873
Net interest cost	212,034	148,537	44,686	28,661
Total included in employee benefit expense (note 23)	2,342,019	1,192,010	617,252	330,534

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Experience (gains)/losses on liabilities	(1,229,635)	2,513,578	(605,009)	923,712
Changes in assumptions underlying the present value of the scheme	7,120,705	(3,359,676)	2,107,292	(1,046,548)
	5,891,070	(846,098)	1,502,283	(122,836)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Other post employment benefits (cont'd)

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
At January 1,	571,810	1,417,908	(1,597,460)	(1,474,624)
Actuarial losses/(gains) recognised for the year/ period	5,891,070	(846,098)	1,502,283	(122,836)
At June 30	6,462,880	571,810	(95,177)	(1,597,460)

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

	THE GROUP AND THE COMPANY	
	2019	2018
	%	%
Discount rate	5.8 - 6.0	6.6-6.8
Future long-term salary increase	5.00	3.00
Future expected pension increase	0.00	0.00

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

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

		THE GROUP		THE COMPANY	
June 30, 2018		Increase	Decrease	Increase	Decrease
		Rs.	Rs.	Rs.	Rs.
Discount rate (1% increase)	Rs.	-	1,414,029	-	506,630
Discount rate (1% decrease)	Rs.	1,612,800	-	618,407	-
Future long term salary assumption (1% increase)	Rs.	1,827,271	-	635,343	-
Future long term salary assumption (1% decrease)	Rs.	1,472,113	-	527,131	-

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

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

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

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

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

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

(xi) The weighted average duration of the obligation is 16-26 years at the end of the reporting period (June 30, 2018: 17-23 years).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

14. STATED CAPITAL

	THE GROUP AND THE COMPANY			
	2019	2018	2019	2018
Issued and fully paid ordinary shares at no par value	Number of shares		Rs.	Rs.
At July 1/January 1	654,942,099	425,342,317	3,472,320,310	3,027,298,338
Right issue, net of transaction costs	-	229,599,782	-	445,021,972
At June 30	654,942,099	654,942,099	3,472,320,310	3,472,320,310

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

15. BORROWINGS

		THE GROUP		THE COMPANY	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Non-current					
Bank and other loans (notes 15(b)&15(g))		604,388,279	620,384,116	-	-
Finance lease liabilities (notes 15(b)& 15(f))		2,198,521	3,014,315	214,647	293,216
		606,586,800	623,398,431	214,647	293,216
Current					
Bank overdrafts		307,874,323	317,160,317	198,025,080	206,095,807
Bank and other loans (notes 15(b)&15(g))		193,297,331	257,119,424	-	-
Short term loans		10,227,500	1,993,500	-	-
Loans with related parties (note 15(g)&34)		209,225,268	89,225,269	170,000,000	50,000,000
Finance lease liabilities (notes 15(b)&15(f))		864,705	968,328	78,542	74,009
		721,489,127	666,466,838	368,103,622	256,169,816
Total	Rs.	1,328,075,927	1,289,865,269	368,318,269	256,463,032

(a) As at June 30, 2018, one of the subsidiaries of the Group was in breach of certain banking covenants and as such, bank loans amounting to Rs.186m for the Group were classified as current borrowings. Whilst such breaches technically gave the right to the Group's lenders to accelerate repayment before scheduled maturity, no such acceleration has taken place as of the date of authorisation of the financial statements.

(b) The borrowings as at June 30, 2019 include secured liabilities (leases, bank overdraft and bank loans) amounting to Rs.1,108,623,159 (June 30, 2018: Rs.1,198,646,500) for the Group and Rs. 198,318,269 (June 30, 2018: Rs.206,463,032) for the Company. The bank borrowings are secured by fixed and floating charges over the property, plant and equipment, inventories and part of the investment properties of the Group and its related parties. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

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

		THE GROUP		THE COMPANY	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
MUR		1,317,848,425	1,274,722,962	368,318,269	256,463,032
EUR		10,227,502	15,142,307	-	-
	Rs.	1,328,075,927	1,289,865,269	368,318,269	256,463,032

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

		THE GROUP		THE COMPANY	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
- after one year and before two years		101,851,077	119,581,997	82,235	78,183
- after two years and before five years		286,561,437	206,820,636	132,412	215,033
- after five years		218,174,286	296,995,798	-	-
	Rs.	606,586,800	623,398,431	214,647	293,216

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

15. BORROWINGS (CONT'D)

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
- After one year and before two years				
- Bank and other loans	100,963,995	118,766,589	-	-
- Finance lease liabilities	887,083	815,408	82,236	78,183
	101,851,078	119,581,997	82,236	78,183
- After two years and before five years				
- Bank loans and other loans	285,250,000	204,693,241	-	-
- Finance lease liabilities	1,311,438	2,127,395	132,411	215,033
	286,561,438	206,820,636	132,411	215,033
- After five years				
- Bank and other loans	218,174,284	296,924,286	-	-
- Finance lease liabilities	-	71,512	-	-
	218,174,284	296,995,798	-	-
Rs.	606,586,800	623,398,431	214,647	293,216

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

THE GROUP		Six months or less	6 -12 months	1 - 5 years	Over 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At June 30, 2019						
Total borrowings	Rs.	517,099,591	193,297,331	386,213,993	218,174,286	1,314,785,201
At June 30, 2018						
Total borrowings	Rs.	406,385,586	257,119,424	323,459,830	296,924,286	1,283,889,126

THE COMPANY		Six months or less	6 -12 months	1 - 5 years	Over 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At June 30, 2019						
Total borrowings	Rs.	198,025,080	170,000,000	-	-	368,025,080
At June 30, 2018						
Total borrowings	Rs.	206,095,807	50,000,000	-	-	256,095,807

(f) Finance lease liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Not later than one year	1,106,296	1,285,122	92,373	92,373
Later than one year not later than 2 years	1,039,513	1,039,513	92,373	92,373
Later than 2 years not later than 5 years	1,390,814	2,357,483	138,265	230,667
Later than 5 years	-	72,874	-	-
	3,536,623	4,754,992	323,011	415,413
Future finance charges on finance leases	(473,397)	(772,349)	(29,822)	(48,188)
Present value of finance lease liabilities Rs.	3,063,226	3,982,643	293,189	367,225

(f) Finance lease liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
The present value of finance lease liabilities may be analysed as follows:				
Not later than one year	864,705	968,328	78,542	74,009
Later than one year not later than 2 years	887,083	815,408	82,236	78,183
Later than 2 years not later than 5 years	1,311,438	2,127,395	132,411	215,033
Later than 5 years	-	71,512	-	-
Rs.	3,063,226	3,982,643	293,189	367,225

(g) Loans with related parties are unsecured, interest bearing and repayable at call.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

15. BORROWINGS (CONT'D)

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

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
Bank overdrafts	5.75% - 7.35%	5.75% - 6.05%	5.75%-6.05%	5.75%-6.05%
Finance lease liabilities	5.5% - 9.25%	2.9% - 9.25%	5.5%	5.5%
Short term loans	-	-	-	-
Loan from related parties	8.20% - 10.75%	8.20% - 11.25%	8.20%	8.20%
Bank and other loans	5.75% - 7.85%	5.75% - 7.80%	N/A	N/A

16. DEFERRED INCOME TAXES

(a) Deferred tax assets on tax losses carried forward are recognised only to the extent that realisation of the related tax benefit is probable. The recoverability of tax losses is limited to a period of five years from the relevant year of assessment except for losses attributable to annual allowances claimed in respect of capital expenditure.

(b) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Deferred tax assets	(26,262,673)	(41,880,125)	(1,124,999)	(543,211)
Deferred tax liabilities	-	-	-	-
Net deferred tax assets	(26,262,673)	(41,880,125)	(1,124,999)	(543,211)

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
	Rs.	Rs.	Rs.	Rs.
At July 1/January 1,	(41,880,125)	(35,126,373)	(543,211)	3,590,039
Charged/(credited) to profit or loss (note 25)	17,302,699	5,631,509	(326,401)	(4,154,132)
(Credited)/charged to equity	(1,001,482)	143,836	(255,387)	20,882
Transfer to non-current assets classified as held for sale (note 11)	(683,765)	(12,529,097)	-	-
At June 30,	(26,262,673)	(41,880,125)	(1,124,999)	(543,211)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

16. DEFERRED INCOME TAXES (CONT'D)

(d) At June 30, 2019, the Group had unused tax losses of Rs. 1,041,007,541 (June 30, 2018: Rs. 1,049,046,610) and the Company had unused tax losses of Rs. 333,967,650 (June 30, 2018: Rs.285,654,478), available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses for the Group and the Company as at June 30, 2019 due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

(e) The movement in deferred tax assets and liablities during the year, without taking into consideration of the offsetting of balances within the same fiscal authority on the same entity is as follows:

(i) **THE GROUP**

	At July 1, 2018	(Credited)/ charged to to profit or loss	(Credited)/ charged to equity	Transfer to asset Non-current assets held for sale	At June 30, 2019
	Rs.	Rs.	Rs.	Rs.	Rs.
Deferred tax assets					
Retirement benefit obligations	(1,068,859)	(398,143)	(1,001,482)	-	(2,468,484)
Tax losses	(34,061,499)	21,532,398	-	(683,765)	(13,212,866)
Accelerated tax depreciation	(6,749,767)	(3,831,556)	-	-	(10,581,323)
	(41,880,125)	17,302,699	(1,001,482)	(683,765)	(26,262,673)

	At January 1, 2018	(Credited)/ charged to to profit or loss	Charged to equity	Transfer to asset Non-current assets held for sale	At June 30, 2018
	Rs.	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities					
Change in fair value of investment properties	3,997,819	(3,997,819)	-	-	-
	3,997,819	(3,997,819)	-	-	-
Deferred tax assets					
Retirement benefit obligations	(1,010,054)	(202,641)	143,836	-	(1,068,859)
Tax losses	(32,705,871)	11,173,469	-	(12,529,097)	(34,061,499)
Accelerated tax depreciation	(5,408,267)	(1,341,500)	-	-	(6,749,767)
	(39,124,192)	9,629,328	143,836	(12,529,097)	(41,880,125)
Rs.	(35,126,373)	5,631,509	143,836	(12,529,097)	(41,880,125)

(e)(ii) **THE COMPANY**

	At July 1, 2018	Credited to profit or loss	Credited to equity	At June 30, 2019
	Rs.	Rs.	Rs.	Rs.
Deferred tax assets				
Accelerated tax depreciation	(313,006)	(326,401)	-	(639,407)
Retirement benefit obligations	(230,205)	-	(255,387)	(485,592)
Rs.	(543,211)	(326,401)	(255,387)	(1,124,999)

	At January 1, 2018	Credited to profit or loss	Charged to equity	At June 30, 2018
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Change in fair value of investment properties	3,997,819	(3,997,819)	-	-
Deferred tax assets				
Accelerated tax depreciation	(212,884)	(100,122)	-	(313,006)
Retirement benefit obligations	(194,896)	(56,191)	20,882	(230,205)
	(407,780)	(156,313)	20,882	(543,211)
Rs.	3,590,039	(4,154,132)	20,882	(543,211)

17. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Trade payables	41,739,176	49,751,123	6,744,969	6,608,791
Amount due to related parties (note 34)	57,829,725	47,511,847	30,094,063	40,598,896
Deposit from tenants	321,600	1,932,472	45,000	1,715,872
Accruals	51,273,942	123,305,319	4,163,062	12,621,285
Other payables	39,838,742	42,505,869	684,504	5,492,383
	191,003,185	265,006,630	41,731,598	67,037,227

The carrying amounts of trade and other payables approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

18. REVENUE

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
(a)	Rs.	Rs.	Rs.	Rs.
Revenue from the sale of goods	199,119,350	73,231,085	-	-
Revenue from the rendering of services	348,362,067	147,525,604	-	-
Proceeds from sale of inventory property	-	385,304,788	-	-
Management fee income	3,846,384	2,015,384	-	-
Rental income	55,999,764	27,199,669	9,548,160	7,856,017
Proceeds from disposal of investment properties	-	58,848,000	-	-
	607,327,565	694,124,530	9,548,160	7,856,017
Disclosed as follows:				
-Continuing operations	575,803,081	676,697,775	9,548,160	7,856,017
-Discontinued operations (note 11)	31,524,484	17,426,755	-	-
	607,327,565	694,124,530	9,548,160	7,856,017

(b) Disaggregation of revenue from contracts with customers

	Land Development	Yielding Property	Hotel	Service	Total
	Rs	Rs	Rs	Rs	Rs
2019					
Segment revenue	-	33,598,860	515,938,424	45,015,216	594,552,500
Inter-segment revenue	-	(9,504,000)	(5,927,172)	(3,318,247)	(18,749,419)
Revenue from contracts with external customers	-	24,094,860	510,011,252	41,696,969	575,803,081
Timing of revenue recognition					
At a point in time	-	-	510,011,252	-	510,011,252
Over time	-	24,094,860	-	41,696,969	65,791,829
	-	24,094,860	510,011,252	41,696,969	575,803,081

(c) The Group derives revenue from operations in Mauritius.

19. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended June 30, 2019	Six months period ended June 30, 2018
	Rs.	Rs.	Rs.	Rs.
Depreciation	36,217,127	21,983,498	1,158,593	652,028
Amortisation	2,643,914	1,903,495	83,854	149,935
Bad debts written off	11,757,932	-	13,041,744	-
Assets written off	419,420	352,010	-	15,833
Provision for impairment of receivables	3,455,185	7,906,915	719,109	11,402,355
Employee benefit expense (note 23(a))	124,077,886	106,421,411	51,664,131	32,334,685
Advertising costs	17,630,724	2,091,698	486,730	88,632
Business administration and professional fees	31,561,067	23,017,701	17,320,185	14,509,516
Security expenses	1,054,245	2,053,360	-	-
Syndic levies and snagging costs	8,657,368	8,064,562	827,020	485,393
Recharge of utilities	46,960,477	17,369,514	-	-
Cost of investment properties disposed of	109,900	62,000,000	-	-
Repairs and maintenance	41,260,146	38,233,565	307,899	516,258
Changes in inventories of finished goods	364,836	(3,183,151)	-	-
Consumables and operating equipment	66,185,978	28,783,912	-	-
Cost of sales	150,770,794	315,119,766	-	-
Rental expense paid to villas owners	11,312,144	9,382,986	-	-
Management Fees	25,676,173	-	-	-
IT Expenses	5,905,969	-	64,789	-
Other expenses	56,963,621	59,340,981	2,993,828	1,421,465
Total cost of sales, selling and marketing, administrative and other operating expenses	642,984,906	700,842,223	88,667,882	61,576,100
Disclosed as follows:				
-Continuing operations	624,648,613	689,549,877	88,667,882	61,576,100
-Discontinued operations (note 11)	18,336,293	11,292,346	-	-
	642,984,906	700,842,223	88,667,882	61,576,100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

20. OTHER INCOME

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Accounting fees	**180,000**	55,666	**3,360,000**	1,575,666
Syndicates fee income	**139,687**	385,201	**-**	-
Interest income	**1,279,735**	28,427	**9,541,454**	4,437,119
Profit/(loss) on sale of property, plant and equipment	**81,313**	-	**(177,125)**	-
Amount written back	**9,100,000**	-	**9,100,000**	-
Recoveries from tenants	**4,713,514**	4,210,483	**-**	-
Share of profit from societies	**-**	-	**10,891,864**	58,128,474
Miscellaneous other income	**7,940,435**	3,024,260	**5,636,822**	13,237,005
	23,434,684	7,704,037	**38,353,015**	77,378,264
Disclosed as follows:				
-Continuing operations	**19,392,229**	7,454,037	**38,353,015**	77,378,264
-Discontinued operations (note 11)	**4,042,455**	250,000	**-**	-
	23,434,684	7,704,037	**38,353,015**	77,378,264

21. FINANCE COSTS

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
Interest expense:	**Rs.**	Rs.	**Rs.**	Rs.
- Bank overdrafts	**19,453,620**	11,546,828	**11,860,496**	7,051,350
- Bank and other loans	**71,647,329**	39,051,769	**-**	-
- Short term loans	**7,481,256**	3,054,100	**7,481,256**	3,054,100
- Loan from related parties	**3,666,766**	2,887,872	**-**	2,887,872
- Finance leases	**294,630**	184,703	**18,354**	9,416
	102,543,601	56,725,272	**19,360,106**	13,002,738
Net foreign exchange financing gains on financing activities	**-**	(666)	**-**	(666)
	102,543,601	56,724,606	**19,360,106**	13,002,072
Disclosed as follows:				
-Continuing operations	**84,951,336**	47,729,823	**19,360,106**	13,002,072
-Discontinued operations (note 11)	**17,592,265**	8,994,783	**-**	-
	102,543,601	56,724,606	**19,360,106**	13,002,072

22. NET FOREIGN EXCHANGE GAINS/(LOSSES)

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
The exchange differences credited/(charged)	**Rs.**	Rs.	**Rs.**	Rs.
to the profit or loss included as follows:				
Other gains and losses - net (note 26)	**(3,553,072)**	3,203,198	**-**	(10,791)
Finance costs (note 21)	**-**	(666)	**-**	(666)
	(3,553,072)	3,202,532	**-**	(11,457)
Disclosed as follows:				
-Continuing operations	**(3,553,072)**	3,202,532	**-**	(11,457)

23. LOSS BEFORE TAXATION

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Loss before taxation is arrived at after charging:				
Depreciation of property, plant and equipment				
- owned assets	**35,227,383**	21,089,220	**1,003,593**	574,528
- leased assets under finance lease	**989,744**	894,278	**155,000**	77,500
Amortisation of intangible assets	**2,643,914**	1,903,495	**83,855**	149,935
Impairment charges	**51,235,990**	31,786,174	**143,114,927**	112,273,304
Write offs:				
- Non-current receivables written off	**-**	320,000	**-**	-
- Bad debts written off	**11,757,932**	-	**13,041,744**	-
Employee benefit expense (note 23(a))	**126,419,906**	106,421,411	**51,664,131**	32,334,685

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

23. LOSS BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
(a) **Employee benefit expense**	**Rs.**	Rs.	**Rs.**	Rs.
Wages and salaries, including termination benefits	**115,490,357**	98,970,085	**46,662,218**	29,593,892
Social security costs	**3,682,158**	4,319,447	**-**	470,390
Pension costs - defined contribution plans	**4,905,372**	1,939,869	**4,384,661**	1,939,869
Other post-retirement benefits (note 13)	**2,342,019**	1,192,010	**617,252**	330,534
	126,419,906	106,421,411	**51,664,131**	32,334,685
Disclosed as follows:				
-Continuing operations	**126,419,906**	106,421,411	**51,664,131**	32,334,685

24. IMPAIRMENT CHARGES

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
Impairment charges on:	**Rs.**	Rs.	**Rs.**	Rs.
Investment in subsidiaries (note 10)	**-**	-	**131,651,113**	107,000,000
Impairment of intangible assets	**51,235,990**	31,786,174	**11,463,814**	5,273,304
	51,235,990	31,786,174	**143,114,927**	112,273,304
Disclosed as follows:				
-Continuing operations	**51,235,990**	31,786,174	**143,114,927**	112,273,304

25. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
(a) Statements of financial position	**Rs.**	Rs.	**Rs.**	Rs.
At July 1/January 1,	**5,699,324**	9,054,353	**-**	-
Tax paid	**(4,118,537)**	(9,054,345)	**-**	-
Overprovision from prior year	**(1,580,787)**	-	**-**	-
Current tax on the adjusted result for the year at 17% (2018: 17%)	**-**	5,699,316	**-**	-
At June 30,	**-**	5,699,324	**-**	-
Classified as:				
Current tax liabilities	**-**	5,699,324	**-**	-
	-	5,699,324	**-**	-

(b) Statements of profit or loss

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Current tax on the adjusted result for the year at 17% (2018: 17%)	**(1,580,788)**	5,699,316	**-**	-
Deferred tax (note 16(c))	**17,302,699**	5,631,509	**(326,401)**	(4,154,132)
Income tax charge/(credit)	**15,721,911**	11,330,825	**(326,401)**	(4,154,132)
Disclosed as follows:				
-Continuing operations	**15,038,146**	(986,792)	**(326,401)**	(4,154,132)
-Discontinued operations (note 11)	**683,765**	12,317,617	**-**	-
	15,721,911	11,330,825	**(326,401)**	(4,154,132)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

25. INCOME TAX EXPENSE (CONT'D)

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

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Loss before taxation from continuing activities	**(168,826,689)**	(119,531,273)	**(193,709,088)**	(144,838,746)
Loss before taxation from discontinued activities	**(4,532,544)**	(2,610,374)	**-**	-
	(173,359,233)	(122,141,647)	**(193,709,088)**	(144,838,746)
Tax calculated at the rate of 17% (2018: 17%)	**(29,471,070)**	(20,764,080)	**(32,930,545)**	(24,622,587)
Expenses not deductible for tax purposes	**15,121,378**	4,422,667	**24,075,466**	21,303,282
Income not subject to tax	**(9,586,184)**	(1,171,979)	**(2,259,945)**	(10,099,603)
Deferred tax not recognised	**17,580,358**	22,605,405	**12,409,174**	5,899,590
Other adjustments	**(267,428)**	(406,798)	**-**	17,176
Underprovision	**(1,580,788)**	-	**-**	
Derecognition of previously recognised tax losses	**16,858,978**	-	**-**	-
Deferred tax not recognised on fair value of investment properties	**541,630**	3,490,845	**(1,620,551)**	3,348,010
Tax losses lapsed	**6,525,037**	-	**-**	-
Consolidation adjustments	**-**	3,154,765	**-**	-
Income tax charge/(credit)	**15,721,911**	11,330,825	**(326,401)**	(4,154,132)
Disclosed as follows:				
-Continuing operations	**15,038,146**	(986,792)	**(326,401)**	(4,154,132)
-Discontinued operations	**683,765**	12,317,617	**-**	-
	15,721,911	11,330,825	**(326,401)**	(4,154,132)

26. OTHER GAINS AND LOSSES - NET

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Net foreign exchange (losses)/gains - net	**(3,553,072)**	3,203,198	**-**	(10,791)
Disclosed as follows:				
-Continuing operations	**(3,553,072)**	3,203,198	**-**	(10,791)

27. OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Actuarial reserves				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations	**(5,891,070)**	846,098	**(1,502,283)**	122,836
Deferred tax relating to remeasurement of defined benefit obligations	**1,001,482**	(143,836)	**255,387**	(20,882)
	(4,889,588)	702,262	**(1,246,896)**	101,954

Actuarial reserves

The actuarial reserves represent the cumulative remeasurement of defined benefit obligation recognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

28. LOSS PER SHARE

		THE GROUP		THE COMPANY	
		Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
From continuing operations					
Basic loss per share					
Loss attributable to equity holders of the Company from continuing operations and discontinued operations	Rs.	**(184,554,154)**	(122,586,070)	**(193,382,687)**	(140,684,614)
Loss attributable to equity holders of the Company from continuing operations	Rs.	**(179,337,845)**	(107,658,079)	**(193,382,687)**	(140,684,614)
average number/weighted average number of ordinary share in issue		**654,942,099**	586,748,884	**654,942,099**	586,748,884
Basic loss per share from:					
Continuing and discontinued operations	Rs.	**(0.282)**	(0.209)	**(0.295)**	(0.240)
Continuing operations	Rs.	**(0.274)**	(0.183)	**(0.295)**	(0.240)

29. NOTES TO THE STATEMENTS OF CASH FLOWS

		Notes	THE GROUP		THE COMPANY	
			Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
(a)	**Cash generated from operations**		**Rs.**	Rs.	**Rs.**	Rs.
	Loss before taxation from continuing operations		**(168,826,689)**	(119,531,273)	**(193,709,088)**	(144,838,746)
	Loss before taxation from discontinued operations	11	**(4,532,544)**	(2,610,374)	**-**	-
	Adjustments for:					
	Depreciation of property, plant and equipment	5	**39,899,596**	21,983,498	**1,158,593**	652,028
	Amortisation of intangible assets	6	**2,643,914**	1,903,495	**83,855**	149,935
	Impairment charges	24	**53,823,864**	31,786,174	**143,114,927**	112,273,304
	Straight lining adjustments		**(4,599,821)**	-	**-**	-
	Write off of non-current receivables and trade and other receivables		**-**	320,000	**-**	-
	Write off of intangible assets		**-**	15,883	**-**	15,883
	Bad debts written off		**11,757,932**	-	**13,041,744**	
	Assets written off		**419,420**	-	**-**	-
	(Profit)/loss on disposal of property, plant and equipment		**(325,089)**	52,472	**177,125**	84,480
	Loss on disposal of non-currant assets classified as held for sale		**-**	3,152,000	**-**	-
	Net decrease/(increase) in fair value of investment properties	6	**3,186,060**	37,820,409	**(9,532,652)**	43,210,760
	Provision for impairment of receivables		**3,455,185**	7,906,915	**(11,887)**	11,402,357
	Exchange losses/(gains)	12	**842,252**	(3,202,532)	**-**	10,125
	Interest income	20	**(1,279,735)**	(28,427)	**(9,541,454)**	(4,437,118)
	Interest expense	21	**102,543,601**	56,725,272	**19,360,106**	13,002,736
	Retirement benefit obligations		**2,342,019**	1,192,010	**617,252**	330,534
			41,349,965	37,485,522	**(35,241,479)**	31,856,278
	Changes in working capital:					
	- Inventories		**(45,090,156)**	109,578,710	**(1,769,240)**	-
	- Trade and other receivables		**(135,412,126)**	104,507,812	**(121,284,609)**	(159,910,610)
	- Trade and other payables		**51,109,986**	(172,000,959)	**(36,480,906)**	8,914,594
	Cash (absorbed in) /generated from operations	Rs.	**(88,042,331)**	79,571,085	**(194,776,234)**	(119,139,738)

			THE GROUP		THE COMPANY	
(b)	**Cash and cash equivalents**		**2019**	2018	**2019**	2018
			Rs.	Rs.	**Rs.**	Rs.
	Cash in hand and at bank	Rs.	**62,901,160**	140,255,691	**26,243,908**	4,685,505

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

29. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents (cont'd)

Cash and cash equivalents and bank overdrafts include the following for the purpose of the statements of cash flows.

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
Cash and cash equivalents	**62,901,160**	140,255,691	**26,243,908**	4,685,505
Cash and cash equivalents arising on non-current assets classifed as held for sale (note 11)	**2,986,029**	3,676,403	**-**	-
Bank overdrafts	**(307,874,323)**	(317,160,317)	**(198,025,080)**	(206,095,807)
Rs.	**(241,987,134)**	(173,228,223)	**(171,781,172)**	(201,410,302)

(c) Reconciliation of liabilities arising from financing activities

The Group	At July 1, 2018	Cash flows	**At June 30, 2019**
	Rs.	Rs.	**Rs.**
Borrowings	968,722,309	48,416,069	**1,017,138,378**
Lease liabilities	3,982,643	(919,417)	**3,063,226**
Total liabilities from financing activities	972,704,952	47,496,652	**1,020,201,604**

The Company	At January 1, 2018	Cash flows	**At June 30, 2019**
	Rs.	Rs.	**Rs.**
Borrowings	50,000,000	120,000,000	**170,000,000**
Lease liabilities	367,225	(74,036)	**293,189**
Total liabilities from financing activities	50,367,225	119,925,964	**170,293,189**

30. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
Investment properties	**6,041,150**	23,930,358	**-**	3,019,349
Rs.	**6,041,150**	23,930,358	**-**	3,019,349

(b) Operating lease commitments - Group as lessee

The Group has entered into operating lease commitments for some of its motor vehicles and leasehold rights on its land. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
Within one year	**2,897,802**	1,934,299	**900,000**	900,000
After one year but not more than five years	**6,102,897**	7,737,196	**300,000**	450,000
Over five years	**91,879,203**	92,846,352	**-**	-
Rs.	**100,879,902**	102,517,847	**1,200,000**	1,350,000

(c) Contingencies

At June 30, 2019, the Group had contingent liabilities in respect of bank guarantees, legal claims and other matters arising in the ordinary course of business for which it is anticipated that material liabilities would arise, as well as the below:

One of the subsidiaries of the Group, Haute Rive Ocean Front Living Ltd ("HROFL"), terminated its agreement with its building contractor for the Azuri Phase II development following breaches of the agreement by the building contractor. HROFL has a claim of Rs. 129.5m, as determined by the Project Manager, against the contractor. Out of this amount, Rs. 62m is deemed to be recoverable given that the case is based on solid grounds and the amount being guaranteed by a Bank. As of date of authorisation of the financial statements, the outcome of the case is not known.

The Group had no other contingent liabilities as at June 30, 2019 except as disclosed above.

(d) Guarantees

At June 30, 2019, the Company has provided corporate guarantee to two of its subsidiaries for an amount of Rs. 433.8m (2018: Rs.480.3m). The company, as guarantor, has the obligation to fund any shortfall in the cash flows of the subsidiary through additional capital, either in the form of equity or loan or by any other subsidiary of the main shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

31. COMMITMENTS FROM LESSEES

Operating lease commitments - Group as lessor

The Group has also entered into commercial property leases with respect to its investment property portfolio. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	Rs.	Rs.	**Rs.**	Rs.
Within one year	**47,076,473**	27,963,044	**8,179,038**	19,167,070
After one year but not more than five years	**101,875,281**	43,211,179	**16,742,032**	26,732,565
Rs.	**148,951,754**	71,174,223	**24,921,070**	45,899,635

As at June 30, 2019, the table above for the Group excluded future minumum rentals receivables from Circle Square Holdings Co Ltd as the latter has been disclosed as held for sale as at reporting date.

32. EVENTS AFTER THE REPORTING PERIOD

There are no event after the reporting period, which the Directors consider may materially affect the financial statements for the year ended June 30, 2019.

33. SEGMENTAL INFORMATION - THE GROUP

BlueLife Limited's reportable segments namely land development, property, hotel and service are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired as individual units, and the management at the time of the acquisition was retained.

The Group has four reportable segments : Land development, Yielding property, Hotel and Service.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Performance is evaluated on the basis of profit or loss from operations before tax expense. Intersegment sales and transfers are accounted for as if the sales or transfers were to third parties, that is, at current market prices.

	Land Development	**Yielding Property**	**Hotel**	**Service**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Year ended June 30, 2019					
Total segment revenues	-	33,598,860	515,938,424	45,015,216	594,552,500
Inter-segment revenues	-	(9,504,000)	(5,927,172)	(3,318,247)	(18,749,419)
Revenues from external customer	**-**	**24,094,860**	**510,011,252**	**41,696,969**	**575,803,081**
(Loss)/profit before finance costs	(163,405,699)	30,919,174	60,133,487	(11,522,315)	(83,875,353)
Finance costs	(35,045,499)	-	(49,901,919)	(3,918)	(84,951,336)
Loss before taxation	**(198,451,198)**	**30,919,174**	**10,231,568**	**(11,526,233)**	**(168,826,689)**
Income tax (charge)/credit	(18,069,253)	-	3,906,958	(875,851)	(15,038,146)
Loss from discontinued operations	-	(5,216,309)	-	-	(5,216,309)
Loss for the year	**(216,520,451)**	**25,702,865**	**14,138,526**	**(12,402,084)**	**(189,081,144)**
Interest revenue	1,117,246	-	-	-	1,117,246
Interest expense	(35,045,499)	(17,592,265)	(49,901,919)	(3,918)	(102,543,601)
Material items of income:					
Syndicates fee income	-	-	-	3,899,599	3,899,599

June 30, 2019	**Land Development**	**Yielding Property**	**Hotel**	**Service**	**Total**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Additions to non-current assets	1,322,973	11,071,050	23,245,776	97,185	35,736,984
Depreciation and amortisation	3,609,628		35,006,535	244,878	38,861,041
Segment assets	2,092,560,566	654,740,588	1,350,479,824	7,923,404	4,105,704,382
Segment liabilities	625,069,991	480,659,812	847,708,463	6,009,792	1,959,448,058

The Group's four business segments are managed and operated in Mauritius.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

33. SEGMENTAL INFORMATION - THE GROUP (CONT'D)

	Land Development	Yielding Property	Hotel	Service	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Six months period ended June 30, 2018					
Total segment revenues	388,074,095	70,169,273	219,779,454	19,582,343	697,605,165
Inter-segment revenues	(4,737,000)	-	(14,891,377)	(1,279,013)	(20,907,390)
Revenues from external customer	**383,337,095**	**70,169,273**	**204,888,077**	**18,303,330**	**676,697,775**
(Loss)/profit before finance costs	(39,771,859)	(33,016,982)	12,513,233	(11,525,842)	(71,801,450)
Finance costs	(21,358,491)	-	(26,364,468)	(6,864)	(47,729,823)
Loss before taxation	**(61,130,350)**	**(33,016,982)**	**(13,851,235)**	**(11,532,706)**	**(119,531,273)**
Income tax (charge)/credit	(1,501,536)	-	2,504,436	(16,108)	986,792
Loss from discontinued operations	-	(14,927,991)	-	-	(14,927,991)
Loss for the period	**(62,631,886)**	**(47,944,973)**	**(11,346,799)**	**(11,548,814)**	**(133,472,472)**
Interest revenue	28,427	-	-	-	28,427
Interest expense	(23,088,196)	(8,994,784)	(24,635,404)	(6,888)	(56,725,272)
Material items of income:					
Syndicates fee income	-	-	-	385,201	385,201

June 30, 2018	Land Development	Yielding Property	Hotel	Service	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Additions to non-current assets	351,927	6,584,772	12,689,312	-	19,626,011
Depreciation and amortisation	5,530,889	1,841,589	16,430,564	83,951	23,886,993
Segment assets	2,213,927,651	663,911,463	1,325,842,580	10,689,188	4,214,370,882
Segment liabilities	623,052,140	373,847,282	869,530,618	7,274,195	1,873,704,235

The Group's four business segments are managed and operated in Mauritius.

34. RELATED PARTY TRANSACTIONS

(a) **THE GROUP**

	Year ended June 30, 2019						
	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Bank overdraft	Loan from	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) **June 30, 2019**							
Main shareholders	**5,862,233**	**-**	**(7,481,256)**	**-**	**(170,000,000)**	**26,432,223**	**-**
Fellow subsidiaries	**15,805,259**	**-**	**(3,666,766)**	**-**	**(39,225,268)**	**23,707,750**	**94,458**
Directors and close family members	**4,305,575**	**-**	**-**	**-**	**-**	**5,796,250**	**-**
Joint venture of major shareholders	**2,848,968**	**-**	**-**	**-**	**-**	**1,845,457**	**-**
Associates of major shareholders	**35,168**	**-**	**(31,626,351)**	**10,193,352**	**(392,432,350)**	**48,045**	**-**

	Six months period ended June 30, 2018						
	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Bank overdraft	Loan from	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(ii) June 30, 2018							
Main shareholders	5,475,619	1,135,327	(2,887,872)	-	50,000,000	30,956,628	-
Fellow subsidiaries	6,052,681	-	(10,820,639)		35,868,038	8,765,704	470,858
Directors and close family members	-	-	-	-	-	3,684,171	-
Joint venture of major shareholders	1,311,649	11,400	-	-	-	3,153,437	-
Associates of major shareholders	-	-	(20,782,155)	17,837,785	438,934,807	951,908	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

34. RELATED PARTY TRANSACTIONS (CONT'D)

(b) **THE COMPANY**

	Year ended June 30, 2019							
	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Management fee income	Bank overdraft	Loan from	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) **June 30, 2019**								
Main shareholders	**4,039,017**	**-**	**(7,481,256)**	**-**	**-**	**(170,000,000)**	**25,025,357**	**-**
Fellow subsidiaries	**2,127,645**	**-**	**-**	**-**	**-**	**-**	**1,183,251**	**-**
Directors	**3,318,075**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Joint venture of major shareholders	**1,097,758**	**-**	**-**	**-**	**-**	**-**	**3,146,250**	**-**
Associates of major shareholders	**14,978**	**-**	**(1,215,127)**	**-**	**-**	**-**	**530,926**	**-**
Subsidiaries	**3,822,522**	**3,180,000**	**9,541,454**	**-**	**10,193,352**	**(120,000,000)**	**208,279**	**495,972,247**

	Six months period ended June 30, 2018							
	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Management fee income	Bank overdraft	Loan from	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(ii) **June 30, 2018**								
Main shareholders	309,000	-	(2,287,872)	-	-	50,000,000	27,597,188	-
Fellow subsidiaries	2,294,132	-	(1,820,639)	-	-	-	1,103,750	-
Directors	-	-	-	-	-	-	3,684,171	-
Joint venture of major shareholders	882,610	11,400	-	-	-	-	1,670,174	-
Associates of major shareholders	-	-	(631,507)	-	17,837,785	-	-	-
Subsidiaries	-	-	4,437,118	6,796,766	-	-	6,543,613	383,074,926

(c) The sales to and purchases from related parties are made in the normal course of business. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash.

The Company has provided a total corporate guarantee for two of it subsidiaries for an amount of Rs. 433.8m(2018: Rs.480.3m) (note 30(e)).

For the year ended June 30, 2019, the Company has recorded an impairment of receivables of Rs. 36,191,221 (2018: Rs.8,825,278) relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operate.

(d) **Directors and key management personnel compensation**

	THE GROUP		THE COMPANY	
	Year ended June 30, 2019	Six months period ended June 30, 2018	**Year ended June 30, 2019**	Six months period ended June 30, 2018
	Rs.	Rs.	**Rs.**	Rs.
Director fees	**5,805,575**	2,250,000	**3,318,075**	1,537,500
Salaries and short term employee benefits	**8,642,776**	8,491,100	**8,642,776**	8,491,100
Post employment benefits	**580,072**	914,944	**580,072**	914,944
Rs.	**15,028,423**	11,656,044	**12,540,923**	10,943,544

35. RECLASSIFICATON

During the financial year ended June 30, 2019, management has reviewed the presentation and disclosure with respect its non current assets and current assets, which resulted in changes in presentation of some classes of assets.

In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the reclassification was applied retrospectively. The main effects resulting from this classification are as follows:

	THE GROUP		
	2019	2018	2017
As previously classified:	**Rs.**	Rs.	Rs.
Land development costs - Non current	**1,598,347,461**	1,604,798,032	1,611,831,529
Land development costs - Current	**138,446,739**	100,159,303	199,521,364
Non current receivables	**7,878,069**	4,540,970	1,320,000
Total	**1,744,672,269**	1,709,498,305	1,812,672,893
Reclassified to:			
Investment property	**1,588,651,983**	1,598,203,337	1,598,203,337
Land inventory	**156,020,286**	111,294,968	214,469,556
	1,744,672,269	1,709,498,305	1,812,672,893

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

36. CHANGES IN ACCOUNTING POLICIES

IFRS 9 and IFRS 15 were adopted without restating comparatives. Any adjustments arising from the new accounting policies are not reflected in the comparatives period ended June 30, 2018 but are recognised on the opening reserves as at July 1, 2018.

IFRS 9 Financial instruments

The impact on the retained earnings at July 1, 2018 was Rs. 0.439m for the Group and Rs. 21m for the Company on adoption of IFRS 9.

On July 1, 2018, management has assessed which business models apply to the financial assets held and has classified its financial instruments into the appropriate IFRS 9 categories. There was no impact on equity as a result of this classification.

On the date of initial application, July 1, 2018, the financial instruments of the Group and the Company were as follows, with any reclassifications noted.

IFRS 9 Financial instruments (cont'd)	Measurement category	
	Original	New
	IAS 39	IFRS 9
Trade and other receivables	Amortised cost	Amortised cost
Cash and cash equivalents	Amortised cost	Amortised cost
Borrowings	Amortised cost	Amortised cost
Trade and other payables	Amortised cost	Amortised cost

The Group's trade and other receivables and cash and cash equivalents are subject to IFRS 9's new expected credit loss model. The impact of the change in impairment methodology on the Group's and Company's retained earnings and equity are disclosed above.

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

Trade receivables

The Group applies IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. This resulted in an increase in loss allowance on July 1, 2018 by Rs. 0.439m for the Group and the Company.

Receivable from related parties

The directors have analysed the amount due by the related parties and have determined these are to be classified as loans at amortised cost.

Management has assessed the credit risk of the loans at amortised cost having due regards to to past data, current information and forward looking estimates. The loans have been classified under stage 3 of the ECL model for impairment purposes. Applying the expected credit risk model resulted in a loss recognition of Rs 21m as at July 1, 2018.

IFRS 15 Revenue from contract with customers

There are no changes to the amounts reported in the financial statements year ended June 30, 2019 under IFRS 15 to the amounts that would have been reported had the Group continued to report in accordance with IAS 18.

37. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended December 31, 2017
			Restated
(a) **THE GROUP**	Rs.	Rs.	Rs.
Statements of profit or loss and other comprehensive income			
Continuing operations			
Revenue	575,803,081	676,697,775	1,273,003,796
Loss before taxation	(168,826,689)	(119,531,273)	(246,747,040)
Income tax (charge)/credit	(15,038,146)	986,792	(3,672,067)
Loss for the year/period from continuing operations	(183,864,835)	(118,544,481)	(250,419,107)
Discontinued operations			
Loss from discontinued operations	(5,216,309)	(14,927,991)	(37,461,310)
Loss for the year/period	(189,081,144)	(133,472,472)	(287,880,417)
Other comprehensive income for the year/period, net of tax	(4,889,588)	702,262	2,036,162
Total comprehensive income for the year/period	(193,970,732)	(132,770,210)	(285,844,255)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

37. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES (CONT'D)

	Year ended June 30, 2019	Six months period ended June 30, 2018	Year ended December 31, 2017
			Restated
(a) **THE GROUP**	Rs.	Rs.	Rs.
Loss attributable to:			
- Owners of the parent	(184,554,154)	(122,586,070)	(257,745,662)
- Non-controlling interests	(4,526,990)	(10,886,402)	(30,134,755)
	(189,081,144)	(133,472,472)	(287,880,417)
Total comprehensive income attributable to:			
- Owners of the parent	(188,199,810)	(122,063,880)	(255,634,057)
- Non-controlling interests	(5,770,922)	(10,706,330)	(30,210,198)
	(193,970,732)	(132,770,210)	(285,844,255)
Loss per share (Rs/cs)			
-From continuing and discontinued operations	(0.282)	(0.209)	(0.572)
-From continuing operations	(0.274)	(0.183)	(0.489)

	June 30, 2019	June 30, 2018	December 31, 2017
			Restated
	Rs.	Rs.	Rs.
Statements of financial position			
ASSETS			
Non current assets	3,163,468,655	3,242,454,688	3,891,910,357
Current assets	366,923,855	387,990,674	557,385,742
Non-current assets classified as held for sale	575,311,872	583,925,520	62,000,000
Total assets	4,105,704,382	4,214,370,882	4,511,296,099
EQUITY AND LIABILITIES			
Capital and reserves	2,161,809,213	2,350,448,614	2,027,490,522
Non-controlling interests	(15,552,889)	(9,781,967)	924,363
Total equity	2,146,256,324	2,340,666,647	2,028,414,885
LIABILITIES			
Non current liabilities	621,107,277	629,685,819	498,313,755
Current liabilities	912,492,312	937,172,792	1,984,567,459
Liabilities directly associated with non-current assets classified held for sale	425,848,469	306,845,624	-
Total liabilities	1,959,448,058	1,873,704,235	2,482,881,214
Total equity and liabilities	4,105,704,382	4,214,370,882	4,511,296,099

SHAREHOLDERS' CORNER

MEETING PROCEDURES

Q Who can attend the Annual Meeting?

A In compliance with Section 120(3) of the Companies Act 2001, the Board has resolved that a person registered in the share register of BlueLife Limited as at November 18, 2019 is entitled to attend the meeting.

Q Who can vote at the Annual Meeting?

A If you are registered in the share register of BlueLife Limited as at November 18, 2019 you have the right to vote at the meeting.

Q How many votes does a shareholder have?

A Every shareholder, present in person or by proxy, shall have one vote on a show of hands. Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

Q How many shareholders do you need to reach a quorum?

A A quorum is reached where two (2) shareholders holding at least thirty five percent (35%) of the share capital of the Company are present or represented.

Q Where can I have access to the minutes of proceedings of the last Annual Meeting of the Company?

A Minutes of proceedings of the last Annual Meeting are normally made available for inspection within a given period of time. Please contact the Company Secretary, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

VOTING PROCEDURES

Q What is the voting procedure?

A You do not need to complete or return your proxy form if you intend to vote in person at the Annual Meeting. At the registration desk, you will be requested to present your National ID Card or any other alternative proof of identity. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

Q What if I cannot attend the Annual Meeting and how do I appoint a proxy and vote in my place?

A The Chairman of the meeting has been named, de facto, in the proxy form to represent shareholders at the meeting. However, a person of your choice can represent you at the meeting. To that effect, the proxy form has to be completed by inserting the person's name. Your representative has then the right to vote.

Q Is there a deadline for submitting my proxy form?

A Yes. Your proxy form must be received by the Company's Share Registry and Transfer Office, Ocorian Corporate Administrators Limited, 6th Floor, Tower A, 1 CyberCity, Ebène, no later than 24 hours prior the date fixed for the Annual Meeting.

Q How are votes cast if a proxy form is sent?

A By completing and returning a proxy form, you are authorising the person named in the proxy to attend the Annual Meeting and vote on each item of business according to your instructions. If you have appointed the Chairman of the meeting as your proxy and you do not provide him with instructions, he will exercise his discretion as to how he votes.

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Shareholders of the Company will be held at the offices of the Company, Circle Square, Forbach on **Wednesday, December 18, 2019** at **15.00 hours** to transact the following business:

AGENDA

1. To receive, consider and approve the Group's and Company's audited financial statements for the year ended June 30, 2019, including the Annual Report and the Auditor's Report, in accordance with Section 115(4) of the Companies Act 2001.

   Ordinary Resolution
   "Resolved that the Group's and Company's audited financial statements for the year ended June 30, 2019, including the Annual Report and the Auditor's Report be hereby approved."

2. To authorise in accordance with Section 138(6) of the Companies Act 2001, Mr. Sunil Banymandhub to hold office as a Director until the next Annual Meeting of Shareholders of the Company.

   Ordinary Resolution
   "Resolved that Mr. Sunil Banymandhub be authorised in accordance with Section 138(6) of the Companies Act 2001 to hold office as a Director until the next Annual."

3. To elect as Director of the Company, Mr. Roshan Ramoly, who has been nominated by the Board and who offers himself for election.

   Ordinary Resolution
   "Resolved that Mr. Roshan Ramoly be and is hereby elected as Director of BlueLife Limited."

4. To fix the remuneration of the Directors of BlueLife Limited for the year ending June 30, 2020 and to ratify the fees paid to the Directors for the year ended June 30, 2019.

   Ordinary Resolution
   "Resolved that the remuneration of the Directors of BlueLife Limited for the year ending June 30, 2020 be fixed and the fees paid to the Directors for the year ended June 30, 2019 be hereby ratified."

5. To appoint on the recommendation of the Board, Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Board to fix their remuneration.

   Ordinary Resolution
   "Resolved that Messrs. Ernst & Young be appointed as Auditors of the Company for the ensuing year and that the Board be and hereby authorised to fix the remuneration of the auditors."

6. To ratify the remuneration paid to the Auditors for the year ended June 30, 2019.

   Ordinary Resolution
   "Resolved that the remuneration paid to the Auditors for the year ended June 30, 2019 be and is hereby ratified."

By order of the Board

(s) Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

November 26, 2019

NOTES:

1. A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Company's Share Registry and Transfer Office, Ocorian Corporate Administrators Limited, 6th Floor, Tower A, 1 CyberCity, Ebène **not less than twenty four hours** before the time appointed for the holding of the meeting or adjourned meeting at which the person named on such instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.
3. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the Shareholders who are entitled to receive notice of the meeting shall be those Shareholders whose names are registered in the share register of the Company as at November 18, 2019.
4. The minutes of the Annual Meeting to be held on December 18, 2019 will be available for consultation during office hours at the Registered Office of the Company, IBL House, Caudan Waterfront, Port Louis from February 1, to February 15, 2020.

PROXY FORM

I/We, ____ of ______________________________________, being a shareholder/shareholders of **BlueLife Limited**, do hereby appoint ______________________________ of ________________________ failing him/her __________________ of ______________________________ failing him/her, the Chairman, as my/our proxy to vote for me/us and on my/our behalf at the **Annual Meeting** of the Company to be held on **Wednesday, December 18, 2019** at **15.00 hours** and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

		FOR	AGAINST	ABSTAIN
1.	To receive, consider and approve the Group's and Company's audited financial statements for the year ended June 30, 2019, including the Annual Report and the Auditor's Report, in accordance with Section 115(4) of the Companies Act 2001.			
2.	To authorise in accordance with Section 138(6) of the Companies Act 2001, Mr. Sunil Banymandhub to hold office as a Director until the next Annual Meeting of Shareholders of the Company.			
3.	To elect as Director of the Company, Mr. Roshan Ramoly, who has been nominated by the Board and who offers himself for election.			
4.	To fix the remuneration of the Directors of BlueLife Limited for the year ending June 30, 2020 and to ratify the fees paid to the Directors for the year ended June 30, 2019.			
5.	To appoint on the recommendation of the Board, Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Board to fix their remuneration.			
6.	To ratify the remuneration paid to the Auditors for the year ended June 30, 2019.			

Signed this ____________________ day of ____________________ 2019.

____

Signature (s)