

DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

CONTENTS	PAGES
MANAGEMENT AND ADMINISTRATION	1
DIRECTORS' REPORT	2
CERTIFICATE FROM THE SECRETARY	2(a)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOW	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 22

FOR THE YEAR ENDED MARCH 31, 2019

MANAGEMENT AND ADMINISTRATION

		Date of appointment	Date of resignation
DIRECTORS:	Virrsing Ramdeny	8-Sep-08	-
	Koossoom Newoor	15-Oct-10	-

SECRETARY: Associated Consultants Ltd
Level 3, GFin Tower
42 Hotel Street, Cybercity
Ebene, 72201
Mauritius

REGISTERED OFFICE: Level 3, GFin Tower
42 Hotel Street, Cybercity
Ebene, 72201
Mauritius

AUDITORS: BIT Associates
Chartered Certified Accountants & Registered Auditors
1 E Ground Floor, Buswell Avenue,
St Jean Road,
Quatre Bornes,
Mauritius

FOR THE YEAR ENDED MARCH 31, 2019

DIRECTORS' REPORT

The directors are pleased to present their annual report and audited financial statements of Delta Hospitality and Entertainment Mauritius Limited for the year ended March 31, 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

RESULTS AND DIVIDENDS

The Company's loss for the year ended March 31, 2019 is **USD 12,796** (2018: Loss USD 14,710).

The directors do not recommend the payment of a dividend for the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, BIT Associates, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board


SECRETARY

Date: 05 APR 2019

**CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166(d) OF THE COMPANIES ACT 2001**

We certify that, to the best of our knowledge and belief, the Company has filed with The Registrar of Companies, during the financial year ended March 31, 2019 all such returns as are required for, a company under the Companies Act 2001.

K. S. S. S.

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For and on behalf of Associated Consultants Ltd
Company Secretary

Date: 05 APR 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED .

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED (the Company), on pages 4 to 22 which comprise the statement of financial position as at March 31, 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 22 give a true and fair view of the financial position of the Company as at March 31, 2019, and of its financial performance and its 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 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.

Emphasis of matter

As explained in Note 3(p), the financial statements include investments in companies which are not listed or quoted. In the absence of readily determinable fair values, the investments have been stated at cost. Because of the inherent uncertainty of the valuation of these investments, the actual proceeds from disposal of such investments could differ from these estimated valuations and such differences could be material.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

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 financial statements and our auditor's report thereon.

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

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

Responsibilities of 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

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 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 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 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.

3(c)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

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.

Other matter

This report is made solely to the members of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS 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.

Report on Other Legal and Regulatory Requirements*Companies Act 2001*

We have no relationship with, or interests in, the Company, other than in our capacity as auditors 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.

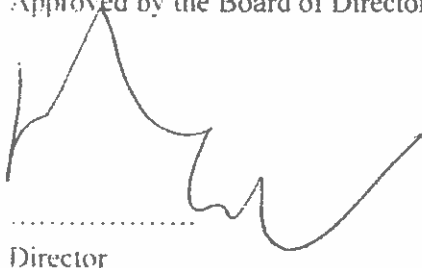
**BIT ASSOCIATES**
Chartered Certified Accountants
& Registered AuditorsQuatre Bornes,
Mauritius**DWARKA SOOCHIT, FCCA, FCMA, CGMA**
Licensed by FRC

Date: 05 APR 2019

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

<u>ASSETS</u>		<u>2019</u>	<u>2018</u>
		USD	USD
Non-current assets			
Investment in subsidiary	6	4,485,000	4,485,000
Loans & advances	7	100,000	100,000
		<u>4,585,000</u>	<u>4,585,000</u>
Current assets			
Accounts receivable	8	77,821	75,821
Cash and cash equivalents	9	5,575	18,671
		<u>83,396</u>	<u>94,492</u>
TOTAL ASSETS		<u><u>4,668,396</u></u>	<u><u>4,679,492</u></u>
 <u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital	10	1,000,000	1,000,000
Accumulated deficit		(140,554)	(127,758)
Equity shareholder's interest		859,446	872,242
Preference share capital	10	3,620,000	3,620,000
		<u>4,479,446</u>	<u>4,492,242</u>
Current liabilities			
Borrowings	11	185,000	185,000
Accounts payable	12	3,950	2,250
		<u>188,950</u>	<u>187,250</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,668,396</u></u>	<u><u>4,679,492</u></u>

Approved by the Board of Directors on 05 APR 2019


.....
Director


.....
Director

The notes on pages 8 to 22 form an integral part of these financial statements.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2019**

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		USD	USD
REVENUE:			
Interest income		2,049	814
		<u>2,049</u>	<u>814</u>
EXPENSES:			
Administrative expenses		10,900	11,550
Accounting and audit fees		3,750	3,750
Bank charges		27	180
		<u>14,677</u>	<u>15,480</u>
Loss before taxation		(12,628)	(14,666)
Taxation	13	-	-
		<u>(12,628)</u>	<u>(14,666)</u>
Other comprehensive income/(loss)			
Loss on foreign exchange		(168)	(44)
Total comprehensive loss for the year		<u>(12,796)</u>	<u>(14,710)</u>

The notes on pages 8 to 22 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2019**

	Ordinary share capital USD	Preference share capital USD	Revenue / (deficit) USD	Total USD
Balance at April 01, 2017	1,000,000	3,620,000	(113,048)	4,506,952
Total comprehensive loss for the year	-	-	(14,710)	(14,710)
Balance at March 31, 2018	1,000,000	3,620,000	(127,758)	4,492,242
Total comprehensive loss for the year	-	-	(12,796)	(12,796)
Balance at March 31, 2019	1,000,000	3,620,000	(140,554)	4,479,446

The notes on pages 8 to 22 form an integral part of these financial statements.

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2019**

	<u>Notes</u>	<u>2019</u> USD	<u>2018</u> USD
Operating activities			
Cash absorbed in operations	14(a)	(13,096)	(18,222)
Net cash absorbed in operating activities		<u>(13,096)</u>	<u>(18,222)</u>
Financing activities			
Loan received from shareholder		-	135,000
Loan to associate		-	(100,000)
Net cash flow from financing activities		<u>-</u>	<u>35,000</u>
Net cash and cash equivalents		<u>(13,096)</u>	<u>16,778</u>
Movements in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		18,671	1,893
Cash and cash equivalents at end of the year	14(b)	5,575	18,671
Net movement in cash and cash equivalents		<u>(13,096)</u>	<u>16,778</u>

The notes on pages 8 to 22 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

1. CORPORATE INFORMATION

Delta Hospitality and Entertainment Mauritius Limited is a limited liability company incorporated and domiciled in Mauritius and has been granted a Category 1 Global Licence under the Financial Services Act, 2007.

The company is engaged in investment holding activities.

The address of its registered office is Level 3, GFin Tower, 42 Hotel Street, Cybercity, Ebene 72201, Mauritius.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and amended IFRS Standards that are effective for the current year

2.1 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Company has accordingly elected not to restate comparatives in respect of the classification and measurement of financial instruments.

The Company adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for 2018.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and amended IFRS Standards that are effective for the current year (continued)

2.1 Impact of initial application of IFRS 9 Financial Instruments (Continued)

(a) Classification and measurement of financial assets (Continued)

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Company has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. See (b) below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and amended IFRS Standards that are effective for the current year (continued)

2.1 Impact of initial application of IFRS 9 Financial Instruments (Continued)

(a) Classification and measurement of financial assets (Continued)

The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- financial assets classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortised cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and amended IFRS Standards that are effective for the current year (continued)

2.1 Impact of initial application of IFRS 9 Financial Instruments (Continued)

(b) Impairment of financial assets (continued)

- The directors of the Company have assessed that there has been no significant increase in credit risk since initial recognition of financial instruments that remain recognised on the date of initial application of IFRS 9 (i.e. 1 January 2018).

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

(d) General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the Company's risk management activities have also been introduced.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and amended IFRS Standards that are effective for the current year (continued)

2.1 Impact of initial application of IFRS 9 Financial Instruments (Continued)

(d) General hedge accounting (continued)

IFRS 9 requires hedging gains and losses to be recognised as an adjustment to the initial carrying amount of non-financial hedged items (basis adjustment). In addition, transfers from the hedging reserve to the initial carrying amount of the hedged item are not reclassification adjustments under IAS 1 Presentation of Financial Statements and hence they do not affect other comprehensive income. Hedging gains and losses subject to basis adjustments are categorised as amounts that will not be subsequently reclassified to profit or loss in other comprehensive income.

The application of the IFRS 9 hedge accounting requirements has had no significant impact on the results and financial position of the Company for the current and/or prior years.

(e) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Company had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Company has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Company has elected to designate as at FVTPL at the date of initial application of IFRS 9.

2.2 Impact of initial application of IFRS 9 on financial performance and cash flows

The application of IFRS 9 has had no impact on the financial performance of the Company.

The application of IFRS 9 has had no impact on the cash flows of the Company.

2.3 Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15:C5(a), and (b), or for modified contracts in IFRS 15:C5(c) but using the expedient in IFRS 15:C5(d) allowing both non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application, i.e. 1 January 2018.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and amended IFRS Standards that are effective for the current year (continued)

2.3 Impact of application of IFRS 15 Revenue from Contracts with Customers (Continued)

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Company has adopted the terminology used in IFRS 15 to describe such balances.

The Company's accounting policies for its revenue streams are disclosed in detail in note 3 below. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

2.4 Amendments to IFRS Standards and Interpretations that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- (i) IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions
- (ii) IAS 40 (amendments) Transfers of Investment Property
- (iii) Annual Improvements to IFRS Standards 2014 – 2016 Cycle
- (iv) Amendments to IAS 28 Investments in Associates and Joint Ventures
- (v) IFRIC 22 Foreign Currency Transactions and Advance Consideration

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.5 New and revised IFRS Standards in issue but not yet effective

As at the date of these financial statements, the Company has not adopted the following standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
IFRS 16 - Leases	1 January 2019
IFRS 17 - Insurance Contracts	1 January 2021
Amendments to IFRS 9 - Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle - Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	1 January 2019
Amendments to IAS 19 Employee Benefits - Plan Amendment, Curtailment or Settlement	1 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of the amendments has yet to be set by the IASB
IFRIC 23 - Uncertainty over Income Tax Treatments	1 January 2019

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(c) Investment in Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiary undertakings are shown at fair value in the Company's accounts. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of the investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of comprehensive income.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(d) Loans and advances

Loans and advances are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(e) Accounts receivable

Accounts receivable are stated at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

(f) Cash and cash equivalents

Cash comprises cash at bank and in hand, demand deposits and bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Ordinary share capital

Ordinary shares are classified as equity.

(h) Borrowings

Borrowings are recorded at the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Accounts payable

Accounts payable are stated at fair value.

(j) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities.

(k) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(l) Provisions

Provisions are recognised when the company has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

(m) Related parties

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(n) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(o) Financial instruments

Financial instruments carried on the statement of financial position includes accounts receivable, payable and loan from shareholder. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Investments

The financial statements include investments in companies which are not listed or quoted. In the absence of readily determinable fair values, the investments have been stated at cost. Because of the inherent uncertainty of the valuation of these investments, the actual proceeds from disposal of such investments could differ from these estimated valuations and such differences could be material.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations 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.

4 / Key sources of estimation uncertainty

With regards to the nature of the Company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. CONSOLIDATED FINANCIAL STATEMENTS

The Company owns 100% of the issued share capital of Delta Hotels Lanka Ltd, which is considered to be a subsidiary undertaking. The Company is not required to present consolidated financial statements as the Company's debt or equity are not traded in a public market nor does it intend to issue any class of instruments in any public market. Further, the Company is itself a wholly-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the Company not presenting consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

6. INVESTMENT IN SUBSIDIARY	2019	2018
	USD	USD
At April 01 .	4,485,000	4,485,000
Acquisition	-	-
At March 31,	4,485,000	4,485,000

Details of investment in subsidiary are as follows:

Name of Company	Country of Incorporation	Type of shares	2019 and 2018	
			Number of shares	Percentage Holding
Delta Hotels Lanka Ltd	Sri Lanka	Equity	5,750,000	100%

Investments in Delta Hotels Lanka Ltd has been stated at cost.

7. LOANS AND ADVANCES	2019	2018
	USD	USD
Loan to related party	100,000	100,000

Loan to related party bears interest of 2% per annum and receivable by 13 November 2020.

8. ACCOUNTS RECEIVABLE	2019	2018
	USD	USD
Other receivables	77,821	75,821

The carrying amounts of other receivables approximate their fair value.

9. CASH AND CASH EQUIVALENTS	2019	2018
	USD	USD
Cash at bank	5,575	18,671

10. SHARE CAPITAL	Issued and fully paid	
	2019	2018
	USD	USD
10,000 Ordinary Shares	1,000,000	1,000,000
At March 31,	1,000,000	1,000,000

Voting rights

Each ordinary share shall entitle its holder to receive notice of, and to attend and vote at any meeting of the company.

Rights relating to dividends

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

10. SHARE CAPITAL (CONT'D)

Rights relating to repayment of capital

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the company.

<u>Preference share capital</u>	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
36,200 0% Optionally Convertible Redeemable Preference shares	<u>3,620,000</u>	<u>3,620,000</u>

11. BORROWINGS

	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Shareholder's loan	<u>185,000</u>	<u>185,000</u>

These loans are interest free and repayable in demand.

12. ACCOUNTS PAYABLE

	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Other Payable and accruals	<u>3,950</u>	<u>2,250</u>

The carrying amounts of other payables and accruals approximate their fair value.

13. TAXATION

The Company is liable to income tax in Mauritius on its chargeable income at 15%. It is, however, entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax on its foreign source income. For the year ended March 31, 2019, the Company has an accumulated tax loss of USD 77,589 (2018 - USD 101,188) and is therefore not liable to tax.

14. NOTES TO THE STATEMENT OF CASH FLOW

	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
(a) Cash generated from/(absorbed in) operations		
Reconciliation of profit/(loss) before taxation to cash generated from(absorbed in) operations:		
Loss before taxation	(12,796)	(14,710)
Adjustments for:		
Other payable waived up	-	-
Changes in working capital:		
- Accounts payable	1,700	(2,750)
- Accounts receivable	(2,000)	(762)
Cash absorbed in operations	<u>(13,096)</u>	<u>(18,222)</u>
(b) Cash and cash equivalents		
	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Cash at bank	<u>5,575</u>	<u>18,671</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

15. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of stated capital and accumulated losses.

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.

(a) *Market risk*

(i) *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Sri Lanka Rupee (LKR). Foreign exchange risk arises from investments bank account that the Company holds in Sri Lanka, whose net assets are exposed to foreign currency translation risk.

Foreign currency risk management

The Company has investments and bank account which are denominated in Sri Lanka

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2019		2018	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
Sri Lanka Rupee	4,489,255	-	4,487,376	-
USD	179,141	188,950	192,116	187,250
	4,668,396	188,950	4,679,492	187,250

(ii) *Interest rate risk management*

As the Company has no significant interest-bearing assets, the Company's operating cash flows are substantially independent of the changes in market interest rates.

(iii) *Price risk*

The Company is not faced with any price risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

15. FINANCIAL INSTRUMENTS (CONTINUED)

(b) *Credit risk*

The Company has no significant concentration of credit risk.

(c) *Liquidity risk*

Liquidity risk is the risk that the Company is unable to meet its payment obligations, associated with its financial liabilities, when they fall due.

Ultimate responsibility for liquidity risk rests with the board of directors, who monitors the company's short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Liquidity risk as at March 31, 2019

	Due on demand	Due for less than 1 year	More than 1 year	Total
	USD	USD	USD	USD
<i>Assets</i>				
Loans and advances	-	-	100,000	100,000
Accounts receivable	-	77,821	-	77,821
Cash and cash equivalents	5,575	-	-	5,575
	<u>5,575</u>	<u>77,821</u>	<u>100,000</u>	<u>183,396</u>
<i>Liabilities</i>				
Borrowings	-	185,000	-	185,000
Accounts payable	-	3,950	-	3,950
	<u>-</u>	<u>188,950</u>	<u>-</u>	<u>188,950</u>

(d) *Fair value estimation*

The carrying values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

16. RELATED PARTY TRANSACTION

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions or if they are subject to common control.

For the year ended March 31, 2019, the transactions with related parties are as follows:

Related Parties	Relationship	Nature of Operations	Volume of Transactions	Balance at 31.03.2019
			USD	USD
Delta Corp Limited	Shareholder	Loan received	-	185,000
Delta Hotels Lanka Ltd	Subsidiary	Receivable	-	74,945
		Loan given	-	100,000
		Interest receivable	2,000	2,762

17. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which may have a material effect on the financial statements as at March 31, 2019.

18. HOLDING COMPANY

The Company is 100% controlled by Delta Corp Limited, a Company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India.

