

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

19. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Trade receivables are amount due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current asset. Trade receivables are recognised initially at the amount of consideration that is unconditional

unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore, measure them subsequently at amortised cost using the effective interest method. Detail about the Group's impairment policies and the calculation of the loss allowance is provided in note 45(a).

	THE GROUP		THE COMPANY	
	2022 MUR' 000	2021 MUR' 000	2022 MUR' 000	2021 MUR' 000
Trade receivables	4,423,065	2,591,199	-	-
Less: Loss allowance on receivables (Note 19(f))	(222,977)	(256,316)	-	-
	4,200,088	2,334,883	-	-
Receivable from subsidiary companies (Note 44)	-	-	555,533	316,428
Receivable from associated companies (Note 44)	32,462	27,961	376	380
Receivable from related corporations (Note 44)	9,018	87,539	-	-
Export documentary remittances	2,449,652	1,632,865	-	-
Other receivables and prepayments (Note 19(a))	857,190	725,907	877	1,857
Advance payments	351,364	555,788	-	-
Prepayments	517,774	246,969	191	118
	8,417,548	5,611,912	556,977	318,783
(a) Other receivables				
Other receivables consist of:				
Taxes and grants	581,634	318,875	-	-
Deposits	16,816	16,260	-	-
Others	258,740	390,772	877	1,857
	857,190	725,907	877	1,857

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Other receivables (Cont'd)

The carrying amounts of trade and other receivables approximate their fair value as they are deemed short-term in their nature and recoverable within 12 months.

The Group does not hold any collateral as security but for the hotels and resorts segment, there is an insurance cover against irrecoverable debts.

The receivables from associated companies, related corporations and other receivables are neither past due nor impaired.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable, net of insurance cover.

(b) Ageing of past due trade receivables but not impaired

	THE GROUP	
	2022 MUR' 000	2021 MUR' 000
Within 31 - 60 days	406,751	143,271
Within 61 - 90 days	69,100	67,744
Over 90 days	148,792	129,369
	624,643	340,384

The remaining balance of trade receivables is neither past due nor impaired.

(c) The carrying amounts of the Group's trade and other receivables, excluding taxes and grants, advance payments, prepayments and deposits are denominated in the following currencies:

	THE GROUP	
	2022 MUR' 000	2021 MUR' 000
MUR	711,299	535,397
MGA	2,768,508	1,633,144
USD	1,743,949	733,232
EUR	415,405	350,586
GBP	311,327	132,058
ZAR	402,869	352,114
INR	430,245	581,874
Others	166,358	155,615
	6,949,960	4,474,020

(d) Impairment of trade receivables

The expected loss rates are based on the payment profiles of clients over a period of 36 months before 1 July 2021, or 1 July 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, inflation and unemployment rate of Mauritius, India, Uganda and Madagascar to be the most relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) As of 30 June 2022, trade and other receivables of **MUR 223M** (2021: MUR 256M) were impaired. The individually impaired receivables relate to customers, which are in unexpected difficult situation. The ageing of these receivables are as follows:

	THE GROUP				Total
	Current	Within 31- 60 days	Within 61- 90 days	Over 90 days	
2022					
Expected credit loss rate (%)	0.59%	2.45%	3.10%	28.67%	5.04%
Gross carrying amount (MUR' 000)	3,270,603	362,197	123,659	666,606	4,423,065
Loss allowance (MUR' 000)	19,145	8,868	3,836	191,128	222,977
2021					
Expected credit loss rate (%)	0.26%	1.67%	3.90%	59.86%	9.89%
Gross carrying amount (MUR' 000)	1,764,603	273,494	149,811	403,291	2,591,199
Loss allowance (MUR' 000)	4,619	4,555	5,847	241,295	256,316

(f) The closing loss allowances for trade and other receivables reconcile to the opening loss allowances as follows:

	2022	2021
	MUR' 000	MUR' 000
At 1 July	256,316	336,809
Amounts written off	(54,496)	(144,877)
Provision for the year	20,143	65,313
Translation reserve	1,014	(929)
At 30 June	222,977	256,316

(g) In 2022, the impairment of trade receivables was assessed based on the expected credit loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. Taxes and grants, prepayments and advance payments are not financial assets and so are not subject to expected credit loss under IFRS 9. The other receivables comprise mainly overnight borrowings held by the subsidiary bank, which are repaid on the next day, hence no impairment was deemed necessary.