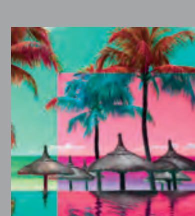
New Mauritius Hotels Limited

ANNUAL REPORT 2015

BEACHCOMBER HOTELS



This Annual Report was approved by the
Board of Directors on December 22, 2015

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CHAIRMAN'S ADDRESS

Dear Shareholder,

The year to 30 September 2015 has been eventful for New Mauritius Hotels Limited. Indeed, after some 40 years at the helm of the Group, Mr Herbert Couacaud retired as CEO on the 30th of June 2015. Mr Couacaud built the Group from the small hotel operator it was in the mid 70's into what is today the largest hotel Group in Mauritius. He has been one of the main actors of the post-independence Mauritian tourism industry and has contributed significantly in building the reputation of Mauritius as a highly sought after destination. On the same date, Mr Robert de Speville also retired as Commercial Director of the Company. Mr de Speville spearheaded the marketing and sales strategies of the Group over the last decades. He was instrumental in making Beachcomber the Brand it is today. I use this opportunity to once again thank Messrs Couacaud and de Speville for their dedication to the Group. The Board appointed Messrs Gilbert Espitalier-Noël and François Venin as CEO and Commercial Director respectively, with effect from the 1st of July 2015.

As this important change in management will no doubt entail significant changes for our Group, I would like to use this opportunity to share with you my analysis of the challenges and opportunities which NMH faces at this important juncture. I will start with the challenges.

The geopolitical events of the last months are seriously affecting our Moroccan operations. Indeed, whilst the Royal Palm Marrakech has been widely acclaimed as one of the best hotels of Morocco and general feedback from clients is excellent, the occupancy rate, whilst higher than the previous year, remains low. At the time of writing, the reservations at the hotel remain well below our budgets and it is probable that the hotel's performance will again negatively affect the Group's profitability for the 2015/16 financial year. Management is working actively to minimise operating costs and reduce cash flow deficits whilst maintaining the hotel standards. The pace of villa sales at Domaine Royal Palm has also slowed over the last months, although a number of premium villas have been sold over the last weeks. Here again, management has had to review its sales forecasts for 2015/16 as it is becoming clear that the initial targets will not be met. On a more positive note, we have made good progress on increasing the level of financing of the Moroccan operations locally and expect to be in a position to reimburse the Mauritian parent company some Euros 15m during the second quarter of the 2015/16 financial year.

The planned residential and hotel development at Les Salines, Black River, has been stalled for years due to legal constraints. This situation continues to affect the Group's performance as the loans taken to finance the acquisition of the land weigh on its cash flow. A number of initiatives are presently under way to unlock the current situation and we are confident that the Group will be in a position to implement the residential development on these 400 acres of land in the next few years.

The Group's results for the year under review have also been negatively affected by losses suffered at Beachcomber Tours France (BTF) and White Palm Ltd (White Sand Tours). Changes to senior management have been brought to these two entities over the last months. Whilst BTF is not expected to show a profit in the 2015/16 financial year, operational losses are expected to reduce significantly. The new management is in the process of implementing a number of initiatives which will help in bringing BTF results in line with our tour operating operations in the UK and South Africa. White Palm is already back in positive territory and is expected to contribute to Group profits in the coming year.

On the brighter side, the Mauritian tourism industry has witnessed a major turnaround as from July 2015. Indeed, after more than six years of very slow growth, the number of tourists visiting Mauritius has seen a significant rise over the past months. This increase is mainly due to the initiatives taken by the relevant authorities to increase the availability of airline seats to Mauritius. The additional flights by Air Mauritius and Emirates, together with the arrival of carriers such as Lufthansa, Austrian Airlines and Turkish Airlines have all contributed to a better balance between hotel room capacity and airline seats availability. Additionally, the strength of the USD against the Euro has led to destinations mainly sold in Euros, such as Mauritius, becoming more competitive vis-a-vis competing USD denominated destinations. Lastly, amidst a world where several traditional touristic destinations have been affected by terrorist attacks, Mauritius's well-deserved status as a safe country has no doubt helped attract a greater number of visitors. As could be expected, the eight Beachcomber hotels in Mauritius have seen their occupancy rates increase significantly over the past months.

For the first quarter of the 2015/16 financial year, the average occupancy in the ten Beachcomber hotels, including those in Seychelles and Marrakech, has grown to 74% from 65% during the corresponding quarter last year. Coupled with an increase in Guest Night Spending (total spend per guest per night) of some 5% for the quarter, this rise in occupancy has resulted in a major increase in operating profits and Profit after tax (PAT) for the Group. As this trend is expected to continue in the second quarter, the Group's operating profits for the first semester of 2015/16 should show a growth above 30% over that of the same period last year.

The Group expects this momentum to continue for the second half of the year leading to much improved results for the full year. This better performance should be maintained over the next few years, allowing reasonable dividend payments, adequate refurbishment and renovation of existing hotels and contribute to reduce the Group's indebtedness by some Rs 2bn over the next four years. However, several strategic initiatives will need to be taken to achieve the declared objective of reducing the Group's Rs 16bn debt by half by September 2019. In addition to the sale of land at Les Salines and of villas in Marrakech which are each expected to contribute some Rs 2bn towards this objective, the Group is working on the setting up of a hospitality fund into which investors, both local and foreign, will be invited to take up a minority stake. NMH will thus retain more than 50% of the fund's shareholding. The intention is to transfer the assets of three of the Group's eight Mauritian hotels into the fund under the "sale and lease-back" principle. Even though it is premature to get into the details of this initiative, the Board of Directors believes it could be an interesting tool to help reduce the Group's debt to a more comfortable level whilst keeping the operations of all its hotels under the Beachcomber umbrella.

On a different note, the new management has embarked into an important exercise "Beachcomber : Au cœur des valeurs". The feedback received during this exercise, which has seen the participation of more than 500 employees of the Group during the second half of 2015, will now be used to launch a series of initiatives aiming at putting the employees at the core of the Group's activities. Additionally, the eight values which the employees have defined as being those of Beachcomber, will serve as the base for a rebranding and communication exercise aiming at galvanizing the 5,000 employees of the Group towards shared objectives and goals.

I am very optimistic about Beachcomber's future. The renewed dynamism brought by the new management and the clear indications of a major turnaround for the Mauritian tourism industry should no doubt contribute to bringing the Group to profitability levels commensurate with its size and reach. Although the next few years will remain challenging, the successful implementation of the various initiatives recently launched by management will see Beachcomber emerge stronger than ever, with positive and stable operational cash flows and a healthy balance sheet, enabling the implementation of an ambitious expansion plan in the Indian Ocean region.

Hector ESPITALIER-NOEL
CHAIRMAN

December 22, 2015

Standing from left to right: Colin Taylor, Gilbert Espitalier-Noël, Marcel Masson, Jacques Silvant, Jean-Pierre Montocchio, Herbert Couacaud

Seated from left to right: Sunil Banymandhub, Louis Rivalland, François Venin, Francis Montocchio, Hector Espitalier-Noël

KEY FIGURES

September 30, 2015

Statements of Profit or Loss	THE GROUP	
	2015	2014
	Rs'm	Rs'm
Revenue	9,357	8,793
EBITDA	1,757	1,807
Profit before tax	268	489
Income tax (expense)/credit	(60)	12
Profit for the year	208	501
Non-controlling interests	(39)	(43)
Profit attributable to owners of the parent	169	458
Dividends *	-	(161)
Retained profit for the year	169	297

Statements of financial position	2015	2014
	Rs'm	Rs'm
Non-current assets **	28,320	27,994
Current assets	8,476	7,752
Share capital	5,000	1,724
Retained earnings	6,741	6,858
Other reserves	1,906	4,610
Shareholders funds	13,647	13,192
Non-controlling interests	59	74
Total equity	13,706	13,266
Non-current liabilities	14,791	11,570
Current liabilities	8,299	10,910

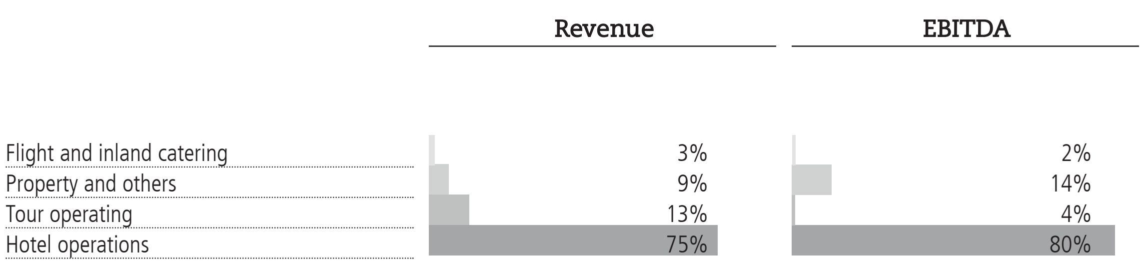
Key Financial ratios	2015	2014
Number of room keys available as at September 30,	2,199	2,063
Room nights available	785,899	763,656
Number of guests nights	1,088,766	1,053,670
Occupancy (%)	66	67
RevPar (Rs)	8,643	8,552
Earnings per share (Rs)	0.35	0.95
Dividends per share (Rs)	-	0.33
Interest cover (x)***	1.67	1.91
Dividend cover (x)	-	0.95
Dividend payout (%)	-	35.21
Net Asset value per share (Rs) **	28.30	27.39
Return on equity (%)	1.52	3.78
Return on assets (%)	0.57	1.40
Gearing (%) **	120	119

* Dividends declared after year end: Rs 161m in 2015 (2014: Rs 161m declared during the year).
** Ratios above exclude leasehold land with an estimated value of Rs 7 billion.
*** Interest cover calculated as follows: EBITDA/ Finance Costs (excluding interest capitalised and losses on exchange).

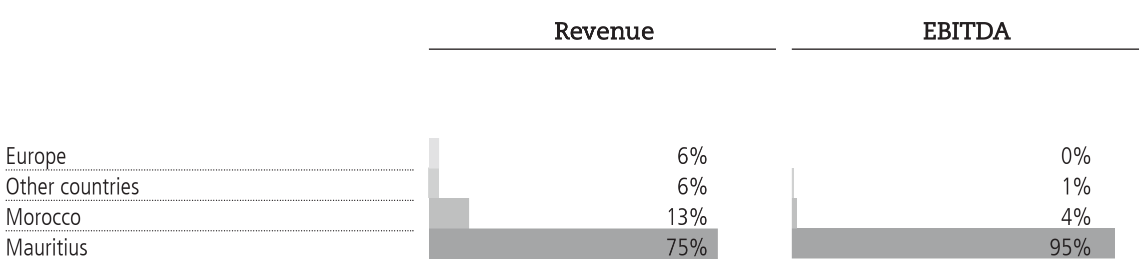
SEGMENTAL INFORMATION
for the year ended September 30, 2015

	THE GROUP			
	Revenue		EBITDA	
	2015 Rs'm	2014 Rs'm	2015 Rs'm	2014 Rs'm
Business:				
Hotel operations	6,939	6,531	1,329	1,349
Tour operating	1,263	1,345	85	131
Flight and inland catering	279	229	35	9
Property	876	688	308	318
	9,357	8,793	1,757	1,807
Geographical:				
Mauritius	7,015	6,729	1,667	1,579
Morocco	1,184	806	71	141
Europe	535	656	(5)	26
Other countries	623	602	24	61
	9,357	8,793	1,757	1,807

Business



Geographical



VALUE ADDED STATEMENT

for the year ended September 30, 2015

	THE GROUP		THE COMPANY	
	Rs'm	%	Rs'm	%
Revenue	9,356		6,537	
Value added tax	1,134		907	
Total revenue	10,490		7,444	
Payment to suppliers for material and services	(4,418)		(2,731)	
Value added by operations	6,072		4,713	
Investment and other income	-		19	
Total wealth created	6,072	100	4,732	100
Distributed as follows:				
Employees				
Staff costs	2,850	47	2,036	43
Government				
Value added tax	1,134		907	
Environment fees	51		51	
Corporate tax	38		6	
Licenses, leases and other taxes	175		150	
Social security charges	243		148	
	1,641	27	1,262	27
Reinvested to maintain/develop operations				
Depreciation and amortisation	542		351	
Retained earnings	208		407*	
	750	12	758	16
Providers of capital				
Interest on borrowings**	831	14	676	14
Total wealth distributed	6,072	100	4,732	100

	THE GROUP	THE COMPANY
Bankers	14	14
Shareholders	12	16
Government	27	27
Employees	47	43
	100	100

* Retained earnings of the company excludes Rs 1.5b of impairment losses.

** Interest on borrowings exclude interest costs capitalised.

CONSOLIDATION AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The audited Financial Statements for the year ended September 30, 2015 have been prepared in accordance with International Financial Reporting Standards. There has been no change in the accounting policies and methods that were adopted in the last Financial Statements. New financial reporting standards and interpretations, which came into application, did not have any material impact on the financial performance or position of the Group.

COMMENTS ON RESULTS

Revenue and EBITDA

Revenue for the year increased by 6.4% on last year to Rs9,357m. Except for Le Paradis hotel which was closed during two months for the refurbishment of the public areas and wellness centers, all hotels, including the Royal Palm Marrakech, operated at full capacity accounting for the major share of the additional revenue (Rs409m out of Rs563m). Revenue from the sale of villas was also higher amounting to Rs861m as compared to Rs761m the previous year.

The EBITDA of Rs 1,757m for the year was lower than that of last year due to an exchange loss arising on the retranslation of foreign currency loans and debentures as compared to a profit last year. Whilst a higher EBITDA was realised by the hotel segment this year, a lower EBITDA was realised by the other segments due to a lower margin recognized on the villas passed on to the owners this year and the negative results achieved by Beachcomber Tours France and White Palm Ltd. The Group's hotels locally posted higher average occupancy and guest night spending (GNS) whereas Royal Palm Marrakech, still in a launching mode and unfavorably impacted by the geopolitical conditions, as well as Ste Anne, in Seychelles, registered higher occupancies but lower GNS.

Depreciation, finance revenue and finance costs

The depreciation charge was lower this year mainly because last year's figure included a fair value loss of Rs 40m on the land at Les Salines forming part of property plant and equipment.

Finance revenue, which consists of realised gain on forward currency contracts and interest income, was almost the same as last year which included the exchange gain on retranslation of loans in foreign currencies.

The increase in finance costs stems from the interest related to the Royal Palm Marrakech which are now expensed, the hotel having come into operation, and a loss of Rs 110m arising from the retranslation of loans in foreign currencies.

Other income
Fair value gain on investment property in Marrakech amounted to Rs 106m as compared to Rs 251m last year.

Impairment of goodwill
In the light of recent events in Paris and the Middle East, the Board of Directors has decided to adopt a very conservative approach in its forecasts for the sale of villas and the future performance of the hotel in Marrakech. The Board has therefore considered it prudent to impair part of its investment in Domaine Palm Marrakech in the Company's financial statements and, consequently, the goodwill in the Group financial statements to account for a potential downturn.

Income tax
Following the conservative approach to future performance of Royal Palm Marrakech, the Board also limited the recognition of the Deferred Tax asset resulting from its tax losses. As a result, the Group suffered a tax charge of Rs 60m compared to a tax credit of Rs 13m last year,

Earnings
In spite of the overall improvement in the Group's operating results, earnings for the year were down on last year's on account of significantly lesser fair value gain on investment property – Rs 106m compared to Rs 251m last year, much higher finance costs – Rs 940m compared to Rs 689m and a tax charge of Rs 60m compared to a tax credit of Rs 13m. Consequently, earnings per share fell from Rs 0.95 last year to Rs 0.35 this year.

Cash flow and capital expenditure
With the higher cash flow generated by operating activities (Rs 1,376m compared to Rs 1,225m), the successful issue of convertible preference shares for a total amount of Rs 1,755m and a reduction in capital expenditure (Rs 739m compared to Rs 1,584m), the cash flow was positive this year in spite of a net loan refund of Rs 447m compared to a net borrowing of Rs 625m last year.

Inventories
Inventories include Rs 1,938m of cost of villas for sale under development at Marrakech.

PROJECTS

Marrakech
The first phase of the villas project is still under way but progressing at a slower pace mainly due to the adverse geopolitical conditions in the region. Out of a target of 72, only 61 villas have been sold at year end of which 54 titles were transferred to the owners. The project and the marketing strategy are being revisited with the collaboration of property development specialists to revitalise sales and engage the next phase as soon as possible.

Le Victoria
Should all clearances be obtained in time, forty rooms will be added to the hotel between April and November 2016. The project cost is estimated at Rs 255m and the payback period not more than 5 years.

Le Paradis
It is envisaged to refurbish some 60 of the 100 deluxe rooms will be refurbished during the low season at a total estimated cost of Rs 160m. Given the hotel's configuration, the remaining rooms would be kept into operation during the works. Once into operation, these rooms should increase the operating profit significantly.

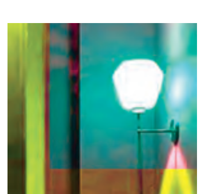
OUTLOOK
Despite difficult operating conditions in Marrakech, much improved results are expected for the Group for the financial year to September 2016. For the quarter to December 2015, the hotels' average occupancy should increase by 10 percentage points and Guest Night Spending by 5% compared to last year's corresponding period. Bookings in hand for the second quarter to March 2016 are up 28% on last year's. The non-hotel operations, locally and overseas, should also perform better.
The financial restructuring scheme launched this year should reach its final stage with the implementation of the strategic initiatives currently in progress. The Group's indebtedness and finance costs should consequently be materially reduced.

NOTE OF APPRECIATION

The Directors wish to thank all General Managers and their teams for their hard work and motivation and congratulate them for the good operating results achieved.

Hector ESPITALIER-NOEL
CHAIRMAN
December 22, 2015

Sunil BANYMANDHUB
CHAIRMAN OF THE AUDIT COMMITTEE



CORPORATE GOVERNANCE REPORT

Group structure as at September 30, 2015

NEW MAURITIUS HOTELS LIMITED

HOTEL OPERATIONS IN MAURITIUS	GENERAL MANAGERS
ROYAL PALM	Jacques SILVANT
DINAROBIN HOTEL GOLF & SPA PARADIS HOTEL & GOLF CLUB	Jean-Louis PISMONT
SHANDRANI RESORT & SPA	Lothar GROSS
LE CANONNIER	François VENIN
TROU AUX BICHES RESORT & SPA	Michel DARUTY DE GRANDPRE
LE VICTORIA LE MAURICIA	Rico PAOLETTI

FLIGHT AND INLAND CATERING

	PLAISANCE CATERING	Olivier NAIRAC

OVERSEAS OPERATIONS

► 100%	STE ANNE RESORT LIMITED Seychelles	Norbert COUVREUR
► 100%	BEACHCOMBER HOTEL S.A Morocco	Xavier JOLIVET
► 100%	DOMAINE PALM MARRAKECH S.A Morocco	Laurent E. PIAT

TRAINING

► 100%	BEACHCOMBER TRAINING ACADEMY LIMITED	Iqbaal BADULLA

SECRETARIAL SERVICES

► 100%	BEACHCOMBER LIMITED	

TOUR OPERATING

► 100%	BEACHCOMBER TOURS SARL France	Carole PEYRE
► 100%	BEACHCOMBER TOURS LIMITED England	Michael EDWARDS
► 100%	NEW MAURITIUS HOTELS - ITALIA SRL Italy	Sheila COLLET SERRET
► 75%	HOLIDAY MARKETING (PTY) LTD Australia	Rod EATHER
► 51%	BEACHCOMBER MARKETING (Proprietary) Limited South Africa	Terry MUNRO
► 51%	WHITE PALM LTD	
► 51%	MAUTOURCO LTD	Richard ROBERT
► 51%	TRANSMAURICE CAR RENTAL LTD	

Shareholding as at September 30, 2015

Size of holding		Shareholders			Shares held		
				Cumulative			Cumulative
From	To	No.	%	%	No.	%	%
1	1,000	2,809	37.91	37.91	939,734	0.19	0.19
1,001	5,000	2,297	31.00	68.91	5,774,559	1.19	1.3
5,001	10,000	722	9.74	78.65	5,110,485	1.06	2.44
10,001	25,000	635	8.57	87.22	10,262,373	2.12	4.56
25,001	50,000	360	4.86	92.08	12,707,483	2.62	7.18
50,001	75,000	171	2.31	94.39	10,286,137	2.12	9.31
75,001	100,000	70	0.94	95.33	6,100,281	1.26	10.57
100,001	250,000	183	2.47	97.80	27,710,595	5.72	16.29
250,001	500,000	67	0.90	98.70	23,591,488	4.87	21.16
500,001	1,000,000	48	0.65	99.35	35,318,155	7.29	28.46
1,000,001	1,500,000	12	0.16	99.51	14,673,628	3.03	31.49
1,500,001	2,000,000	9	0.12	99.64	14,937,318	3.08	34.57
2,000,001	2,500,000	3	0.04	99.68	7,327,989	1.51	36.08
2,500,001	5,000,000	9	0.12	99.80	28,542,444	5.89	41.98
5,000,001	8,000,000	5	0.07	99.87	30,973,934	6.40	48.38
8,000,001	25,000,000	7	0.09	99.96	102,782,552	21.22	69.60
25,000,001	and above	3	0.04	100.00	147,231,453	30.40	100.00
	Total	7,410			484,270,608		

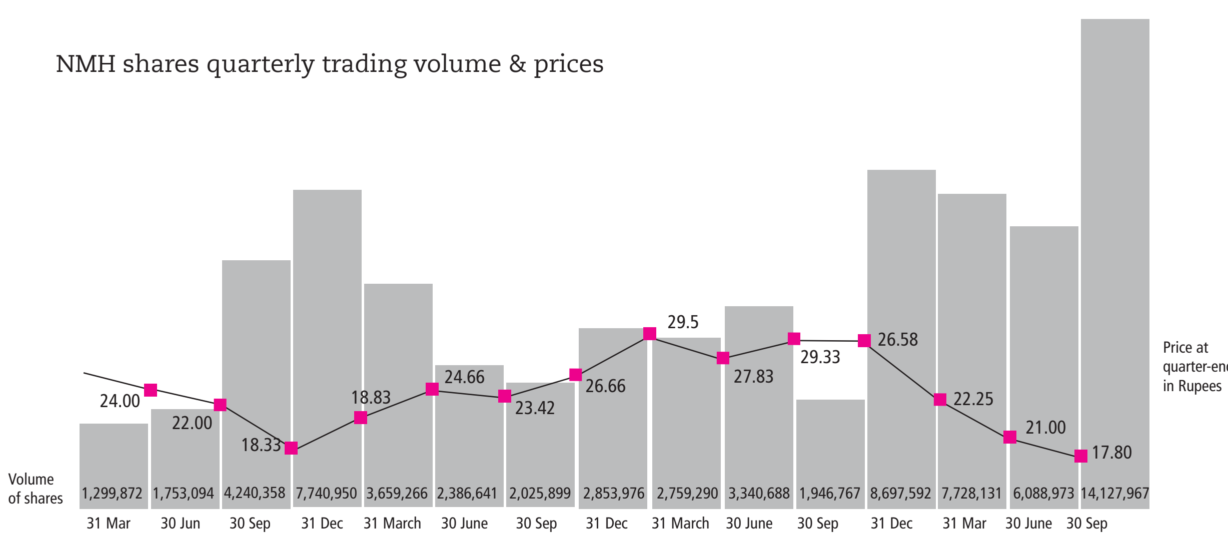
Summary by shareholder category

Category	No. of shareholders	No. of shares	%
INDIVIDUAL	6,946	141,963,980	29.32
INSURANCE & ASSURANCE COS	32	47,287,212	9.76
INVESTMENT & TRUST COS	184	85,907,986	17.74
OTHER CORPORATE BODIES	132	132,768,973	27.42
PENSION & PROVIDENCE FUNDS	116	76,342,457	15.76
Total	7,410	484,270,608	100.00

Calendar 2016

Publication of Abridged 1st Quarter Results	February
Annual General Meeting	February
Publication of Abridged Semi-annual Results	May
Publication of Abridged 3rd Quarter Results	August
Publication of Abridged Annual Results	December

NMH shares quarterly trading volume & prices



NOTE: Market prices for periods before 31 March 2015 have been restated to reflect issue of bonus shares.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Hector ESPITALIER-NOEL
Chairman
Member of the Corporate Governance Committee

Jean Pierre MONTOCCHIO
Chairman of the Corporate Governance Committee

Herbert COUACAUD (Executive up to 30 June 2015)

Louis RIVALLAND
Member of the Audit Committee

INDEPENDENT DIRECTORS

Sunil BANYMANDHUB
Chairman of the Audit Committee

Colin TAYLOR
Member of the Audit and Corporate Governance Committee

EXECUTIVE DIRECTORS

Gilbert ESPITALIER-NOEL (Non-executive until 30 June 2015)
Chief Executive Officer (CEO)
Member of the Corporate Governance Committee

Marcel MASSON
Finance Director
Member of the Corporate Governance Committee

Jacques SILVANT
General Manager Royal Palm Hotel

François VENIN
Commercial Director

SECRETARY

BEACHCOMBER LIMITED
Beachcomber House
Botanical Garden Street, Curepipe 74213, Mauritius.

AUDITORS

ERNST & YOUNG
NeXTeracom Tower,
Ebene, Mauritius.

BANKERS

The Mauritius Commercial Bank Limited
State Bank of Mauritius Limited
The Hong Kong and Shanghai Banking Corporation Limited
Banque des Mascareignes Limitée
Afrasia Bank Limited
Barclays Bank PLC
Bank One Limited
National Commercial Bank Limited
Habib Bank Ltd
SBI (Mauritius) Ltd
ABC Banking Corporation Limited

LEGAL ADVISERS

LOCAL
Me Maxime SAUZIER
Me Yves HEIN
Me Michael KING FAT

INTERNATIONAL
Me Jean François COLIN

NOTARY

Me. Jean-Hugues MAIGROT
Me. Didier MAIGROT

REGISTERED OFFICE

Beachcomber House
Botanical Garden Street, Curepipe 74213, Mauritius.
Tel: + (230) 601 9000 - Fax: + (230) 601 9090
E-mail: beachcomber@bchot.com

WEBSITE

www.beachcomber-hotels.com

DIRECTORATE

The Board of Directors' primary objectives are to protect and enhance shareholder value within an appropriate structure which safeguards the rights and interests of shareholders and other stakeholders by ensuring that the Company and its controlled entities are properly managed. The Board, together with senior management, is responsible to shareholders and other stakeholders for the Company's business performance.

It is the responsibility of the Board of Directors to define general company strategic policies and guidelines, to evaluate the plans and projects submitted by management and to make sure that results are achieved.

The non-executive Chairman has the responsibility to lead the Board and facilitate constructive contributions by all directors to ensure the Board functions effectively as a whole in discharging its responsibilities. The management of the business is carried out by a Chief Executive Officer to whom the Board has delegated its powers in that respect. The CEO is responsible for the execution of the business strategy defined by the Board of Directors, the elaboration of plans and projects and the operational and financial performance of the Company. The CEO is seconded in his task by a management team which he is responsible to select.

The Board of Directors holds regularly scheduled meetings as well as additional meetings when called by its Chairman and CEO. The annual calendar of Board Meetings is agreed upon at the beginning of the year. The Agenda is circulated in advance to the Board members and the items therein backed by background information to enable the Board to take appropriate decisions. Decisions of the Board of Directors require a quorum of a majority of Directors and are taken by majority vote.

Two Members of the Board of Directors retire every year and are eligible for re-election. At the Company's AGM in March 2015, shareholders re-elected Messrs Gilbert Espitalier-Noël and Jacques Silvant as members of the Board of Directors.

The Board comprises four non-executive Directors including the Chairman, two non-executive independent Directors and four executive Directors including the Chief Executive Officer.

An appraisal of the Board and of its members is carried out once a year with the aim of evaluating the Board's effectiveness and improving its workings. The result of this exercise, in the form of a series of assertions to which are awarded a rating on a scale of 1 to 5 by individual Directors, is reported to the Board. The most recent appraisal was carried out in November 2015. The Board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes offered by local institutions and/or their professional bodies.

The profiles of the Directors who served during the financial year are outlined below:

NON-EXECUTIVE

Hector ESPITALIER-NOEL

He has been the Chairman of the Company since his appointment as director in 1997.
Member of the Institute of Chartered Accountants in England and Wales, he worked for Coopers and Lybrand in London and De Chazal du Mée. He is the Chief Executive Officer of Espitalier Noël Group.
Other directorship in listed companies: ENL Commercial Ltd, ENL Land Ltd and Rogers & Co. Ltd

Jean-Pierre MONTOCCHIO

Notary public. Appointed in 2004, he is the Chairman of the Corporate Governance Committee. He has participated in the National Committee on Corporate Governance. Other directorship in listed companies: Caudan Development Ltd, Fincorp Investment Ltd, MCB Group Ltd, Promotion and Development Ltd, Rogers & Co. Ltd, ENL Land Ltd and Les Moulins de la Concorde Ltée.

Herbert COUACAUD (Executive up to June 30, 2015)

Holder of a B.Sc in Economics and Mathematics, he has been the Chief Executive Officer of the Company since 1974 until retired in June 2015.
Other directorship in listed companies:
Fincorp Investment Ltd, Rogers & Co. Ltd.

Louis RIVALLAND

He holds a Bachelor's degree in Actuarial Science and Statistics, and is a Fellow of the Institute of Actuaries of United Kingdom and a Fellow of the Actuarial Society of South Africa. He was appointed Director in March 2002. He is currently the Group Chief Executive of Swan Insurance Co Ltd and The Anglo-Mauritius Assurance Society Limited.
He is a past President of the Joint Economic Council, a Board member of the Mauritius Revenue Authority and member of the Financial Services Consultative Council. Other directorship in listed companies: Belle Mare Holding Limited, ENL Commercial Limited, ENL Land Ltd, Ireland Blyth Limited, Swan Insurance Company Limited and The Mauritius Development Investment Trust Company Limited.

INDEPENDENT NON-EXECUTIVE

Sunil BANYMANDHUB

Appointed in April 2004, he is the Chairman of the Audit Committee.
Graduated from UMIST (UK) with a B.Sc. Honours First Class in Civil Engineering, and completed his Master's Degree in Business Studies at London Business School. He is also an Associate of the Institute of Chartered Accountants of England and Wales. He has occupied senior positions with various major companies and institutions in Mauritius. Other directorship in listed companies: Omnicane Ltd.

Colin TAYLOR

He has a Bsc (Hons) in Engineering and Business Studies and an MSC in Management. He was appointed Director in February 2013. He joined the Rogers Group in the Automotive Division in 1987. He was appointed Manager of the Taylor Smith Engineering Division in 1991 and was promoted to Managing Director three years later. He was appointed Executive Director

of the Rogers Group Engineering Cluster in 1999 and has been CEO of Taylor Smith Group since 2004. He also holds the post of Honorary Consul for Sweden in Mauritius. He is also a director of Taylor Smith Investment Ltd.
Other directorship in listed companies: CIM Co Ltd.

EXECUTIVE

Gilbert ESPITALIER NOEL (Non-executive until 30 June 2015)
He was the Chief Executive Officer of ENL Property Limited until his appointment as Chief Executive Officer of the company in July 2015. He holds a BSc (Hons) from Louisiana State University and a BSc from the University of Cape Town as well as an MBA from INSEAD. He has been the president of various private sector institutions including the Joint Economic Council, the Mauritius Chamber of Commerce and Industry and the Mauritius Sugar Producers Association.
Other directorship in listed companies: ENL Limited, ENL Land Ltd, ENL Commercial Limited, ENL Investment Limited, Rogers & Co. Ltd and Livestock Feed Limited.

Marcel MASSON

Fellow member of the Association of Chartered Certified Accountants, he joined the Company in 1985 and is currently the Finance Director.
Other directorship in listed companies: None.

Jacques SILVANT

He holds a Degree in Hospitality and Management, France. He was appointed Director in February 2013. He joined the Company in 2001 and is currently the General Manager of the Royal Palm Hotel.
Other directorship in listed companies: None.

François VENIN

Worked overseas for Club Méditerranée and arrived in Mauritius in 1992 to manage Le Canonnier. He joined the Group when NMH acquired that hotel in 1997. He has been appointed as Commercial Director in July 2015 and he is also General Manager of Le Mauricia and Le Canonnier hotels since 2002

Directors' attendance to committee meetings

Directors	Board	Corporate Governance	Audit
Hector Espitalier-Noël	7/8	2/2	
Sunil Banymandhub	8/8		4/4
Herbert Couacaud	7/8	1/2	
Robert Doger de Speville	5/6		
Gilbert Espitalier-Noël	7/8	1/2	
Marcel Masson	8/8	2/2	4/4
Jean- Pierre Montocchio	8/8	2/2	
Louis Rivalland	7/8		3/4
Jacques Silvant	6/8		
Colin Taylor	8/8	2/2	4/4
François Venin	1/3		

Statement of remuneration philosophy

The Company's philosophy on matters of remuneration is geared towards rewarding effort and merit as fairly as possible.

Pursuant to the above, committees have been set-up to regulate and follow up closely all matters relating to remuneration.

Those concerning Directors, including Executive Directors, are dealt with by the Corporate Governance Committee.
A central remuneration committee, on which sit the General Managers of all the Company's business units, the Finance Director and the Human Resource Adviser is also in operation to decide on all matters relating to the remuneration of the Company's personnel at large. These include salary structure, incentive bonus, and profit sharing scheme. Regular benchmarking is made to keep abreast of labour market trends.

Directors' emoluments and share interests

Emoluments entitled by the Company for the year ended September 30, 2015:

Executive	2015	2014
	Rs'000	Rs'000
ESPITALIER-NOEL Gilbert (July 2015 to September 2015)	2,246	-
COUACAUD Herbert (Oct 2014 to June 2015)	19,793	13,304
DOGER de SPEVILLE Robert (Oct 2014 to June 2015)	18,362	10,618
MASSON Marcel	11,115	11,989
SILVANT Jacques	9,789	8,081
VENIN François (July 2015 to September 2015)	4,621	-
TOTAL	65,926	43,992

Non Executive	2015	2014
	Rs'000	Rs'000
COUACAUD Herbert (July 2015 to September 2015)	2,357	-
BANYMANDHUB Sunil	420	420
ESPITALIER-NOEL Gilbert (October 2014 to June 2015)	315	420
ESPITALIER-NOEL Hector	480	480
MONTOCCHIO Jean Pierre	420	420
RIVALLAND Louis	420	420
TAYLOR Colin	420	420
TOTAL	4,832	2,580

NOTE: None of the Company's Directors received emoluments from the subsidiaries.

Emoluments and benefits paid by subsidiaries for the year ended September 30 to:

	2015 Rs'000	2014 Rs'000
Executive Directors of:		
Mike Edwards (Beachcomber Tours Limited)	13,151	24,463
Terry Munro (Beachcomber Marketing (Proprietary) Limited)	19,858	15,943
Richard Robert (Mautourco Ltd)	3,257	3,072
J. Paul Poussin (Mautourco Ltd)	300	-
Xavier Jolivet (Beachcomber Hotel S.A Morocco)	7,588	7,500

The Directors' interests in the shares of the Company at year-end were as follows:

	Direct %	Indirect %
Hector ESPITALIER-NOEL (Chairman)	-	0.91
Sunil BANYMANDHUB	-	0.01
Herbert COUACAUD C.M.G	7.05	-
Robert DOGER de SPEVILLE	-	-
Gilbert ESPITALIER-NOEL	0.01	0.88
Marcel MASSON	-	-
Jean-Pierre MONTOCCHIO	-	0.07
Louis RIVALLAND	0.06	-
Jacques SILVANT	-	-
Colin TAYLOR	-	-

There was no service contract between the Company and any of the Directors during the year.

Dealings in shares of the Company

Each year, several closed periods are imposed during which senior employees and Directors are prohibited from trading in the Company's shares. The following closed periods have been identified and fixed for year ending September 30, 2016:

- from 21 November 2015 to 22 December 2015
- from 13 January 2016 to 12 February 2016
- from 14 April 2016 to 13 May 2016
- from 13 July 2016 to 12 August 2016
- from 28 August 2016 to 27 September 2016

Share dealings by the Directors during the year were as follows:

Directors	Number of shares purchased / (sold)
Sunil BANYMANDHUB	(16,000)
Gilbert ESPITALIER-NOEL	11,900
Louis RIVALLAND	54,600

The Directors have followed the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the SEM Listing Rules.
The Company secretary keeps an Interests Register in accordance with the Companies Act 2001 and an Insiders Register pursuant to Securities Act 2005, and these registers are updated regularly according to information furnished by Directors and other Insiders.

Substantial shareholders

Shareholders, other than any Director of the Company, who are directly or indirectly interested in 5% or more in the share capital of the Company are as follows:

	Effective %
Rogers & Co. Ltd	17.65
Swan Life Ltd	5.71

CONTRACTS OF SIGNIFICANCE

The Group did not have any contract of significance with third parties and, as defined by the Listing Rules of the Stock Exchange of Mauritius, with any of its Directors and shareholders. The Company does not have any controlling shareholder.

COMMUNICATION

Quarterly, and annual results of the Group are published in at least two main daily newspapers and can also be viewed and downloaded from Company's website viz. www.beachcomber-hotels.com. Important communiqués, where relevant, are released to the stock markets via The Stock Exchange of Mauritius and are also published in the local press. Further, the Company also holds an Analysts' meeting periodically.

COMMITTEES

The Committees constituted by the Board of Directors of the Company are the Corporate Governance Committee and the Audit Committee. Both Committees carried out their tasks according to the Terms of Reference attributed to them.

The Corporate Governance Committee which comprises three non-executives, including one independent non-executive and two executive Directors reviewed the following main areas:

- potential conflicts of interest where individuals hold positions of directors in companies in the same line of business. It was noted that the Directors were in full compliance with regard to the disclosure of their interests;
- various matters relating to the remuneration of high-ranking officers falling outside the general salary structure applicable to the Company's personnel;
- the establishment of the closed trading dates for securities transactions by the Company's officers, including Directors;
- the establishment of a calendar for Board meetings in 2016;
- appraisal of the Board's effectiveness. The Committee was satisfied that the number of Board meetings held during the year and the information submitted were adequate and that the Directors contributed constructively to the deliberations and decisions of the Board.

The Corporate Governance Committee also assumes the role of Nomination Committee. It establishes the principles for the selection of candidates to the Board, selects candidates for election or re-election to the Board and prepares a proposal for the Board's decision. Personal qualities and experience are important criteria in the selection of candidates to avoid the necessity for further training and development.

The Company Secretary acts as secretary for the Committee.

The Audit Committee comprising three non-executive Directors met on a quarterly basis mainly to:

- approve the internal annual audit plan ensuring that the audit scopes are adequate and that the Internal Audit Division has sufficient resources to carry out its duties effectively;
- review the internal audit reports and recommendations and ensure their implementation by management;
- review the external audit engagement letter and the terms, nature and scope of audit function;
- examine the financial statements and recommend their adoption to the Board;
- assess and ensure the quality, integrity and reliability of the risk management process.

The participants were the Audit Committee members, the Internal and External Auditors, the Corporate Risk Management Officer, the Finance Director and the Chief Accountant. The deputy chief internal auditor acts as secretary for the Committee.

Role and function of the Company Secretary

The Company Secretary serves as a focal point for communication with and between the Board of Directors, senior management and the Company's shareholders, and has a key role in the administration of the Board and critical corporate matters.

He ensures that Board members have the proper advice and resources for discharging their duties and he is also responsible for ensuring that the records of the Board's actions reflect the proper exercise of those duties.

He provides advice on corporate governance issues, particularly related to the re-election of Directors and other shareholder action taken at Annual Meetings. He is responsible for the following:

1. Board and Committee Meetings
2. Minutes of Meetings
3. Annual Meeting of Shareholders including the Proxy Statement
4. Corporate Records
5. Share Transfers and Dividends
6. Compliance with Listing Standards
7. Compliance with the Company's Constitution

PROFILE OF SENIOR MANAGEMENT TEAM MEMBERS

HOTEL OPERATIONS IN MAURITIUS

Michel DARUTY de GRANDPRE

Graduated from "l'Ecole Hôtelière de Glion" in Switzerland, he joined the Group in April 1980. Worked in different departments before becoming the General Manager of Le Chaland Hotel in 1983. He is, since 1985, the General Manager of Trou aux Biches Resort & Spa.

Lothar GROSS

Graduated from Hotels and Restaurants Management in Germany, he also holds a post graduate degree in Business Economics from Berlin Hotel Management School. Before joining the Group in February 2009 as Manager of the Victoria Hotel, he worked in different other hotels in Mauritius and Maldives. He is now General Manager of Le Shandrani.

Jean Louis PISMONT

Graduated from the hotel school of Granville, he also holds a Hotel Management degree from Thonon-les-Bains in France. Before coming to Mauritius, he worked in several countries rising through the ranks within reputable international hotel chains. He joined the Group in 1996 and is currently the General manager of Dinarobin Hotel Golf & Spa and Paradis Hotel & Golf Club.

Rico PAOLETTI

Graduated in Switzerland. Before joining the Group as Hotel Manager of Le Canonnier in 2008, he worked in various countries for reputable international hotel chains. He is now the General Manager of Le Victoria and Le Mauricia.

FLIGHT AND INLAND CATERING

Olivier NAIRAC

Holds a degree in Business Management from Surrey University. He joined NMH in January 2007 as Operations Manager at Plaisance Catering and is the General Manager since April 2013.

HOTEL AND PROPERTY OPERATIONS OVERSEAS

Norbert COUVREUR

He worked for reputable hotel chains such as Sheraton hotels before joining the group as Hotel Manager of Le Mauricia. He was appointed as General Manager of Sainte Anne Island in 2011.

Xavier JOLIVET

Worked for reputable hotel chains in France, USA and Monaco before joining the Group as Deputy Manager of the Royal Palm Mauritius in 2005. He is currently the General Manager of the Royal Palm Marrakech.

Laurent PIAT

Studied Commerce in Montpellier, Paris and London and worked for one year in an investment bank in New York before returning to Mauritius as Project Manager for a local group. In 2007, he joined NMH as Project Coordinator until he was appointed General Manager of the Marrakech project.

TRAINING

Iqbaal BADULLA

Holder of a "Brevet Professionnel Hôtelier" and a Postgraduate in Business Administration, he joined the group in 1995 and is currently the General Manager of Beachcomber Training Academy.

TOUR OPERATING AND SALES OFFICES

Sheila COLLET SERRET

Joined the Group as Sales Representative at Trou Aux Biches hotel in 1987. Moved to Italy in 1989 to open and manage the Beachcomber office in Bergam and has been in this role ever since.

Rod EATHER

After 10 years as an educator, he turned to travel, working with South African companies. He holds the position of Managing Director of Beachcomber Tours Australia since its inception in 1995.

Michael EDWARDS
Michael Edwards joined Beachcomber Tours Limited in the UK as Managing Director in 2001, having spent many years at International Travel Connections Limited, another UK tour operator, in a similar role. In his early years he also served in various capacities in the hotel industry in the UK and in the Caribbean.

Terry MUNRO
Qualified as a chartered accountant in 1975. Joined Beachcomber Marketing (Pty) Ltd as Managing Director in 1986 and has been in this role ever since.

Carole PEYRE
Joined the Group in 1986 as the first manager of the Beachcomber office in Paris. She became the General Manager of Beachcomber Tours France when the Company was founded in 1991 and has been in this role ever since.

Richard ROBERT
Fellow Member of the Association of Certified Accountants (FCCA), he joined the Rogers System & Audit Department in 1990 and in 2001, was transferred to Mautourco Ltd, as Finance Manager and was promoted as Managing Director in 2010. He was also recently appointed as Managing Director of White Palm Ltd.

Rémi SABARROS
Worked some ten years in luxury hotels before occupying senior positions in the sales and marketing department of serviced residences and tour operating companies successively. Joined the Group in 2001 to manage Beachcomber office in Paris and has been in this role ever since.

Elisabeth SULZENBACHER
Holds a master in business studies. She worked as Product Manager Indian Ocean for an important German Tour Operator before joining the Group in 1989. She has been managing the Beachcomber office in Munich ever since.

The senior management team also includes the four Executive Directors whose profiles have been disclosed on page 13.

INTERNAL AUDIT
Internal Audit remains an independent and objective task force reporting to the Audit Committee. The department consists of a team of professionally qualified accountants and of staff with the relevant experience who adopt a rigorous and methodical approach in their endeavour to ensure that appropriate procedures and controls are in place to protect the Group's income and assets.

All weaknesses identified are thoroughly investigated, formally discussed with top management and corrective measures recommended for implementation within a defined timeframe. Implementation review summaries together with up to date progress status are presented to the Audit Committee.

Risk management
Executive Directors and General Managers are accountable to the Board for the design, implementation and detailed monitoring of the risk management process. General Managers submit periodical reports to the Corporate Risk Management Officer highlighting, if any critical risks identified at operational level and the way they are eliminated or at least reduced to a minimum. Critical risks reported by all business units are consolidated and viewed at Group level.

A Risk Committee, comprising the Finance Director (Chairman), the Commercial Director, the Group Human Resource Advisor, General Managers of hotels, the Group Maintenance Engineer and the Risk Management Officer, deals with: a) best practices in the field of food safety, b) health surveillance on the personnel, c) requirements of Tour Operators, and d) safety objectives in boat houses and diving centers.

Whereas the responsibility for setting risk management strategy remains with the Board, the role of the Audit Committee encompasses the monitoring of the risk management process with a view to assessing and assuring its quality, integrity and reliability.
The list below shows the risks that could materially affect the Group's business, revenues and operating profits and the strategies employed by management to reduce these risks to a minimum.

Reputation
To maintain its reputation, the Group constantly upgrades its products and adheres to high quality standards in all areas of operation. The Group has built prestigious resorts and invests constantly to maximise its market share. Each hotel has developed its own personality whilst holding to the Group's philosophy of providing the best of Mauritian hospitality.

At the operational level, the Group ensures that key management positions are held by suitably qualified and trained staff with the required experience in the hotel industry. Ongoing attention is given to environment, health and safety issues and, in that respect, the Group thrives to adhere to the best practices aimed at ensuring sustainable development.

Events that impact international travel
The hotels' occupancy levels and the tariffs practiced by the Group could be adversely impacted by events that discourage international travel. Factors such as epidemics (e.g. H1N1 Ebola), threatened acts of terrorism, natural disasters and continued effect of worldwide financial crisis could result in reduced worldwide travel. A decrease in the demand for hotel rooms as a result of such events has an adverse impact on the Group's operations and financial results.
The Group formulates plans which are reviewed and adjusted to maximise its market share. Cost and expenditure are reviewed and rationalised but not at the expense of security, safety and service quality. Contingencies and business continuity plans are being revisited, formalised and updated accordingly.

Market and Competition
The Group is faced with local as well as global competition and has to reckon with the seasonal nature of the hotel industry.

To remain competitive, the Group provides superior quality resorts and facilities and adopts top edge marketing strategies to promote and sell its products. It regularly participates in professional stands and promotional fairs. There is an ongoing nurturing of long and well established relationship with its tour operators and sales offices.

Personnel and Quality Service

The Group is reliant upon recruiting and retaining key personnel and developing their skills to provide quality service to guests.

In order to develop, support and market its products, the Group hires, trains and retains highly skilled employees with particular expertise. To that end, a training structure within the group has been organised to consolidate the promotion of service excellence. The training infrastructure in place in all the business units together with the Beachcomber Training Academy enables professional knowledge and skills to be constantly enhanced.

Moreover, to motivate employees a comprehensive structure has been developed for their benefit, including high salary ranges, performance rewards, profit sharing, retirement benefits, and medical assistance. Additionally, to develop a spirit of unity social gatherings are regularly organised.

Technology and Information Systems

The Group relies on appropriate technology and information systems for the running of its operations and disruption to such systems could adversely affect the efficiency of its operation and business continuity.

To that end, the IT department has implemented procedures to safeguard the computer installations of all hotels of the Group to ensure continuity of operations.

Moreover, the Group always keeps pace with developments in technology and aligns with business needs and responds to changes in business strategy in order to maintain its competitiveness.

Fraud and Other Irregularities

The Group may suffer financial losses due to breakdown in internal controls at various levels. In each business unit, clearly defined systems and procedures are in place to ensure compliance with internal controls thus mitigating the risk of fraud. These systems are regularly monitored and reviewed by the Internal Audit Team to ensure their continued efficiency and effectiveness. The Group has formalised its ethical practices in order to consolidate its culture of honesty and integrity. The Code of Ethics and Business Conduct encourages all stakeholders to step up to their responsibility to behave ethically and contributes towards the prevention of frauds and irregularities.

Litigation and Insurance Cover

The Group is subject to risk of litigation from its guests, suppliers, employees and regulatory authorities, for breach of its contractual obligations or other duties.

Therefore, the Group has to ensure that its guests and employees are provided with secured accommodation and related facilities and a safe workplace respectively. Full time health and safety officers are employed to assist management in that respect.

Management regularly seeks guidance from legal advisers and insurance consultants to safeguard the Group against exposure to potential losses in all respects.

As regards statutory returns in respect of taxes, these are regularly reviewed and monitored by tax experts.

FINANCIAL

The Group is exposed to a variety of financial risks which may impact on the Group's reported results and its business value. Financial risks and strategies are described fully in note 32 to the Financial Statements.

CODE OF ETHICAL CONDUCT

NMH is guided by a set of values that reflect high ethical and moral standards, aimed at assuring credibility and preserving the company's positive image which is an asset that belongs to its shareholders, administrators and employees and results directly from their behavior and commitment towards the principles stated hereunder. All the administrators and employees must be committed to the principles of honesty, trust and respect for others, and are responsible for disseminating and practicing these values.

FUNDAMENTAL PRINCIPLES

NMH and its subsidiaries commit to the following fundamental principles:

- Observing good corporate governance practices, good accounting and management principles and practices, as well as clear, objective and timely communication to their shareholders;
- Achieving their business objectives with corporate social responsibility, valuing their employees, preserving the environment and contributing towards the development of the communities where they are active; and
- Observing their legal obligations in the countries where they are active, directly or indirectly.

COVERAGE AND SCOPE

Amongst the desirable ethical conducts that are expected to be observed by the members of the Board of Directors, employees and trainees of the Company and its subsidiaries are:

1. Performing their activities in conformity with the highest level of ethical conduct and follow the Company's policies and rules, stimulating and guiding their colleagues in that respect;
2. Maintaining a positive, honorable, loyal, honest professional attitude of mutual respect, trust and collaboration with other colleagues at work, shareholders and investors;
3. Preserving the Company's assets, including its image and reputation, facilities, equipment and materials, using them only for their intended purposes;
4. Defending the Company's interests in matters they are participating in, according to predefined criteria;
5. Being diligent, responsible and respectful in relations with authorities, clients, competitors, suppliers, members of the communities and all other individuals, companies and organizations with which the company relates in the exercise of its regular activities, always seeking to preserve the company's good reputation, image and relations;
6. Avoiding situations in which their own interests may come into conflict with the company's interests, and when this is not possible, refrain from representing NMH in the issue under consideration, communicating the fact immediately to their immediate superior;
7. Assuring that the communications and information are provided exclusively by authorised employees, and that they are in compliance with NMH's policies, controls and procedures and with the applicable legislation;
8. Refraining from establishing commercial relations with companies that knowingly do not follow ethical standards compatible with those followed by the company;

9. Preserving the secrecy of the Company's confidential and strategic information to which they have access, even if they no longer have any bonds with the company, as well as act with due caution in relation to privileged information; and
10. Being committed to preserving the environment and obeying the environmental legislation, acting with social responsibility and respect towards human dignity.

The following conducts are intolerable and subject to disciplinary penalties:

1. Taking advantage of their position aimed at obtaining conveniences or any other form of illegitimate personal benefit, or for third parties they relate with;
2. Discrimination based on ethnic background, sexual preference, religious belief, union affiliation, political conviction, ideology, social class, special handicap condition, marital status or age;
3. Harassment of any nature, including moral or sexual, provoking discomfort to others;
4. Allowing or promoting political, religious or commercial propaganda in the company's quarters;
5. Preferential or privileged treatment towards any client or supplier that disagrees with the company's policies approved by the Board;
6. Offering payment or any other sort of personal benefit to any authority or server from the public administration, directly or indirectly, in exchange for advantages;
7. Establishing contact with the company's competitors, violating the applicable competition laws; and
8. Distorting the figures or accounting characterization of items that may reflect on the company's management reports or financial statements.

Environment and social responsibility

NMH remains committed to reduce resource waste and save energy through its continuous efforts to use modern technologies that limit negative impacts on the environment. All necessary steps are taken to ensure that NMH compares favourably when benchmarked against the best practices.

NMH did not have any obligation to pay CSR contribution due to tax losses arising in the preceding year. However, the Company decided to maintain its support to its solidarity fund (FED) with a voluntary contribution of Rs 6.5 million.

Dividend policy

Depending on the availability of funds, the Company's policy is to distribute around 50% of its earnings as dividends.

Donations

The Company has maintained its policy of channeling all requests for social assistance through its solidarity fund, Fondation Espoir et Développement (FED), created in March 1999. During the year, the Company contributed Rs 6.5m (2014: Rs 5.8m) to the fund.

Political donations are dealt with by the Board. For the year under review, an amount of Rs 7.5m has been donated to political parties (2014: Nil).

External Auditors

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Lead Auditors				
Audit services	7,875	7,260	6,550	6,210
Tax services	693	693	516	516
Total	8,568	7,953	7,066	6,726
(b) Secondary Auditors				
Audit services	3,829	3,809	-	-
Tax services	155	178	-	-
Total	3,984	3,987	-	-

MATERIAL CLAUSES OF THE COMPANY'S CONSTITUTION

The constitution of the Company is in conformity with the provisions of the Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius Limited. There is no clause in the constitution deemed material enough for special disclosure.

RELATED PARTY TRANSACTIONS

Details on related party transactions are given in Note 31 to the financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's and Group's statements of financial position at September 30, 2015 and the statements of profit or loss, statements of other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and Companies Act 2001. The Directors are also responsible to ensure that adequate records have been maintained.
The Directors' responsibility included designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that were reasonable in the circumstances.

The Directors have made an assessment of the Company as a going concern and have every reason to believe it will continue to operate for the foreseeable future.

The Company's external auditors, Ernst & Young, have full access to the Board of Directors and its committees to discuss the audit and matters arising therefrom, such as their observations of the fairness of financial reporting and the adequacy of internal controls.

STATEMENT OF COMPLIANCE

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

We, the Directors of New Mauritius Hotels Limited, confirm that to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance.

Hector ESPITALIER-NOEL	Sunil BANYMANDHUB
CHAIRMAN	CHAIRMAN OF THE AUDIT COMMITTEE

December 22, 2015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BEACHCOMBER VALUES AND CORPORATE CULTURE

The hotel industry is a passionate service based sector in which men and women play a predominant role: that of creating happiness and comfort to visitors. Beachcomber has always been alive to that reality and has, by way of recognition, attached the highest importance to the human element as part of its philosophy and corporate culture.

Beachcomber is closely linked to the emergence of the local tourism industry and is known for the determination displayed by its founders to associate its personnel to the economic success and growth of the enterprise. It has, in the course of time, introduced various measures aimed at improving the social and financial situation of its personnel. Amongst these measures, it is worth mentioning the salary structure which provides remuneration far above the industry's average and what is prescribed by law and, the profit sharing scheme which in the worst year has brought at least a 14th month, the excellent in-house pension fund, a comprehensive health scheme for the employees and their family, the provision of free canteen facilities at work, free transport to attend duties and continuous training which paves the way for internal promotion and service excellence.

During the past few years and on account of unprecedented cash flow constraints, it was difficult for Beachcomber to avoid its corporate culture being somewhat overshadowed, leaving the perception of its relegation to the middle ground. The complexities and difficulties of an expanding enterprise at times generate such a situation, but what really matters is to remain alive to the necessity of reasserting and consolidating the values which brought the enterprise to be and remain in the forefront of the tourism industry. This is precisely what Management commits itself to.

At the beginning of August, Management found that it had become necessary to bring back faith and pride in what constituted the strengths and values of Beachcomber. It launched the project *'Beachcomber: au cœur des valeurs'* which found its originality in promoting a collective in-depth analysis of Beachcomber and of what its past achievements represented in the eyes of the participants. The exercise spread over 3 months, entailed 36 sessions and 130 interviews to which actively participated some 600 employees of the various enterprises operating in Mauritius, the Seychelles, South Africa, France and Morocco. Eight values were identified by the participants, namely: the distinctive Mauritian concept and style, service quality, savoir-faire, team spirit, quest for innovation, caring management, confidence, and finally the Group's strength and resilience.

Well appreciated by the employees, the exercise also afforded them the opportunity to express their perception of Beachcomber, and it was very rewarding to note the reaffirmation of their pride to belong to an enterprise which they overwhelmingly described as 'caring' and in which they have full confidence and respect. In passing the floor to the employees, many aspirations also came to light, the more important one being a strong need for continuous professional improvement through training at all levels. This will be one of the priorities for 2016 and a challenge for Beachcomber Training Academy.

The way forward is to build on the good perception expressed by the employees, to strengthen the group's communication and marketing strategies and to develop further the Beachcomber Trade Name. Next year is expected to be marked by enhanced dynamism, strong initiatives, renewed commitments towards social responsibilities and continued implication in sustainable developments, the four pillars that will continue to ensure and enhance the Group's notoriety and success.

Amongst the strong actions envisaged for 2016 it is worth mentioning the opening of Trou-aux-Biches Training Centre which, in addition to providing courses in the usual hotel trades, will constitute a breakthrough in the field of training of spa therapists and technicians. Spa services in the local hotel industry have started being offered some 15 years ago. Today, they cannot be dissociated from the concept of luxury hospitality and is one of the criteria used by the authorities for hotels' classification. The 10 hotels operating under the Beachcomber label do provide spa services and employ, to that effect, some 200 persons.

Up to now, most of the practising local therapists acquired their know-how through on-the-job training. At Beachcomber, training was, to the greatest part, conducted with the assistance and guidance of representatives of Clarins, a renowned manufacturer of cosmetic products. The clientele is more and more demanding and also conscious that insufficiently trained therapists could constitute a health hazard to those using their services.

Beachcomber, in partnership with a French well known and highly recognized institute, will launch a specialized school under the name of *Santayarea Mauritius by Beachcomber.* The agreement between the parties has been signed on 16th December 2015 and the school will start operating as from April next year.

The students will not only be taught the usual techniques but will also be made to acquire the knowledge that will allow them to act as counsellors in matters of health and well-being. The diploma that will be delivered upon successful completion of the course will be recognized by the French State (CNCP) and by the Mauritius Qualification Authority. Beachcomber hotels will thus be able to offer a holistic package that would allow their clients to combine leisure with physical well being.

BEACHCOMBER'S SOCIAL RESPONSIBILITY

Beachcomber's actions have not been limited to promoting the well-being of its personnel. In 1999, conscious of its social responsibilities, the Group created 'Fondation Espoir et Développement' (FED) and committed itself to assist the most vulnerable young citizens, primarily by giving them the opportunity to find a means of living through basic literacy and training.

FED is composed of a team of permanent employees and has, since its creation, initiated a number of interesting and sustainable programmes which succeeded in bringing economic autonomy to many young persons who otherwise would have remained on the fringe of society.

The first integration programme of FED was the 'Projet Employabilité Jeunes' (PEJ) opened to young persons aged between 16 and 23 years and having experienced utter schooling failures. The basic objective was to turn them into mature and responsible adults capable of entering the labour market after having acquired some specific trade knowledge. The 2015-2016 promotion is made up of 180 boys and girls who have been proposed apprenticeship and on-the-job training in cooking, restaurant services and housekeeping in the Group's various hotels. They will also have the possibility to accede to enhanced technical training by following courses either at Beachcomber Training Academy or at the Mauritius Institute of Training and Development leading to the National Certificate 2 (NC2). At the end of their apprenticeship and training they can thus obtain the NC2 in addition to the PEJ certification. Since its inception in 2004, PEJ proved to be a very successful social project. More than 1,600 young persons benefited from the programme, out of which some 1,000 were offered permanent employment by Beachcomber. The remaining 500 are now working either for other hotel groups or in other sectors.

The project 'Local Hands' was launched in 2006. It now regroups some 70 small artisans of modest standing and has for objective to allow them to attain autonomy by promoting and finding ways to develop the local craftsmanship. With the cooperation of other institutions, the project proposes training, production facilities and marketing assistance.

These artisans create unique local handicrafts and made-in-Mauritius souvenirs, produced from simple materials such as coconut shell, tissues, recycled materials and clay, mostly intended for tourists but also attractive to the public at large. Thanks to the training and the various forms of assistance extended to them, the said artisans have succeeded in selling a large variety of quality products, essentially in hotels. In 2014, the overall turnover amounted to some Rs 4m and year 2015 is expected to be still better.

FED is now envisaging to put in place appropriate arrangements that will allow the artisans to self manage their sales in hotels. Necessary training will be given in grooming as well as in French and English languages to afford them maximum chances of success. By this new approach, FED wishes the artisans to achieve complete autonomy as it is important for them to have direct contacts with their clients so as to better understand their demand. In 2016 the 'Local Hands' association intends to launch sales on the web.

The Euro 1 Project was launched in November 2014 at Le Mauricia and Canonnier hotels. The results were so encouraging that the project was extended to the Victoria and Shandrani hotels and should be so at the Paradis and Dinarobin hotels in the very near future.

The project aims at allowing consenting clients to contribute to FED's activities by giving a symbolic Euro at check out time. They may also contribute more or use the special box kept at the reception counter for their donations. In addition to the fund raising objective, the project is also a means of showing Beachcomber's commitments to social and environmental activities. One year after its implementation, the project has proved to be a real success. Clients are very keen to support social actions and the money so raised is used to finance integration projects initiated by FED's Regional Committees.

Apart from the projects which it itself initiates and operates, FED also finances a number of interesting initiatives run by various ONGs engaged in education, health, culture, sports and leisure. Recommendations come from the Regional Committees on which sit hotel employees who can thus identify the needs in their respective regions after consultation with ONGs and Government institutions.

The following main projects have been realised in 2015: Training offered to Prevoc III boys of Triolet SSS, MCCI ZEP of Pointe-aux-Piments school both monitored by the Northern Regional Committee, the *Ultra Trail Raidlight Beachcomber* organized in collaboration with the South-East Regional Committee which also monitored IT initiation programmes in three villages in collaboration with the National Computer Board. The South-West Regional Committee, on its part, collaborated to the *Duke of Edinburgh Award Scheme* to which participated some 100 young persons residing in the region and to the adaptation of PEJ to the Prevoc IV of La Gaulette SSS. FED will solicit increased participation in the Regional Committees so as to widen the identification of the needs of inhabitants of the surrounding villages concerned. It will also enlarge its collaboration with the ONGs, Government Institutions and other relevant instances.

Sixteen years after its creation, FED is more than ever determined to fight exclusion and strengthen its actions towards the social integration of the poor and vulnerable citizens. The results achieved so far in that direction is a cause of great satisfaction.

ENVIRONMENT: AN ECO SUSTAINABLE COMMITMENT BY BEACHCOMBER

The social action of Beachcomber would be meaningless if it were not accompanied by a strong environmental action. Indeed, any action centred around the human being cannot exclude consideration for the environment. There can be no social responsibility without commitment to sustainable eco-development. Similarly, there can be no sustainable eco-development without the personal involvement of individuals.

This eco-citizen approach is all the more important given that the management and optimum use of natural resources has become an unavoidable challenge in the fight against global warming. Beachcomber has adopted this eco-citizen approach since the eighties, at a time when such an issue was neither relevant nor a priority. It was thus one of the pioneering Mauritian groups to develop systems and technologies for promoting sustainable energy saving practices with the installation of wastewater treatment plants and the use of central water chillers for air conditioning. Economies that also allowed significant operational cost reductions, since the hotels, as we know, are very large consumers of water and electricity.

Today more than ever, the objective is to reduce the energy footprint as much as possible, improve air quality and ultimately focus on renewable energy sources rather than continuing with the inconsiderate use of fossil fuels.
To achieve these results, different strategies have been adopted over the years, starting with the education and awareness of all employees and guests as to the impact wrong behaviour can have on energy saving projects.

1. Mastering Energy Consumption

Hotels are by definition big energy users in terms of air conditioning and lighting. Efforts must therefore be focussed on the control and reduction of energy used for these purposes in order to reduce the impact on the environment and on the operating costs. It is very encouraging to note that our hotels, currently, have an average electrical energy intensity of 177.81 kWh / m^2 / year compared to an average of 261.74 kWh / m^2 / year for comparable resort hotels in the United States, according to a study by Cornell University.

In 2008, the Group launched a progressive replacement program for water chillers used in our central air conditioning systems. This new generation of equipment not only helps improve the overall energy efficiency, but also reduce the electricity bill: for example, the installation of such new chillers has generated annual savings of some Rs 10m in the Trou aux Biches Resort & Spa alone.

The use of low energy lighting and LED bulbs has been gradually deployed in all areas and has had for, direct effect, a reduction of over 80% in the specific power consumption associated with lighting and the indirect effect of lesser air conditioning usage due to a huge reduction in the heat emission of these new bulbs. LED bulbs have an average life of 30,000 hours and produce 20 times less heat than equivalent halogen or incandescent bulbs. Similarly, the deployment of lighting and occupancy sensors in hotel rooms since 2012 has allowed overall savings of 30% on cooling costs which represent, on average, 45% of the total energy cost of a hotel. This technology has been installed at the new headquarters with the same efficiency.

Another system was put in place in most of our hotels with an excellent return on investment and a considerable impact on carbon dioxide emissions. This is a heat recovery system fitted on kitchen central cold room compressors allowing the production of hot water. This water is then used in kitchens thereby avoiding the consumption of fossil fuel to produce it and making the kitchen completely independent from the rest of the hotel for its hot water requirements.

We may also mention the micro load shedding system installed in several of our hotels: a German system was chosen which limits the use of electricity at any time according to a predetermined set point, thus preventing it from overshooting the load demand and being penalised by the electricity board. This very efficient system was pioneered in 2005 in the main kitchen of Victoria, then in the kitchens of Plaisance Catering and Trou aux Biches Resort & Spa and is now deployed throughout the Shandrani.

Extensive use of the variable speed drives associated with more and more advanced control systems have saved a lot of electricity and water during recent years. Today, it is used in areas as diverse as capacity control for cold room compressors, pressure control on drinking water pumps and chilled water distribution pumps, control of extraction fans in kitchen hoods and control of dissolved oxygen in wastewater treatment plants.

Finally, the conversion of diesel to Liquid Petroleum Gas (LPG) boilers, in partnership with Total, should ultimately have a positive impact on the environment; LPG being much cleaner than diesel.

2. Water Saving

The need to preserve scarce water resources and the fact that hotels are major consumers, prompted Beachcomber to take a number of very tangible measures.

Each hotel has its own wastewater treatment plant. For example, the Paradis Hotel & Golf Club and Dinarobin Hotel Golf & Spa on the Morne Peninsula share a common wastewater treatment plant which cleans up to 60% of the total volume of wastewater produced per day, representing between 450 and 600 cubic meters of treated water. This water is used for irrigation of the gardens and of the 18 holes golf course. The same principle is applied in all the hotels of the Group.

Taps and showers of all hotels of the Group have been fitted with flow regulators and aerators, which resulted in a 50% reduction of water consumption without disrupting the customer's comfort. The Group also has in place a guest awareness program concerning the scarcity of water and its proper use which includes explanatory stickers and information sheets in the rooms.

Installation of computerised water quality controllers in pools has reduced the volume of water used for washing the filters, but also to limit the consumption of chlorine and acid. The pools are, therefore, much healthier for customers and more economic in operation.

Since many years now, it became obvious that the availability of rainwater in Mauritius was going down with the ever growing number of users whilst storage capacity was lagging behind. Water stress will therefore still increase in the coming years and will directly affect the hotels unless corrective actions are taken. This forced Beachcomber to find alternative supply sources, mainly through desalination of sea water, a technique increasingly used worldwide, especially in coastal areas. Here too, Beachcomber has been a pioneer, having installed a desalination unit to supply the Sainte Anne Resort & Spa, in Seychelles, since 2002. This unit was supplemented in 2012 by a new plant having a daily capacity of 300 cubic meters.

In Mauritius, a first desalination plant was built at the Morne Peninsula in 2007. With a production capacity of 800 cubic meters per day, it covers all the water needs of the Dinarobin Hotel Golf & Spa and the Paradis Hotel & Golf Club. About 650 cubic meters of water is used for hotel consumption, whilst 150 cubic meters are devoted to irrigating gardens and golf courses. The desalination capacity on the Morne Peninsula was subsequently increased to 1,600 cubic meters per day, with a special focus on golf irrigation. Since 2011, Trou aux Biches Resort & Spa was also equipped with a desalination plant covering 60% of its needs.

To reduce the incidence that hotels have on the supply of potable water to the population, it is most probable that all hotels will have to be equipped with their own desalination plant in the near future. These are big investments but they allow a constant and high quality supply to hotels' guests without any negative impact on the local population.

3. Invest in solar energy

Beachcomber has a genuine will to invest in solar energy. Ultimately, the goal is to replace all the hot water boilers fired with fossil fuels with solar thermal systems to achieve substantial energy savings.

Le Mauricia was the first hotel in Mauritius to use such a system in 2008. Today, Royal Palm, the Paradis Hotel & Golf Club, the Dinarobin Hotel Golf & Spa, the Trou aux Biches Resort & Spa, the Ste Anne Resort & Spa and the Royal Palm Marrakech are equipped with similar systems.

Beachcomber currently totals more than 6,500 square meters of panels, making the Group, the owner of the largest field of thermal solar panels in the Indian Ocean. These investments produce hot water for guests free during summer months and at very low costs other months of the year. Studies have been conducted for the installation of photovoltaic solar panels on some sites. So far, these projects have not yet been implemented due to complicated legal framework.

4. Refurbishment of the Royal Palm: an example of an Eco-Friendly Hotel

The refurbishment of the Royal Palm in 2014 incorporates several energy saving features and a large focus on sustainable design. In this sense, it is quite exemplary of what can be done today without affecting customer comfort.
Lighting is 100% LED in the rooms and public areas, resulting in a 70% decrease in power consumption of the hotel lighting.

The installation of an energy management system based on movement detection sensors in rooms, coupled with smart thermostats, have achieved additional energy saving of 30%. The entire system is connected to the hotel reservation system, to ensure that the air conditioning in the rooms is always linked to the status of the room.

Water quality controllers were set up in all of the pools, with continuous monitoring of some parameters such as the chlorine and pH, resulting in a drastic reduction in the consumption of chlorine and ensuring an optimal and comfortable water quality for the client. The system was deployed, with similar success at Le Canonnier in 2015.

The solar water heating system was upgraded with the addition of 20 square meters of additional panels bringing the total installed surface area to 200 square meters, which has greatly reduced dependence on fossil fuels for the production of hot water.

The installation of a special highly reflective waterproofing membrane on the roof led to an estimated decrease of 32% in the peak load of air conditioning in the rooms. Similarly, plaster based false ceilings were included in each room and bathroom. Besides their aesthetic and decorative appearance, they help to reduce by 13% the annual cooling needs.

Finally, the installation of a decentralized energy management system which controls the peak load n kitchens and the main machinery room helps reduce the excess demand in kVA.

5. Energy Improvement Projects realized in 2014/2015

A. Replacement of chilled water production groups

The chilled water production units installed in 2001 at Paradis Hotel & Golf Club and Dinarobin Hotel Golf & Spa, and working with HCFC R22 have been replaced by new machines running on ozone friendly R410A. These machines are much more efficient, especially at base load; a condition in which themachines operate 80% of the time. At Le Canonnier the chillers, which were installed in 1998, were also replaced with a new machine using R-134A and incorporating all the latest technology for energy efficiency.
All chiller units installed in 2015 and those which will be installed in 2016 are equipped with variable speed fans on the condensers and with micro-channels for air cooled condensers. The result is a much better efficiency and machines that contain much less refrigerant load.

B. Refurbishments at Paradis Hotel & Golf Club

The common areas, Spa, Kid's Club and the main restaurant have been completely refurbished, and the Junior Suites have been relamped and redecorated. This work, though mostly decorative, included a significant energy component especially with the replacement of more than 3000 halogen fixtures with an average of 50W rating by equivalent or better LED bulbs with an average of 7W rating each, resulting in a direct saving of 129 kilowatts. All the equipment in the main restaurant buffets, main kitchen pastry and main bar have been replaced with much more efficient equipment, and for the refrigerated equipment, filled with refrigerant respectful of the ozone layer.

C. Gradual Replacement of Thermostatic Expansion Valves

The thermostatic expansion valves used in the majority of cold rooms of our hotels are gradually being replaced by electronic regulators and electric expansion valves which are much more accurate and generate great savings when combined with a variable speed drive on the compressors.

D. Replacement of Refrigerant R22

The replacement of R22 as refrigerant in air conditioning systems and cold rooms has continued, with successful retrofits to Paradis, Royal Palm, Shandrani and Plaisance Catering for refrigeration plants and Paradis Hotel & Golf Club and Dinarobin Hotel Golf & Spa for air conditioning.

E. Establishment of a "Waste Management System" for Waste Collection

A "Waste Management System" was implemented at Paradis Hotel & Golf Club and Dinarobin Hotel Golf & Spa, in collaboration with the South African company Don't Waste. With this system, the two hotels have optimized their waste collection process, with waste segregation at source and optimal distribution of recoverable materials to recyclers. Green waste is shredded locally reducing their volume by more than half and thus the number of trucks required for their removal.

The benefits of this partnership are both direct – reduction in the overall cost of waste removal, tracking of all recycling business, marked decrease of truck traffic in the two hotels, and indirect – impact on carbon emissions through the consequent reduction in the number of truck trips, improvement in the image of both hotels through a clear and well-defined policy for recycling. The success of this pilot project is prompting us to extend it to other hotels in the group, with the assistance of Don't Waste.

6. Energy and Water consumption Indices

For five years now, a Benchmark for the specific consumption of water and electricity has been established for the hotels in the group to compare with similar institutions worldwide.

Hotels	Index for the year ended September 30, 2015	
	Electricity	Water
Trou aux Biches	218.75	1.03
Paradis	98.64	0.91
Dinarobin	204.6	0.74
Shandrani	197.11	0.84
Victoria	114.17	0.44
Mauricia	194.4	0.97
Canonnier	201.5	0.99
Royal Palm	193.33	2.13
Average	177.81	1.00

Electrical Energy Intensity Index (kWh/m^2/Yr) Water Usage Intensity Index (m^3/GN/Yr)

Generally speaking the trend for both electricity and water usage indices is downward, showing improved processes in place, good support of staff and clients, as well as constant improvement in equipment and technology.

For this year, it should be noted that a few things:

The Royal Palm is reaping the benefits of its refurbishment with greatly improved performances for electricity compared with 2013. Year 2014 should not be taken into consideration due to hotel closure for refurbishment.

The Trou aux Biches has showed a marked improvement in its water usage intensity despite the large number of pools and ponds.

Overall water usage intensity is still high with improvements at Trou aux Biches, Mauricia and Dinarobin.

7. Challenges for 2016

The EarthCheck Certification

The EarthCheck environmental certification project in 2016 will concern the Paradis Hotel & Golf Club and Dinarobin Hotel Golf & Spa, as well as the Head Office, with the objective that all Beachcomber Hotels are certified by the end of 2017.

EarthCheck is the environmental benchmarking, certification and environmental management the most in use in the tourism and travel industry. This program is used to collect and measure accurately, according to European standards of compliance relating to water, waste and energy, a number of operational indicators such as energy, water, use of waste paper, the participation of local communities, cleaning chemicals and pesticide use. The annual reports are audited by independent auditors of an international network.

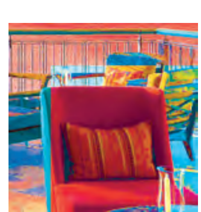
Moreover, benchmarking helps to isolate particular areas to improve. This allows a better monitoring of the environmental management process, the development of a sustainable development policy and the initiation of savings.

Finally Earthcheck being a recognised label will legitimate all the efforts done over the years in the field of sustainable development and should help us a lot in our group positioning as an environmentally responsible brand.

Participation in the National Energy Efficiency Program

Seven hotels of the Group and Plaisance Catering were selected to be part of the National Energy Efficiency Program (PNEE). This program offers Mauritian enterprises a technical and financial assistance to implement a process to reduce energy consumption, control costs, become more competitive and be more environmentally responsible. The energy audit is the first step of this energy efficiency initiative. 60% co-funded by a credit line of the European Union / AFD (Agence française de développement) and 40% by the Beachcomber, it is done by professionals supervised by a technical assistance from the AFD which seeks to guaranty the quality of services. An investment aid is possible for some energy saving solutions through a credit line of the AFD, the SUNREF, which itself is the second phase of Green Loans. Beachcomber has largely benefited from these in the past years.

This audit will provide the Group with detailed information on actions to reduce the energy costs and an assessment of their economic return. It is based on detailed investigations performed on-site by specialists of the sector, backed by adequate instrumentation. The energy saving measures can consist of investment projects, but experience has also shown that there are often strong potential savings through actions at very low cost ("Quick Wins") allowing quick gains after completion of the audit.



SECRETARY'S CERTIFICATE

We certify that the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 in terms of Section 166(d).

BEACHCOMBER LIMITED
Secretary

(Per Francis MONTOCCHIO)

December 22, 2015

INDEPENDENT AUDITORS' REPORT
To the members of NEW MAURITIUS HOTELS LIMITED

Report on the Financial Statements

We have audited the financial statements of New Mauritius Hotels Limited (the "Company") and its subsidiaries (the "Group") on pages 37 to 105 which comprise the statements of financial position as at September 30, 2015 and the statements of profit or loss and, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements on pages 37 to 105 give a true and fair view of the financial position of the Group and the Company as at September 30, 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and Financial Reporting Act 2004.

Other matter
This report has been prepared solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 Group and the Company other than in our capacities as auditors, tax advisors, and dealings in the ordinary course of business.
We have obtained all the information and explanations we have required.

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

Financial Reporting Act 2004
The Directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the "Code") as disclosed in the Annual Report and on whether the disclosures are consistent with the requirements of the Code.

In our opinion, the disclosures in the annual report are consistent with the requirements of the Code.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius
December 22, 2015

ROGER DE CHAZAL, A.C.A
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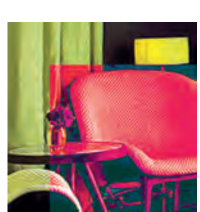


FINANCIAL STATEMENTS
for the year ended September 30, 2015

STATEMENTS OF PROFIT OR LOSS

for the year ended September 30, 2015

	Notes	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	4	9,356,658	8,793,343	6,536,644	6,287,238
Direct costs		(2,166,722)	(1,899,652)	(1,004,461)	(997,637)
Staff costs	5	(3,092,693)	(2,924,188)	(2,184,162)	(2,111,309)
Other expenses	6	(2,675,299)	(2,638,115)	(1,854,928)	(1,822,084)
Earnings from operating activities		1,421,944	1,331,388	1,493,093	1,356,208
Other income	10	132,446	260,476	-	9,000
Finance revenue	7	196,661	211,651	69,204	191,022
Share of results of associates	17	13,956	1,423	-	-
(Loss)/ profit on disposal of property, plant and equipment		(8,174)	2,127	(11,956)	(8,128)
EBITDA		1,756,833	1,807,065	1,550,341	1,548,102
Finance costs	8	(940,718)	(688,640)	(714,361)	(938,616)
Depreciation and impairment of property, plant and equipment	13	(536,380)	(563,282)	(348,598)	(434,080)
Amortisation of intangible assets	15	(5,881)	(4,594)	(2,343)	(2,343)
Pre-operational expenses re Marrakech project	9	-	(61,697)	-	-
Impairment losses	15	-	-	(1,500,000)	
Impairment of goodwill	15	(5,883)	-	-	-
Profit before tax		267,971	488,852	(1,014,961)	173,063
Income tax (expense)/ credit	11	(60,394)	12,782	(77,720)	6,839
Profit/(loss) for the year		207,577	501,634	(1,092,681)	179,902
Profit/(loss) attributable to:					
Owners of the parent		168,978	458,494	(1,092,681)	179,902
Non-controlling interests		38,599	43,140	-	-
		207,577	501,634	(1,092,681)	179,902
Basic earnings per share (Rs)	12	0.35	0.95		

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended September 30, 2015

	THE GROUP 2015	THE GROUP 2014	THE COMPANY 2015	THE COMPANY 2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit/(loss) for the year	207,577	501,634	(1,092,681)	179,902
Other comprehensive income/(loss):				
Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	309,236	(416,973)	-	-
Gain/(loss) on available-for-sale financial assets	686	(681)	(383)	370
Disposal of available-for-sale financial assets	(3,594)	-	-	-
Loss on cash flow hedges	(22,739)	(7,624)	-	-
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	283,589	(425,278)	(383)	370
Other comprehensive (loss)/ income not to be reclassified to profit or loss in subsequent periods:				
Remeasurement of retirement benefit obligations	(394,365)	28,068	(390,694)	26,277
Tax effect on gains on retirement benefit obligations	58,857	(4,210)	58,604	(3,942)
Gains/ (losses) on revaluation of property	372,964	623,973	80,324	(11,024)
Tax effect on gains/(losses) on property revaluation	(38,983)	(402)	(11,909)	2,462
Net other comprehensive (loss)/ income not to be reclassified to profit or loss in subsequent periods:	(1,527)	647,429	(263,675)	13,773
Other comprehensive income/ (loss) for the year, net of tax	282,062	222,151	(264,058)	14,143
Total comprehensive income/(loss) for the year	489,639	723,785	(1,356,739)	194,045
Total comprehensive income/(loss) attributable to:				
Owners of the parent	455,143	676,523	(1,356,739)	194,045
Non-controlling interests	34,496	47,262	-	-
	489,639	723,785	(1,356,739)	194,045

STATEMENTS OF FINANCIAL POSITION

as at September 30, 2015

		THE GROUP		THE COMPANY	
	Notes	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	25,508,538	24,826,796	17,440,839	17,958,601
Investment properties	14	366,000	786,900	-	195,125
Intangible assets	15	1,696,073	1,697,550	1,216,581	1,218,924
Investment in subsidiaries	16	-	-	7,057,733	7,798,406
Investment in associates	17	535,395	526,863	19,062	19,062
Available-for-sale financial assets	18	4,512	25,340	1,467	1,850
Deferred tax asset	26	209,877	130,261	-	-
Total non-current assets		28,320,395	27,993,710	25,735,682	27,191,968
Current assets					
Inventories	20	4,752,530	3,882,196	2,488,203	1,501,377
Trade and other receivables	21	2,890,986	3,032,387	2,959,184	3,223,822
Other financial assets	34	10,408	20,257	10,408	20,257
Income tax prepaid	11	12,815	15,737	12,578	12,382
Cash in hand and at banks	22	809,367	801,277	273,062	58,084
Total current assets		8,476,106	7,751,854	5,743,435	4,815,922
Total assets		36,796,501	35,745,564	31,479,117	32,007,890
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	23	5,000,000	1,724,361	5,000,000	1,724,361
Retained earnings		6,741,204	6,857,400	3,730,970	5,129,194
Other components of equity	24	1,905,733	4,610,033	1,215,403	4,449,557
		13,646,937	13,191,794	9,946,373	11,303,112
Non-controlling interests		59,067	74,257	-	-
Total equity		13,706,004	13,266,051	9,946,373	11,303,112
Non-current liabilities					
Convertible preference shares	25	1,755,115	-	1,755,115	-
Borrowings	25	10,401,739	9,430,966	9,783,314	8,926,574
Deferred tax liabilities	26	1,508,201	1,419,966	1,384,707	1,360,174
Employee benefit liabilities	19	1,126,060	718,752	1,103,413	702,700
Total non-current liabilities		14,791,115	11,569,684	14,026,549	10,989,448
Current liabilities					
Trade and other payables	27	3,189,614	3,779,879	2,726,566	2,875,407
Borrowings	25	5,106,639	7,086,795	4,779,629	6,799,414
Other financial liabilities	34	-	40,509	-	40,509
Income tax payable	11	3,129	2,646	-	-
Total current liabilities		8,299,382	10,909,829	7,506,195	9,715,330
Total liabilities		23,090,497	22,479,513	21,532,744	20,704,778
Total equity and liabilities		36,796,501	35,745,564	31,479,117	32,007,890

Approved by the Board of Directors on December 22, 2015 and signed on its behalf by:

Hector ESPITALIER-NOEL
CHAIRMAN
December 22, 2015

Sunil BANYMANDHUB
CHAIRMAN OF THE AUDIT COMMITTEE

STATEMENTS OF CHANGES IN EQUITY

for the year ended September 30, 2015

THE GROUP

	Attributable to owners of the parent company								
	Stated Capital Rs.'000	Retained Earnings Rs.'000	Foreign Exchange Difference Reserves Rs.'000	Available-for-sale Financial Assets Reserves Rs.'000	Revaluation Reserves Rs.'000	Other Reserves Rs.'000	Total Rs.'000	Non-controlling Interests Rs.'000	Total Equity Rs.'000
At October 1, 2013	1,724,361	6,499,379	(1,047,815)	14,559	4,861,628	624,583	12,676,695	68,915	12,745,610
Changes in equity for the year									
Profit for the year	-	458,494	-	-	-	-	458,494	43,140	501,634
Other comprehensive income/(loss) for the year	-	23,683	(424,328)	(681)	619,355	-	218,029	4,122	222,151
Total comprehensive income/(loss) for the year	-	482,177	(424,328)	(681)	619,355	-	676,523	47,262	723,785
Depreciation transfer for buildings	-	43,845	-	-	(43,845)	-	-	-	-
Tax effect of depreciation transfer for buildings	-	(6,577)	-	-	6,577	-	-	-	-
Dividends (Note 28/Note 30)	-	(161,424)	-	-	-	-	(161,424)	(41,920)	(203,344)
At September 30, 2014	1,724,361	6,857,400	(1,472,143)	13,878	5,443,715	624,583	13,191,794	74,257	13,266,051
At October 1, 2014	1,724,361	6,857,400	(1,472,143)	13,878	5,443,715	624,583	13,191,794	74,257	13,266,051
Changes in equity for the year									
Profit for the year	-	168,978	-	-	-	-	168,978	38,599	207,577
Other comprehensive (loss)/income for the year	-	(333,854)	288,410	(2,908)	334,517	-	286,165	(4,103)	282,062
Total comprehensive (loss)/income for the year	-	(164,876)	288,410	(2,908)	334,517	-	455,143	34,496	489,639
Depreciation transfer for buildings	-	57,271	-	-	(57,271)	-	-	-	-
Tax effect of depreciation transfer for buildings	-	(8,591)	-	-	8,591	-	-	-	-
Bonus issue (Note 23)	3,275,639	-	-	-	(3,275,639)	-	-	-	-
Dividends (Note 30)	-	-	-	-	-	-	-	(49,686)	(49,686)
At September 30, 2015	5,000,000	6,741,204	(1,183,733)	10,970	2,453,913	624,583	13,646,937	59,067	13,706,004

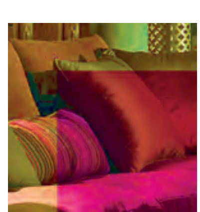
THE COMPANY

	Stated Capital Rs.'000	Retained Earnings Rs.'000	Available-for-sale Financial Assets Reserves Rs.'000	Revaluation Reserve Rs.'000	Total Equity Rs.'000
At October 01, 2013	1,724,361	5,055,912	569	4,489,649	11,270,491
Changes in equity for the year					
Profit for the year	-	179,902	-	-	179,902
Other comprehensive income/(loss) for the year	-	22,335	370	(8,562)	14,143
Total comprehensive income/(loss) for the year	-	202,237	370	(8,562)	194,045
Depreciation transfer for buildings	-	38,199	-	(38,199)	-
Tax effect of depreciation transfer for buildings	-	(5,730)	-	5,730	-
Dividends (Note 28)	-	(161,424)	-	-	(161,424)
At September 30, 2014	1,724,361	5,129,194	939	4,448,618	11,303,112
At October 01, 2014	1,724,361	5,129,194	939	4,448,618	11,303,112
Changes in equity for the year					
Loss for the year	-	(1,092,681)	-	-	(1,092,681)
Other comprehensive (loss)/income for the year	-	(332,090)	(383)	68,415	(264,058)
Total comprehensive (loss)/income for the year	-	(1,424,771)	(383)	68,415	(1,356,739)
Depreciation transfer for buildings	-	31,232	-	(31,232)	-
Tax effect of depreciation transfer for buildings	-	(4,685)	-	4,685	-
Bonus issue (Note 23)	3,275,639	-	-	(3,275,639)	-
At September 30, 2015	5,000,000	3,730,970	556	1,214,847	9,946,373

STATEMENTS OF CASH FLOWS

for the year ended September 30, 2015

	Notes	THE GROUP 2015 Rs.'000	THE GROUP 2014 Rs.'000	THE COMPANY 2015 Rs.'000	THE COMPANY 2014 Rs.'000
Operating activities					
Profit/(loss) before tax		267,971	488,852	(1,014,961)	173,063
Adjustments to reconcile profit/(loss) before tax to net cash flows					
Non-cash:					
Depreciation and impairment on property, plant and equipment	13	536,380	571,277	348,598	434,079
Amortisation of intangible assets	15	5,881	4,594	2,343	2,343
Impairment of goodwill	15	5,883	-	-	-
Loss/(profit) on disposal of property, plant and equipment		8,174	(2,127)	11,956	8,128
Gain on disposal of available-for-sale investment		(2,871)	-	-	-
Impairment loss on investment and intercompany receivable	16 & 21	-	-	1,500,000	-
Provision for bad debts		6,641	52	6,787	3,295
Fair value gain on investment properties	14	(106,063)	(250,942)	-	-
Dividend income		(32)	(513)	(19,006)	(12,692)
Interest income		(32,216)	(35,196)	(2,230)	(1,915)
Interest expense		869,129	648,131	676,013	573,223
(Gain)/loss on other financial assets	7 & 8	(30,660)	8,999	(30,660)	8,999
Exchange loss/(gain) on retranslation of loans and current account		87,938	(143,279)	21,040	(144,905)
Exchange gain on retranslation of loans	7	(133,753)	-	-	-
Share of profit of associates	17	(13,956)	(1,423)	-	-
Decrease in employee benefit asset	19	12,943	6,164	10,019	5,670
Working capital adjustments:					
Decrease/(increase) in inventories		182,964	220,326	(4,615)	(19,864)
Decrease/(increase) in trade and other receivables		341,689	(553,004)	(285,446)	(277,058)
(Decrease)/increase in trade and other payables		(603,368)	285,032	(148,841)	204,742
Income tax (paid)/ refund	11	(26,826)	(21,561)	(6,670)	29,118
Net cash flows generated from operating activities		1,375,848	1,225,382	1,064,327	986,226
Investing activities					
Purchase of property, plant and equipment		(739,129)	(1,584,369)	(348,411)	(37,101)
Proceeds from sale of property, plant and equipment		19,825	27,854	5,896	13,139
Proceeds from disposal of available-for-sale financial assets		20,791	-	-	-
Dividend received		6,256	2,979	19,006	12,692
Interest received	7	32,216	35,196	2,230	1,915
Net cash flows used in investing activities		(660,041)	(1,518,340)	(321,279)	(9,355)
Financing activities					
Proceeds from borrowings		4,774,523	2,971,324	4,394,237	2,580,594
Repayment of term loans		(5,221,367)	(2,346,066)	(5,081,191)	(2,319,766)
Proceeds from preference shares		1,755,115	-	1,755,115	-
Repayment of finance lease liabilities		(108,396)	(117,489)	(81,876)	(66,115)
Advances to subsidiaries		-	-	(124,485)	(1,024,095)
Interest paid		(1,045,511)	(945,587)	(773,762)	(681,689)
Dividends paid to equity holders of the parent		-	(161,424)	-	(161,424)
Dividends paid to non-controlling interests		(49,686)	(41,920)	-	-
Net cash flows from/(used in) financing activities		104,678	(641,162)	88,038	(1,672,495)
Net decrease in cash and cash equivalents		820,485	(934,120)	831,086	(695,624)
Cash and cash equivalents at October 1,		(2,195,886)	(1,247,119)	(2,690,733)	(1,995,109)
Net foreign exchange difference		(84,144)	(14,647)	-	-
Cash and cash equivalents at September 30,	22	(1,459,545)	(2,195,886)	(1,859,647)	(2,690,733)



NOTES TO THE FINANCIAL STATEMENTS
for the year ended September 30, 2015

1. CORPORATE INFORMATION

The financial statements of New Mauritius Hotels Limited (the 'Company') and consolidated with its subsidiaries (the 'Group') for the year ended September 30, 2015 were authorised for issue in accordance with a resolution of the Directors on December 22, 2015. New Mauritius Hotels Limited is a public limited company incorporated in Mauritius and is listed on The Stock Exchange of Mauritius. Its registered office is situated at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius.
The principal activities of the Group consist of hotels operations, tour operating and the provision of airline and inland catering and development of property for sale.

2. BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis as modified by the revaluation of land and buildings, investment properties, available-for-sale investments and other financial instruments which are stated at their fair values as disclosed in the accounting policies hereafter. The consolidated financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

Statement of Compliance
The consolidated financial statements of New Mauritius Hotels Limited (the 'Company') and its subsidiaries (the 'Group') have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at September 30, 2015.
Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations:
The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of October 01, 2014:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions – effective 1 July 2014
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014.
This amendment had no impact on the financial position of the Group and the Company's financial statements.

Annual Improvements 2010-2012 Cycle and Annual Improvements 2011-2013 Cycle

The Group and the Company have applied these improvements for the first time in these financial statements. They include:

Effective for accounting period beginning on or after	
Annual Improvements 2010-2012 Cycle	
- IFRS 2 Share-based Payment	1 July 2014
- IFRS 3 Business Combinations	1 July 2014
- IFRS 8 Operating Segments	1 July 2014
- IAS 16 Property, Plant and Equipment	1 July 2014
- IAS 38 Intangible Assets	1 July 2014
- IAS 24 Related Party Disclosures	1 July 2014
Annual Improvements 2011-2013 Cycle	1 July 2014
- IFRS 3 Business Combinations	1 July 2014
- IFRS 13 Fair Value Measurement	1 July 2014
- IAS 40 Investment Property	1 July 2014

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Group and the Company, its impact is described below:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Group's and the Company's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'; and
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The necessary disclosures have been made by the Group..

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

This amendment did not have any impact to the revaluation adjustments recorded by the Group and the Company during the current period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

This amendment is not relevant for the Group and the Company.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group and the Company have applied these amendments:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3; and
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

The Company has not entered into a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Group and the Company do not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of the Group and the Company.

2.2 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Effective for accounting period beginning on or after

- IFRS 9 Financial Instruments	1 January 2018
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016
- IFRS 14 Regulatory Deferral Accounts	1 January 2016
- IFRS 15 Revenue from Contracts with Customers	1 January 2018
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	1 January 2016
- Amendments to IAS 27: Equity Method in Separate Financial Statement	1 January 2016
- Annual improvements 2012 – 2014 Cycle	1 July 2016
- Disclosure initiative – Amendments to IAS 1	1 January 2016

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – 1 January 2018

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

Hedge accounting

Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, can be qualitative. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread, can be excluded from the designation as the hedging instrument and accounted for as costs of hedging. More designations of groups of items as the hedged item are possible, including layer designations and some net positions.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

The impact of the new standard is currently being assessed.

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) - effective 1 January 2016

This amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) was made to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- it requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations); and
- it requires the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.
The directors will assess the impact of the amendments when they become effective.

IFRS 14 Regulatory Deferral Accounts – effective 1 January 2016
IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

This new standard will not have an impact, as the Group and the Company are not first time adopters of IFRS.

IFRS 15 Revenue from Contracts with Customers – effective 1 January 2018
IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:
- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Group is still assessing the impact of this new standard, but it is not expected to have a significant effect on financial performance. There may be an impact on the level of disclosure provided.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) – effective 1 January 2016
Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:
- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).
The amendment will not have an impact since the Group does not have any interests in joint operations.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) – effective January 1, 2016
Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:
- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated; and
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The amendment will not have an impact since the Group does not use a depreciation method based on revenue for its plant and equipment and intangible assets.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) – effective January 1, 2016
Amends IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture to:
- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16;
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and

- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

The amendment will not have an impact as the Group does not have 'bearer plants'.

Amendments to IAS 27: Equity Method in Separate Financial Statements – effective January 1, 2016

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

The amendment is not expected to have an impact, as the Company will continue to recognise investments in subsidiaries and associates at cost in the separate financial statements.

Annual improvements 2012 – 2014 Cycle – effective July 1, 2016

The annual improvements 2012-2014 Cycle make amendments to the following standards:

- IFRS 5 - Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued;
- IFRS 7 – Additional guidance given to clarify whether a servicing contract is continuing involvement in a transferred assets, and clarification made on offsetting disclosures in condensed interim financial statements;
- IAS 19 – Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid; and
- IAS 34 – Clarifies the meaning of 'elsewhere in the interim report' and require a cross reference.

The Directors will assess the impact of the amendments when they become effective.

Disclosure Initiative (Amendments to IAS 1) – effective January 1, 2016

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

No early adoption of these standards and interpretations is intended by the Board of Directors.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) – effective 1 January 2016

This amendment to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) was made to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The amendment will not have an impact on the Group and the Company as they are not considered as Investment entities.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Functional currency
The choice of the functional currency of the Group and each of its foreign subsidiaries has been made based on factors such as the primary economic environment in which each entity operates, the currency that mainly influences sales prices for goods and services, costs of providing goods and services and labour costs.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern. 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 and is satisfied that the Group has the resources to continue in business for the foreseeable future.

At September 30, 2015, the Company had net current liabilities of Rs 1,762,760 (2014: Rs 4,899,408). On the other hand, there is no shortfall in working capital at Group level as at September 30, 2015 as compared to a net current liability position of Rs 3,157,975 in the prior year.

The Directors consider that there is no going concern issue at Company level given the availability of undrawn bank facilities (refer to note 22) and certain elements such as guest deposits recorded in current liabilities will not result in cash outflows in the next year. The improvement in the working capital and reduction in cash flow constraints for the Group and the Company was due to a financial restructuring scheme in three parts drawn up in the current financial year. The first two parts consisted of issuance of preference shares and corporate bonds and the rescheduling of several loan repayments were re scheduled. The third part which consists in taking strategic initiatives is in progress. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revaluation of freehold land, hotel buildings and investment properties
The Group measures freehold land and hotel buildings at revalued amounts with changes in fair value being recognised in equity. In addition, it carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to determine fair value based on prevailing market data. Further details in respect of the freehold land and buildings and investment properties are contained in Notes 13 and 14 respectively.

Fair value measurements of financial instruments
When the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to those models are derived from observable market data where possible, but where observable market data are not available, a degree of judgment is required to establish fair values. The judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Further details in respect of the fair valuation of financial instruments are included in Note 33 of the financial statements.

Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 15.

Employee benefit obligations
The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further detail is provided in Note 19.

Property, plant and equipment: Estimations of the useful lives and residual value of the assets
The depreciation charge calculation requires an estimation of the economic useful life of the property, plant and equipment of the Group analysed by component as well as their residual values. In estimating residual values, the Group has assessed the value of the buildings at today's rates assuming the buildings are in

the condition in which they are expected to be at the end of their useful lives.
Other items of property, plant and equipment are depreciated using the norms applicable in the industry. The carrying amount of property, plant and equipment is disclosed in Note 13.

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.
When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured to fair value as its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income.

If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Foreign currency translation
The Group's financial statements are presented in Mauritian rupees, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

Transactions and balances
Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

The assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing at the reporting date and their profit or loss items are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowings costs for long-term construction projects, if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Following initial recognition at cost, freehold land and buildings of hotels are reviewed on an annual basis effective as from this year; in prior years, revaluations were performed each two years.

Any revaluation surplus is recognised in other comprehensive income and accumulated in the revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase in recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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

An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on the straight-line basis over the useful life as follows:

Office buildings	50 years
Hotel buildings	35 years
Plant and equipment	Between 6 to 8 years
Furniture, fittings, office equipment and electrical appliances	Between 3 to 10 years
Computers and electronic equipment	Between 3 to 10 years
Motor vehicles	5 years

Other fixed assets include plant and equipment, furniture and fittings, office equipment and electrical appliances and computer equipment and software.

Work in progress pertains mainly to costs incurred in the construction of assets. Such costs include costs of construction and borrowing costs.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to investment property only when there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is its fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investments in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is achieved when the company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Financial statements of the Company

Investments in subsidiary companies are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investors but does not have control or joint control over its policies.

Financial statements of the Company

Investments in associates are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Consolidated financial statements

The Group's investments in its associates are accounted using the equity method.

Under the equity method, the investment in the associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of an associate is shown on the face of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value; it then recognises the loss as 'Share of losses of an associate' in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Intangible assets

Goodwill

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary company acquired, the difference is recognised directly in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

When a subsidiary company is disposed of, the difference between the disposal proceeds and the share of net assets disposed of, as adjusted for translation differences and net amount of goodwill is recognised in profit or loss.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Leasehold rights

Expenditure incurred to acquire leasehold rights is capitalised and amortised on a straight line basis over the period of the respective lease.

Patents

The trademark, White Sand Tours, was acquired in October 2010 by the subsidiary White Palm Limited. The trademark with indefinite useful life has been allocated to the cash generating unit, White Palm Limited, for the purpose of impairment testing.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount of the cash generating unit. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than the carrying amount of the cash generating unit to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at September 30.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 September, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

Financial assets

Initial recognition

Financial assets are classified at initial recognition as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets,

as appropriate. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end. Financial assets are recognised initially at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.
Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place(regular way purchases) are recognized on the trade date, i.e., the date the Group commits to purchase or sell the asset. The Group's financial assets include cash in hand and at banks, trade and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement
The subsequent measurement of financial assets depends on their classifications as follows:

Derivatives recorded at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in profit or loss.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied.
The Group uses derivatives such as forward foreign exchange contracts. Derivatives are recorded at fair value and are carried as assets when fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in the profit or loss.

Derivatives embedded in other financial instruments, such as the conversion option in an acquired convertible bond, are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held-for-trading or designated at their fair value through profit or loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as other operating expenses.
Loan and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Available-for-sale financial assets
Available-for-sale financial assets include equity investments. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.
After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to profit or loss in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.
For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Impairment of financial assets
The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.
In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Available-for-sale financial investments
For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.
In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Financial liabilities
Initial recognition
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.
Financial liabilities are recognised initially at fair value and in the case of borrowings, directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, bank overdraft, borrowings, derivatives and preference shares.

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

Interest-bearing loans and borrowings
After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition of financial assets and liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred

substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor is transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Fair value measurement

The Group measures its financial instruments and non-financial assets such as investment properties and items of property at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted available-for-sale financial assets, and for non-recurring measurement, such as assets held for sale.

The Group's management determines the policies and procedures for the measurement of both recurring and non-recurring fair values. Financial assets that are unquoted are fair valued by management at least annually at the reporting date. The use of external valuers is decided by the management when the situation dictates it, taking into consideration the relevant factors.

Involvement of external valuers for the valuation of its properties is decided upon by management after discussion with and approval of the audit committee. Selection criteria include market

knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources, that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents. Management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The fair values of the Group's unquoted available for sales investments are determined by Management at least annually at the reporting date through the income approach. Inputs and assumptions used in the determination of the fair value are verified and validated to their respective sources and documents. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and at bank, net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortised cost.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Food and beverages are valued at purchase cost on a weighted average basis.
- Operating supplies and small equipment are recognised at purchase cost and amortised on a straight line basis over their estimated useful life which is between two to four years.
- Spare parts, fabrics and garments are valued at purchase cost on a weighted average basis.
- Stock of villas is valued at cost which comprise of cost of land, construction costs and borrowing costs.

Villas being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

Redeemable convertible non-voting preference shares

The Company issued 161,423,536 redeemable convertible non-voting preference shares at an issue price of MUR 11 each, totalling MUR 1,775,658,896, during the year.

The preference shares have been classified as financial liabilities as even though the shares are redeemable at the option of the Company; there is a contractual obligation to pay dividends to the holder and this is non-discretionary as compared to ordinary shares.

The preference shares was initially measured at fair value less transaction costs and then subsequently measured at amortised cost using the effective interest rate method.

The preference shares yield a cumulative preferred dividend of 6% per financial year; preferred dividends will be declared twice per financial year and will be paid in priority over ordinary dividends.

Refer to note 25 (e) for more details on the redeemable convertible non-voting preference shares.

Employee benefit assets

(i) Defined benefit plans

The Group operates a multi-employer defined benefit plan, the assets of which are held in a separately administered fund. The pension plan is funded by payments from employees and by the employer, by taking into account the recommendations of independent qualified actuaries who carry out a full valuation of the plan every three years.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through the other comprehensive income in the period in which they occur. Re-Measurements are not reclassified to profit or loss in subsequent periods.

Past service cost are recognised in profit or loss on the earlier of:

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

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

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

(ii) Defined contribution plans

The Company operates a defined contribution scheme, set up in October 2014, the assets of which are held and administered by an independent fund administrator. All new employees of the Company from that date become members of the defined contribution plan. Payments by the Company to the defined contribution retirement plan are charged as an expense as they fall due.

(iii) Severance allowance

The Company is liable to pay severance allowance to employees at the date of their retirements under the Employment Rights Act 2008. These benefits are unfunded. The cost of providing these benefits is determined using the projected unit credit method. Actuarial gains and losses in determining the present value of the unfunded obligations are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. The past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested (that is when the employee retires). If the benefits have already vested, immediately following changes in legislation, past service costs are recognised immediately.

Taxes

Current income tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

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

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

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

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

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

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

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

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

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

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

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

Environment fees and solidarity levy
Environment fees and solidarity levy are calculated based on the applicable regulations and are included in operating expenses.

Corporate Social Responsibility
In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the Statement of Comprehensive Income and the income tax liability on the Statement of Financial Position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even of that right is not explicitly specified in the arrangement.

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

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

Operating lease
Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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

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

Borrowing costs consist of interests and other costs that the Group incurs in connection with borrowing of funds.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and value added taxes or other taxes.
The following specific criteria must also be met before revenue is recognised:

(i) Revenue from hotel operations
Revenue is recognised upon consumption and acceptance by customers.

(ii) Revenue from airline and inland catering
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers, usually on dispatch of the goods.

(iii) Revenue from tour operating
Commissions are recognised on completion of the services performed.

(iv) Revenue from sale of villas
Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises a contract to construct a property or a contract for the sale of a completed property. Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage-of-completion method as construction progresses.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred. Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer.

(v) Interest income
As it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

(vi) Dividend revenue
When the shareholder's right to receive payment is established.

Cash dividend to equity holders
The Company recognises a liability to make cash distributions to equity holders when to distribution is authorised by the board.

4. SEGMENTAL REPORTING

The Group presents segmental information using business segments and geographical segments. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.
The Group is composed of four business segments, which are as follows: hotel operations, tour operations, airline and inland catering and property development and others as described below. Each business segment provides products and services that are subject to risks and returns that are different from those of other business segments.

- Hotel operations – carried out in Mauritius, Seychelles and Morocco.
- Tour operating – carried out in France, United Kingdom, Italy, South Africa and Australia.
- Airline and inland catering – carried out in Mauritius.
- Property development – construction of villas in Morocco and future property development in Mauritius.

4. SEGMENTAL REPORTING

Business segments For the year ended September 30, 2015	Hotel Operations Rs'000	Tour Operating Rs'000	Flight & Inland Catering Rs'000	Property & Others Rs'000	Group Rs'000
Revenue	6,939,408	1,262,583	279,369	875,298	9,356,658
(Loss)/profit after tax	(65,173)	102,786	20,601	149,363	207,577
Segment assets	25,993,098	1,397,609	437,596	8,432,803	36,261,106
Share of net assets of associates	-	-	-	535,395	535,395
Total assets					36,796,501
Segment liabilities	21,267,371	1,113,958	126,755	582,413	23,090,497
Other segment information:					
Capital expenditure	848,150	58,268	14,226	20,523	941,167
Depreciation and impairment on property, plant and equipment	453,170	49,356	13,512	20,342	536,380
Amortisation of intangible assets	3,553	1,890	-	438	5,881

Business segments For the year ended September 30, 2014	Hotel Operations Rs.'000	Tour Operating Rs.'000	Flight& Inland Catering Rs.'000	Property and others Rs.'000	Group Rs.'000
Revenue	6,530,793	1,345,639	229,166	687,745	8,793,343
Profit /(loss) after tax	238,890	(208)	(5,452)	268,404	501,634
Segment assets	26,956,513	1,435,199	417,182	6,409,807	35,218,701
Share of net assets of associates	-	-	-	526,863	526,863
Total assets					35,745,564
Segment liabilities	20,054,138	1,226,735	94,784	1,103,856	22,479,513
Other segment information:					
Capital expenditure	2,166,950	52,531	19,206	62,934	2,301,621
Depreciation and impairment on property, plant and equipment	477,669	51,016	12,889	29,703	571,277
Amortisation of intangible assets	4,156	-	-	438	4,594

Geographical segments *For the year ended September 30, 2015*	Mauritius Rs.'000	Europe Rs.'000	Morocco Rs.'000	Other Countries Rs.'000	Group Rs.'000
Segment revenue	7,014,924	534,735	1,184,223	622,776	9,356,658
Segment assets	26,356,880	937,251	7,474,050	2,028,320	36,796,501
Capital expenditure	523,437	9,185	385,675	22,870	941,167

Geographical segments *For the year ended September 30, 2014*	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Segment revenue	6,729,394	655,403	806,177	602,369	8,793,343
Segment assets	23,271,693	955,650	9,732,578	1,785,643	35,745,564
Capital expenditure	468,311	7,385	1,779,704	46,221	2,301,621

5. STAFF COSTS

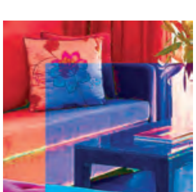
	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Wages, salaries, fees and bonuses	2,269,153	2,156,665	1,552,348	1,525,610
Social security costs	242,866	263,868	147,710	125,416
Employee benefits and related expenses	580,674	503,655	484,104	460,283
	3,092,693	2,924,188	2,184,162	2,111,309

6. OTHER EXPENSES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Operating supplies and cleaning expenses	389,066	393,283	312,080	309,461
Repairs and maintenance	246,062	206,515	185,365	184,344
Utility costs	535,504	524,555	398,020	403,131
Marketing expenses	711,682	810,181	433,613	459,501
Guest entertainment	98,066	89,196	88,239	82,615
Administrative expenses	389,802	305,499	182,624	139,909
Operating lease rentals	162,489	177,114	135,403	131,484
Licenses, patents, insurance and taxes	142,628	131,772	119,584	111,639
	2,675,299	2,638,115	1,854,928	1,822,084

7. FINANCE REVENUE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investment income: Quoted	9	14	9	14
Unquoted	23	26	18,997	12,678
Exchange gain on forward contracts	30,660	31,510	30,660	31,510
Exchange gain on retranslation of loans and payables	133,753	144,905	-	144,905
Exchange gain on retranslation of subsidiaries' current accounts	-	-	17,308	-
Interest income	32,216	35,196	2,230	1,915
	196,661	211,651	69,204	191,022



8. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair value loss on derivatives	-	40,509	-	40,509
Exchange loss on retranslation of loans and debentures	110,153	1,626	38,348	-
Exchange loss on retranslation of subsidiaries' current accounts	-	-	-	284,604
Interest costs on:				
Bank overdrafts	144,427	117,262	89,167	94,743
Loans	782,729	730,934	610,823	581,862
Debentures	65,474	65,464	-	-
Preference shares	19,201	-	19,201	-
Finance leases	28,037	30,286	21,859	21,822
Call account with subsidiaries (Note 31)	-	-	27,233	23,528
Others	9,115	15	9,115	15
	1,159,136	986,096	815,746	1,047,083
Less borrowing costs capitalised/expensed in cost of sales:	(218,418)	(297,456)	(101,385)	(108,467)
	940,718	688,640	714,361	938,616
Borrowing costs capitalised/expensed in cost of sales can be analysed as follows:				
Exchange loss on retranslation of loans and debentures included in:				
Property, plant and equipment (Note 13 (c))	(5,153)	-	-	-
Inventories (Note 20 (c))	(17,062)	-	-	-
Cost of sales	(3,924)	-	-	-
	(26,139)	-	-	-
Interest cost on bank loans and overdrafts and debentures included in:				
Property, plant and equipment (Note 13 (c))	(28,076)	(160,210)	(3,636)	(47,581)
Inventories (Note 20 (c))	(151,778)	(137,246)	(97,749)	(60,886)
Cost of sales	(12,425)	-	-	-
	(192,279)	(297,456)	(101,385)	(108,467)
Total borrowings capitalised/expensed in cost of sales*	(218,418)	(297,456)	(101,385)	(108,467)

9. PRE-OPERATIONAL EXPENSES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Pre-operational costs incurred	-	61,697	-	-

These related to all expenses incurred in relation to staff and administrative costs, and marketing expenses by Beachcomber Marrakech S.A. where construction works were in progress.

10. OTHER INCOME

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair value gain on investment properties (Note 14)	106,063	250,942	-	-
Gain on disposal of available-for-sale financial assets	2,871	-	-	-
Insurance refund	-	9,000	-	9,000
Other operating income	23,512	534	-	-
	132,446	260,476	-	9,000

* Amount expensed in cost of sales following sale of villas by Domaine Palm Marrakech S.A.

11. INCOME TAX

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
The major components of income tax expense for the years ended September 30, 2015 and 2014 are:				
Statement of profit or loss:				
Income tax on the adjusted profit for the year at 15% (2014: 15%)	(31,073)	(48,575)	-	-
Corporate Social Responsibility (CSR) charge at 2% (2014: 2%)	(6,997)	(6,244)	(6,474)	(5,797)
Deferred tax (Note 26)	(28,583)	67,601	(77,505)	12,636
Over provision in deferred tax in previous year (Note 26)	6,259	-	6,259	-
Income tax credit/(expense)	(60,394)	12,782	(77,720)	6,839
Statement of other comprehensive income:				
Deferred tax relating to items recognised in other comprehensive income				
Net loss/(gain) on actuarial gains and losses	58,857	(4,210)	58,604	(3,942)
Gains on revaluation of property	(38,983)	(402)	(11,909)	2,462
	19,874	(4,612)	46,695	(1,480)
Statements of financial position				
At October 1,	13,091	46,348	12,382	47,297
Income tax on the adjusted profit for the year at 15% to 30% (2014: 15% to 30%)	(38,070)	(43,013)	(6,474)	(5,797)
Exchange differences	7,839	(11,805)	-	-
Refund received	-	(34,915)	-	(34,915)
Less: Payment during the year	26,826	56,476	6,670	5,797
At September 30,	9,686	13,091	12,578	12,382
Analysis of tax position at year end:				
Income tax prepaid	12,815	15,737	12,578	12,382
Income tax payable	(3,129)	(2,646)	-	-
	9,686	13,091	12,578	12,382
A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian's tax rate for the years ended September 30, 2015 and 2014 as follows:				
Profit before tax	267,971	488,852	485,039	173,063
Tax calculated at a tax rate of 15% to 30% (2014: 15% to 30%)	(503)	(41,748)	(72,756)	(25,959)
Expenses not deductible for tax purposes	(37,024)	152,688	(7,600)	(2,837)
Corporate Social Responsibilty (CSR) charge	(6,997)	(6,244)	(6,474)	(5,797)
Deferred tax asset not recognised	(32,556)	(96,393)	-	-
Underprovision of deferred tax in previous year	6,259	-	6,259	-
Fair value gain on investment properties not subject to tax	-	4,479	-	-
Income not subject to tax	10,427	-	2,851	41,432
Tax (expense)/credit	(60,394)	12,782	(77,720)	6,839

12. EARNINGS PER SHARE

	THE GROUP		
	2015	2014	2014
	Rs.'000	Rs.'000	Rs.'000
		Restated*	
Profit for the year attributable to owners of the parent	168,978	458,494	458,494
Number of equity shares in issue	484,270,608	484,270,608	161,423,536
Basic and diluted earnings per share (Rs)	0.35	0.95	2.84

Earnings per share are calculated by dividing the profit for the year attributable to owners of the parent by the number of ordinary shares in issue during the year. There were no instruments that would have a dilutive effect on the earnings per share.

* For comparative purposes, the earnings per share for September 30, 2014 were recomputed based on the number of equity shares further to bonus issue.

** The preference shares issued do not have a dilutive effect at September 30, 2015 due to the fact that they are not convertible into fixed number of shares and conversion is at the option of the shareholder in January 2018 and 2019.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land Rs.'000	Buildings Rs.'000	Other Fixed Assets Rs.'000	Motor Vehicles Rs.'000	Work in Progress Rs.'000	Total Rs.'000
THE GROUP						
Cost and valuation						
At October 1, 2014	2,347,482	18,626,557	4,796,030	421,165	2,250,198	28,441,432
Additions	42,136	343,943	376,619	74,494	103,975	941,167
Transfer**	(385,930)	1,862,834	256,948	-	(2,150,803)	(416,951)
Disposals	-	-	(75,496)	(61,744)	-	(137,240)
Scrapped	-	-	(312,712)	-	-	(312,712)
Revaluation	286,130	10,310	-	-	-	296,440
Impairment	(3,636)	-	-	-	-	(3,636)
Exchange differences	25,099	317,634	58,111	(22,160)	(18,201)	360,483
At September 30, 2015	2,311,281	21,161,278	5,099,500	411,755	185,169	29,168,983
Accumulated depreciation						
At October 1, 2014	-	156,382	3,249,086	209,168	-	3,614,636
Charge for the year*	-	125,926	346,285	60,533	-	532,744
Disposals	-	-	(67,608)	(56,225)	-	(123,833)
Scrapped	-	-	(298,120)	-	-	(298,120)
Revaluation	-	(76,524)	-	-	-	(76,524)
Exchange differences	-	(7,205)	46,206	(27,459)	-	11,542
At September 30, 2015	-	198,579	3,275,849	186,017	-	3,660,445
Net Book Values						
At September 30, 2015	2,311,281	20,962,699	1,823,651	225,738	185,169	25,508,538
At September 30, 2014	2,347,482	18,470,175	1,546,944	211,997	2,250,198	24,826,796
Cost and valuation						
At October 1, 2013	1,802,393	16,175,483	4,601,593	359,512	3,060,487	25,999,468
Additions	82,643	503,353	144,021	122,803	1,448,801	2,301,621
Transfer	(6,505)	2,028,995	176,072	10,230	(2,215,297)	(6,505)
Disposals	-	-	(31,974)	(69,404)	-	(101,378)
Scrapped	-	-	(70,928)	-	-	(70,928)
Impairment	(40,280)	-	-	-	-	(40,280)
Revaluation	513,909	38,835	-	-	-	552,744
Exchange differences	(4,678)	(120,109)	(22,754)	(1,976)	(43,793)	(193,310)
At September 30, 2014	2,347,482	18,626,557	4,796,030	421,165	2,250,198	28,441,432
Accumulated depreciation						
At October 1, 2013	891	128,709	2,993,628	194,757	-	3,317,985
Charge for the year	-	99,446	355,737	75,814	-	530,997
Disposals	-	-	(27,341)	(55,578)	-	(82,919)
Scrapped	-	-	(63,720)	-	-	(63,720)
Revaluation	-	(71,229)	-	-	-	(71,229)
Exchange differences	(891)	(544)	(9,218)	(5,825)	-	(16,478)
At September 30, 2014	-	156,382	3,249,086	209,168	-	3,614,636
Net Book Values						
At September 30, 2014	2,347,482	18,470,175	1,546,944	211,997	2,250,198	24,826,796
At September 30, 2013	1,801,502	16,046,774	1,607,965	164,755	3,060,487	22,681,483

* No depreciation charged for the year (2014: Rs 7,995,000) has been reclassified to pre-operational expenses in respect of Beachcomber Marrakech SA as the hotel was operational.

** A net transfer of Rs 417m was made out of property, plant and equipment comprising: - Rs 925.9m transferred out in full to inventories as a result of change in management intention to do a ''morcellement" project instead of a golf project at Les Salines. A transfer of Rs 540.2m has been made from investment property to property, plant and equipment as management decided to construct a hotel and Rs 31.3m was transferred from property, plant and equipment to receivable as it relates to down-payment on fixed assets.

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

	Freehold Land Rs.'000	Buildings Rs.'000	Other Fixed Assets Rs.'000	Motor Vehicles Rs.'000	Work in Progress Rs.'000	Total Rs.'000
THE COMPANY						
Cost and valuation						
At October 1, 2013	1,738,000	14,813,290	4,190,331	195,986	23,462	20,961,069
Additions	47,344	269,942	87,379	57,925	881	463,471
Disposals	-	-	(25,035)	(39,538)	-	(64,573)
Scrapped	-	-	(70,927)	-	-	(70,927)
Impairment	(40,280)	-	-	-	-	(40,280)
Revaluation	5,436	(79,257)	-	-	-	(73,821)
At September 30, 2014	1,750,500	15,003,975	4,181,748	214,373	24,343	21,174,939
Accumulated depreciation						
At October 1, 2013	-	105,484	2,769,600	124,576	-	2,999,660
Charge for the year	-	71,519	299,861	22,420	-	393,800
Disposals	-	-	(20,973)	(29,600)	-	(50,573)
Scrapped	-	-	(63,752)	-	-	(63,752)
Revaluation	-	(62,797)	-	-	-	(62,797)
At September 30, 2014	-	114,206	2,984,736	117,396	-	3,216,338
Net Book Values						
At September 30, 2014	1,750,500	14,889,769	1,197,012	96,977	24,343	17,958,601
At September 30, 2013	1,738,000	14,707,806	1,420,731	71,410	23,462	17,961,409
Cost and valuation						
At October 1, 2014	1,750,500	15,003,975	4,181,748	214,373	24,343	21,174,939
Additions	41,492	182,778	242,861	32,034	24	499,189
Transfer (h)	(730,731)	24,258	-	-	(24,352)	(730,825)
Disposals	-	-	(16,666)	(21,784)	-	(38,450)
Scrapped	-	-	(312,712)	-	-	(312,712)
Impairment	(3,636)	-	-	-	-	(3,636)
Revaluation	1,000	10,310	-	-	-	11,310
At September 30, 2015	1,058,625	15,221,321	4,095,231	224,623	15	20,599,815
Accumulated depreciation						
At October 1, 2014	-	114,206	2,984,736	117,396	-	3,216,338
Charge for the year	-	78,424	244,473	22,065	-	344,962
Disposals	-	-	(15,918)	(19,272)	-	(35,190)
Scrapped	-	-	(298,120)	-	-	(298,120)
Revaluation	-	(69,014)	-	-	-	(69,014)
At September 30, 2015	-	123,616	2,915,171	120,189	-	3,158,976
Net Book Values						
At September 30, 2015	1,058,625	15,097,705	1,180,060	104,434	15	17,440,839
At September 30, 2014	1,750,500	14,889,769	1,197,012	96,977	24,343	17,958,601

(a) Revaluation of freehold land and buildings

The freehold land and buildings of the Group and the Company were revalued on September 30, 2015 by Mr. Noor Dilmohamed, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer and Sofigex SARL based on open market value. The Company has a policy of revaluing its land and buildings on an annual basis.

The Group has assessed that the highest and best use of its properties do not differ from their current use.

The revalued land and buildings consist of hotel properties. Fair value of the properties was determined by using open market value. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. The freehold land and buildings have been classified as level 2 as it is based on sales comparison approach, except for the value of hotel building in Morocco.

		2015	2014
Significant unobservable valuation input		**Range**	Range
Price per square metre	Freehold land	Rs 1,653 - Rs 3,591	Rs 1,371 - Rs 4,320
	Building	Rs 34,525 - Rs 63,776	Rs 34,721 - Rs 72,198

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

The fair value of the hotel building in Morocco has been valued using the depreciated replacement cost. Consequently a balance of Rs 3,501m was classified under level 3, as part of fair value hierarchy. For the year ended 30 September 2015, there has been no gain or loss recognised (2014: nil). The table below shows the valuation techniques used and the key inputs.

	Valuation technique	Significant unobservable inputs	Range
Buildings	Cost approach	Price per square m^2	Rs 69,576- 70,106

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

(b) If freehold land and buildings were measured using the cost model, the carrying amount would have been as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost	17,708,348	15,845,365	12,037,432	12,519,635
Accumulated depreciation	(840,578)	(772,591)	(693,942)	(646,752)
Net carrying amount	16,867,770	15,072,774	11,343,490	11,872,883

(c) Borrowing costs

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Les Salines, Les Salines Golf and Resorts and Marrakech projects and renovation of Royal Palm for the financial year:				
Borrowing costs capitalised in property, plant and equipment (Note 8)	33,229	160,210	3,636	47,581

The rate used to determine the amount of interest costs eligible for capitalisation varied between 2.5% to 5.0% for loans in foreign currency and 6.9% - 8.0% for loans denominated in Mauritian rupees.

(d) Assets held under finance leases

	THE GROUP		THE COMPANY	
The carrying amount of property, plant and equipment held under finance leases was:	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Plant and equipment and furniture included in other fixed assets				
Cost	509,388	489,396	494,535	475,827
Accumulated depreciation	(227,520)	(182,306)	(215,402)	(170,559)
Net book values	281,868	307,090	279,133	305,268
Motor vehicles				
Cost	203,457	155,156	119,680	91,143
Accumulated depreciation	(77,654)	(41,759)	(36,091)	(18,376)
Net book values	125,803	113,397	83,589	72,767

(e) Property, plant and equipment are included in assets given as collaterals for bank borrowings.

(f) Part of the acquisition of property, plant and equipment was financed by leases amounting to Rs 134m the Group (2014: Rs 103.4m) and Rs 109.3m (2014: Rs 93.6m) for the Company.

(g) A net transfer of Rs 730.8m was made out of property, plant and equipment comprising: - Rs 925.9m transferred out in full to Inventories as a result of change in management intention to do a ''morcellement'' project instead of a golf project. A transfer of Rs 195.1m has been made from investment property to PPE as management decided to construct a hotel.

14. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At October 1,	786,900	480,900	195,125	195,125
Transfer of land from inventory (Note (b))	-	29,099	-	-
Transfer of land from property (Note (c))	-	6,505	-	-
Transfer of land to property (Note (d))	(540,226)	-	(195,125)	-
Additions	6,663	19,454	-	-
Fair value gain (Note 10)	106,063	250,942	-	-
Foreign exchange difference	6,600	-	-	-
At September 30,	366,000	786,900	-	195,125

14. INVESTMENT PROPERTIES (CONT'D)

(a) Investment properties are stated at fair value, based on valuations performed by independent certified practising valuers, Sofigex SARL. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property. Fair value of the properties was determined by using open market value. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. The investment properties have been classified as level 2 as it is based on sales comparison approach.

The Group has assessed that the highest and best use of its properties do not differ from their current use.

Significant unobservable valuation input	2015	2014
Price per square metre	Rs. 4,575	Rs. 2,749 - Rs 4,320

(b) In the prior year, properties of 8.04 acres of land, previously identified for sale, was transferred from inventories to investment properties at its carrying amount as its use was yet to be determined.

(c) In the prior year, properties of 1.53 acres of land previously identified for hotel construction, was transferred from property, plant and equipment to investment properties as its use was yet to be determined.

(d) During the year, properties of 11.15 acres (Company) and 13.11 acres (Group) of land were transferred from investment property to property, plant and equipment as management intends to use this land to construct a 4 star hotel at Les Salines.

	THE GROUP		THE COMPANY	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
The amounts recognised in profit or loss were as follows in respect of :				
Direct operating expenses arising from the investment properties:				
- that did not generate rental income during the year	-	13,165	-	11,566

15. INTANGIBLE ASSETS

THE GROUP	Goodwill arising on Acquisition Rs.'000	Leasehold Rights Rs.'000	Patents Rs.'000	Licences Rs.'000	Total Rs.'000
Cost					
At October 1, 2013	1,259,000	443,658	24,493	3,150	1,730,301
Exchange differences	-	(5,720)	-	-	(5,720)
At September 30, 2014	1,259,000	437,938	24,493	3,150	1,724,581
Amortisation					
At October 1, 2013		22,773	-	-	22,773
Amortisation charge	-	3,964	-	630	4,594
Exchange differences	-	(966)	-	630	(336)
At September 30, 2014	-	25,771	-	1,260	27,031
Net book values					
At September 30, 2014	1,259,000	412,167	24,493	1,890	1,697,550
At September 30, 2013	1,259,000	420,885	24,493	3,150	1,707,528
Cost					
At October 1, 2014	1,259,000	437,938	24,493	3,150	1,724,581
Exchange differences	-	12,616	-	-	12,616
At September 30, 2015	1,259,000	450,554	24,493	3,150	1,737,197
Amortisation					
At October 1, 2014	-	25,771	-	1,260	27,031
Amortisation charge	-	3,991	-	1,890	5,881
Impairment	5,883	-	-	-	5,883
Exchange differences	-	2,329	-	-	2,329
At September 30, 2015	5,883	32,091	-	3,150	41,124
Net book values					
At September 30, 2015	1,253,117	418,463	24,493	-	1,696,073
At September 30, 2014	1,259,000	412,167	24,493	1,890	1,697,550

15. INTANGIBLE ASSETS (CONT'D)

THE COMPANY	Goodwill arising on Acquisition Rs.'000	Leasehold Rights Rs.'000	Total Rs.'000
Cost			
At October 1, 2013 and September 30, 2014	1,089,892	140,247	1,230,139
Amortisation			
At October 1, 2013	-	8,872	8,872
Amortisation charge	-	2,343	2,343
At September 30, 2014	-	11,215	11,215
Net book values			
At September 30, 2014	1,089,892	129,032	1,218,924
At September 30, 2013	1,089,892	131,375	1,221,267
Cost			
At October 1, 2014 and September 30, 2015	1,089,892	140,247	1,230,139
Amortisation			
At October 1, 2014	-	11,215	11,215
Amortisation charge	-	2,343	2,343
At September 30, 2015	-	13,558	13,558
Net book values			
At September 30, 2015	1,089,892	126,689	1,216,581
At September 30, 2014	1,089,892	129,032	1,218,924

Cash-generating units	Allocation of goodwill 2015 Rs.'000	2014 Rs.'000
Tour operating cash-generating units		
Beachcomber Limited and its tour operating subsidiaries	818,221	818,221
Hotels operations cash-generating units		
Hotel boutiques	4,101	4,101
Royal Palm hotel	168,685	168,685
Le Canonnier hotel	98,885	98,885
The Company	1,089,892	1,089,892
Hotels operations cash-generating units		
Ste Anne Resort Limited	89,745	89,745
Tour operating cash-generating units		
Beachcomber Tours SARL	1,184	1,184
Beachcomber Tours Limited	72,296	72,296
Property development cash generating unit:		
Domaine Palm Marrakech S.A	-	5,883
The Group	1,253,117	1,259,000

15. INTANGIBLE ASSETS (CONT'D)

Each cash-generating unit represents a business operation and is the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Domaine Palm Marrakech S.A
The recoverable amount for Domaine Palm Marrakech S.A has been determined using discounted cash flow techniques. This method uses approved cash flow budgets by the Board of Directors. In preparing the financial forecasts, the Board has taken into consideration the impact of the global economic situation on the sale of villas, the opening of the Royal Palm Marrakech hotel and existing market data.

Key assumptions used in recoverable amount calculations
The recoverable amount of Domaine Palm Marrakech S.A. is most sensitive to the following assumptions:

Completion of phases 1, 2 and 3 of the sale of villas within timeframe:
Phase 1, consisting of the sale and delivery of 93 villas, is expected to be completed by 30 September 2018 while Phase 2 is expected to bring an additional EUR 31.5m approximately in the years ending 30 September 2015 to 2022 with the sale of 59 villas. Phase 3 will consist of the sale and delivery of 140 villas and is expected to be completed beyond 2025. Marketing of villas for Phase 2 has already started whilst for Phase 3 is expected to begin in 2020.

Maintaining selling price and gross margins on villas:
Average selling prices and gross margins for Phase 1 villa sales are based on existing rack prices and average margins achieved in past years. Selling prices, margins and contribution on sales of villas in phase 2 and 3 are expected to increase compared to Phase 1 so as to bring an additional EUR 31.5m approximately and EUR 46.2m net cash flows respectively to the Project.

Discount rates:
Discount rates represent the current market assessment of the risks specific to a cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate (15%) calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service.

Impairment and sensitivity of changes in assumptions:
In the light of events in Paris and in the Middle East, low sales volume coupled with delays in villas construction, the Board of Directors decided to adopt a very conservative approach in the forecasts for the sale of villas. The Board has therefore considered it prudent to impair goodwill in Domaine Palm Marrakech at Group level, and part of its investment and inter company balance receivable from the Moroccan subsidiary at Company level to account for a potential downturn. The goodwill amount to Rs 5.8m was fully impaired at Group level. The impairment of investment and inter company balance receivables amounted to Rs 740.7m and Rs 759.3m respectively (refer to notes 16 and 31) at Company level.
The Directors have used prudent assumptions in preparing the financial forecast but recognise that downward pressure on sales prices and/or margins and delays in receiving revenue from sales of villas can have a further significant impact on the recoverable value of the Project.

All other Cash Generating Units
For the other CGUs apart from Domaine Palm Marrakech S.A, the recoverable amount has been determined based on a Enterprise value/Revenue multiple basis using quoted prices of identical units in Mauritius. Where necessary, discounts from 10% to 30% have been applied to adjust for difference in size, risks and geographical markets. The financial performance of the Company was also used to assess the recoverable amount.

(a) Leasehold rights
The leasehold rights comprise cost of leases acquired for part of Ste Anne Island in Seychelles, Les Salines Pilot in Black River, Mauritius and costs associated with the exchange of land with the Government of Mauritius relating to road diversion at Trou aux Biches. The leasehold rights are amortised over the respective lease period which ranges from 25 to 60 years.

(b) Patent
Patent represents cost of acquisition of "White Sand Tours" trademark in 2011. It has an indefinite useful life. As at September 30, 2015, the patent were tested for impairment and no indication of impairment was noted.

(c) Licences
Licences are amortised over a period of five years.

16. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2015	2014
	Rs.'000	Rs.'000
(a) Cost (Unquoted)		
At October 1,	7,798,406	2,542,247
Additions during the year	-	5,256,159
Impairment for the year (note 15)	(740,673)	-
At September 30,	7,057,733	7,798,406

Additions for the previous year pertained to capitalisation of intercompany receivable from subsidiaries (refer to note 31); these were non-cash items and were excluded in the statement of cash flows.
The impairment charge relates to investment in Domaine Palm Marrakech S.A (refer to note 15).

(b) List of Subsidiaries

Name of Corporation	Main business activity	Country of incorporation	Effective % holding 2015 %	Effective % holding 2014 %
Beachcomber Limited	Secretarial	Mauritius	100	100
Kingfisher Ltd	Investment	Mauritius	100	100
Beachcomber Training Academy Limited	Hotel training	Mauritius	100	100
Les Salines Development Ltd	Investment	Mauritius	100	100
Les Salines Golf and Resorts Limited	Real estate	Mauritius	100	100
Ste Anne Resort Limited	Hotel operations	Seychelles	100	100
Beachcomber Gold Coast Resort Limited	Dormant	Seychelles	100	100
Beachcomber Marketing (Pty) Ltd	Tour operating	South Africa	51	51
Beachcomber Tours SARL	Tour operating	France	100	100
Holiday Marketing (Pty) Ltd	Tour operating	Australia	75	75
Beachcomber Tours Limited	Tour operating	England	100	100
New Mauritius Hotel - Italia Srl	Tour operating	Italy	100	100
Wild Africa Safari Ltd	Dormant	England	100	100
Beachcomber Holidays Limited	Dormant	England	100	100
Beachcomber Hotel Marrakech S.A.	Investment	Morocco	100	100
Beachcomber Hotel S.A.	Hotel operations	Morocco	100	100
Domaine Palm Marrakech S.A.	Property development	Morocco	100	100
White Palm Ltd	Tour operating	Mauritius	51	51
Mautourco Ltd	Tour operating	Mauritius	51	51
Transmaurice Car Rental Ltd	Car rental	Mauritius	51	51
Societe Pur Blanca	Investment	Mauritius	51	51

The operations of the subsidiaries are carried out in the countries in which they are incorporated.

There is no restriction on the ability of the above subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans.

The Company took a loan of EUR 10m against which it pledged its shares in Kingfisher Limited which, in turn, holds 100% of Ste Anne Resort Limited.

In the current financial year, Ste Anne Resorts Limited took a loan of EUR 7.5M and the Company acted as a guarantor for the EUR 7.5m and pledged shares owned in Kingfisher Limited. The Company also acted as guarantor and pledged its own assets for an EUR 1.5m loan taken by Ste Anne Resorts Limited.

17. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs'000	Rs'000	Rs'000
At October 1,	526,863	524,683	19,062	19,062
Dividends from associates	(6,224)	(2,466)	-	-
Exchange difference	800	3,223	-	-
Share of results of associates	13,956	1,423	-	-
At September 30,	535,395	526,863	19,062	19,062

Summarised financial information of associates on an aggregated basis:

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Total assets	6,261,343	6,027,309
Total liabilities	(972,155)	(1,279,882)
Net assets	5,289,188	4,747,427
Revenue	1,823,424	1,363,577
Profit/(loss) for the year	182,658	(21,401)
Share of results of associates	13,956	1,423

Investment in associates consist of investments in unquoted shares.

List of associates	Year-end	Class of shares	Percentage held	
			2015	2014
			%	%
South West Tourism Development Co Ltd	June 30,	Ordinary shares	31	31
Launderers (Hotels & Restaurants) Ltd	June 30,	Ordinary shares	50	50
Parure Limitée	June 30,	Ordinary shares	27	27
Societe Cajeva	June 30,	Parts	50	50
Marguerite Morocco Hospitality	December 31,	Ordinary shares	35	35

Marguerite Morocco Hospitality is incorporated in Morocco while all the other companies listed above are unquoted and are incorporated in the Republic of Mauritius.
The Group has assessed that no material adjustment will arise should the same reporting date of September 30, be used for all associates.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	25,340	26,021	1,850	1,480
Fair value gain/(loss)	686	(681)	(383)	370
Disposal	(21,514)	-	-	-
At September 30,	4,512	25,340	1,467	1,850
Analysed into:				
Quoted	1,768	22,570	1,419	1,802
Unquoted	2,744	2,770	48	48
	4,512	25,340	1,467	1,850

Available-for-sale financial assets consist of investments in ordinary shares.
Quoted shares are stated at quoted (unadjusted) prices available in active markets.
Unquoted shares that do not have quoted market prices in an active market and whose fair values cannot be reliably measured, are stated at cost.

19. EMPLOYEE BENEFIT LIABILITIES

The Group has both funded and unfunded obligations. For the funded obligations, the Group participates in the New Mauritius Hotels Group Superannuation Fund, a multi-employer pension plan registered under the Private Pension Fund Act, the assets of which are held independently. The pensions plan are funded from payments from the employees and the Group, taking into account the recommendations of an independent actuary, namely Anglo Mauritius Assurance Society Ltd. For the unfunded obligations the Group participates in the Rogers Money Purchase Retirement Fund. The unfunded liability relates to employees who are entitled to retirement gratuities payable under the Employment Right Act. The pension scheme is a defined benefit scheme.

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs'000	Rs'000	Rs'000
Funded obligation (note a)	1,113,501	709,551	1,103,413	702,700
Unfunded obligation (note b)	12,559	9,201	-	-
	1,126,060	718,752	1,103,413	702,700
(a) Funded Obligation				
(i) The amounts recognised in the statement of financial position in respect of funded obligation are as follows:				
Defined benefit obligation	3,657,324	3,094,255	3,623,647	3,063,391
Fair value of plan assets	(2,543,823)	(2,384,704)	(2,520,234)	(2,360,691)
Employee benefit liability	1,113,501	709,551	1,103,413	702,700
(ii) Movement in the liability recognised in the statement of financial position:				
At October 1,	709,551	730,404	702,700	723,307
Amount recognised in profit or loss	145,937	137,901	142,434	135,058
Amount recognised in other comprehensive income	394,634	(25,180)	390,694	(26,277)
Employer's contribution	(136,621)	(133,574)	(132,415)	(129,388)
At September 30,	1,113,501	709,551	1,103,413	702,700
(iii) The amounts recognised in profit or loss are as follows:				
Current service cost	83,477	75,562	80,805	73,358
Scheme expenses	7,333	5,447	7,112	5,400
Interest cost on defined benefit obligation	236,151	220,416	233,603	218,075
Return on plan assets	(181,024)	(163,524)	(179,086)	(161,775)
Net benefit expense	145,937	137,901	142,434	135,058
(iv) The amounts recognised in other comprehensive income are as follows:				
Losses/(gains) on pension scheme assets	79,655	(14,945)	73,485	(18,112)
Experience losses/(gains) on the liabilities	88,851	(10,235)	93,714	(8,165)
Changes in assumptions underlying the present value of the scheme	226,128	-	223,495	-
	394,634	(25,180)	390,694	(26,277)
(v) Cummulative actuarial losses recognised:				
Cummulative actuarial losses at October 01,	731,734	756,914	722,797	749,074
Acturial losses/(gains) recognised in current year	394,634	(25,180)	390,694	(26,277)
Cummulative actuarial losses at September 30,	1,126,368	731,734	1,113,491	722,797

19. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

(a) Funded Obligation (cont'd)

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs.'000	Rs'000	Rs'000	Rs'000
(vi) Reconciliation of the present value of defined benefit obligation:				
Present value of obligation at October 1,	3,094,255	2,884,813	3,063,391	2,856,225
Current service cost	83,477	75,562	80,805	73,358
Interest cost on defined benefit obligation	236,151	220,416	233,603	218,075
Employees' contribution	34,155	33,409	33,104	32,349
Actuarial losses/(gains)	314,979	(10,235)	317,209	(8,165)
Benefits paid	(105,693)	(109,710)	(104,465)	(108,451)
Present value of obligation at September 30,	3,657,324	3,094,255	3,623,647	3,063,391
(vii) Reconciliation of fair value of plan assets:				
Fair value of plan assets at October 1,	2,384,704	2,154,409	2,360,691	2,132,918
Return on plan assets	181,024	163,524	179,086	161,775
Employer's contributions	136,621	133,574	132,415	129,388
Scheme expenses	(7,333)	(5,447)	(7,112)	(5,400)
Employees' Contribution	34,155	33,409	33,104	32,349
Actuarial (losses)/gains	(79,655)	14,945	(73,485)	18,112
Benefits paid	(105,693)	(109,710)	(104,465)	(108,451)
Fair value of plan assets at September 30,	2,543,823	2,384,704	2,520,234	2,360,691

The actual return on the plan assets was Rs 101m (2014: Rs 177m) for the current financial year.

(viii) The principal actuarial assumptions used for accounting purposes were:

	GROUP AND COMPANY	
	2015	2014
	%	%
Discount rate	7.00	7.50
Future salary increase	4.00	4.00
Pension increase	1.00	1.00
Post retirement mortality tables	PMA92/PFA92	a(90)

(ix) A quantitative sensitivity analysis for significant assumption as at September, 30 is shown as follows below:

Assumptions	Discount rate			
	THE GROUP		THE COMPANY	
Sensitivity	1% increase	1% decrease	1% increase	1% decrease
	Rs'000	Rs'000	Rs'000	Rs'000
2015: Impact on defined benefit obligation	(513,093)	650,734	(507,504)	644,272
2014: Impact on defined benefit obligation	(435,962)	554,019	(429,704)	547,665

	Future salary increase			
	THE GROUP		THE COMPANY	
	1% increase	1% decrease	1% increase	1% decrease
	Rs'000	Rs'000	Rs'000	Rs'000
2015: Impact on defined benefit obligation	261,923	(223,465)	258,732	(220,743)
2014: Impact on defined benefit obligation	234,461	(204,728)	232,901	(203,302)

	Pension increase			
	THE GROUP		THE COMPANY	
	1% increase	1% decrease	1% increase	1% decrease
	Rs'000	Rs'000	Rs'000	Rs'000
2015: Impact on defined benefit obligation	330,614	(297,190)	327,580	(294,453)
2014: Impact on defined benefit obligation	272,183	(244,526)	269,555	(241,640)

Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation

19. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

(b) Unfunded obligation

	THE GROUP	
(i) The amounts recognised in the statements of financial position in respect of unfunded obligation are as follows:	2015 Rs'000	2014 Rs'000
Benefit Liability	12,559	9,201
(ii) Movement in the liability recognised in the statements of financial position:		
At October 1,	9,201	10,252
Total expenses	4,033	2,443
Benefits paid	(406)	(606)
Liability experience gain	(269)	(2,888)
At September 30,	12,559	9,201
(iii) The amounts recognised in the statement of profit or loss are as follows:		
Current service cost	1,909	1,149
Interest cost	2,124	1,294
Net benefit expenses	4,033	2,443
(iv) The amounts recognised in other comprehensive income are as follows:		
Liability experience gain	(269)	(2,888)
Actuarial gain recognised in other comprehensive income	(269)	(2,888)
(v) Reconciliation of the present value of defined benefit obligation:		
Present value of obligation at October 1,	9,201	10,252
Current service cost	1,909	1,149
Interest cost	2,124	1,294
Actuarial gains	(269)	(2,888)
Benefits paid	(406)	(606)
Present value of obligation at September 30,	12,559	9,201

(vi) The principal actuarial assumptions used for accounting purposes were:

	2015 %	2014 %
Discount rate	6.75	7.50
Future salary increase	4.25	5.00

	GROUP AND COMPANY	
	2015 %	2014 %
(c) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Local equities	40	32
Overseas bonds and equities	25	33
Fixed interest	16	14
Property and other	19	21
	100	100

The overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yield difference on other types of assets held. All assets are held locally except for overseas bonds and equities.

(d) **Maturity profile of the defined benefit obligation**
The weighted average duration of the liabilities as at September 30, 2015 is 18 years.

(e) **Expected contribution for next year**
The Group is expected to contribute Rs 170m (2014: Rs 139m) including employees' contribution to its defined benefit pension plan in the next financial year.

(f) Included in the plan assets is a property, valued at an open market value of Rs. 408m (2014: Rs 407m). The property is rented to the Company by New Mauritius Hotels Group Superannuation Fund.

20. INVENTORIES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Food and beverages (cost)	93,473	93,005	77,937	79,916
Operating equipment (net realisable value)	151,113	125,165	87,820	89,029
Operating supplies and others (net realisable value)	68,354	64,122	51,380	45,681
Spare parts (cost)	59,790	55,411	28,251	29,100
Fabrics and garments (cost)	60,894	59,957	53,074	53,659
Stock of land for sale (cost) (a)	4,318,906	3,484,536	2,189,741	1,203,992
	4,752,530	3,882,196	2,488,203	1,501,377
(a) Stock of land for sale is made up of:				
Land for sale at Les Salines, Mauritius	2,189,741	1,203,992	2,189,741	1,203,992
Villas under construction in Marrakech, Morocco	2,129,165	2,280,544	-	-
	4,318,906	3,484,536	2,189,741	1,203,992

(b) Inventories are included in assets given as collateral for bank borrowings.

(c) Included in stock of land for sale is an amount of Rs 168.8m for the Group (2014: Rs. 137.2m) and an amount of Rs 97.7m for the Company (2014: Rs 60.8m) pertaining to borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation varied between between 2.5% - 5% for loans in foreign currency and 6.9% - 8% for loans denominated in Mauritian rupees, which is the effective rate of interest on the specific borrowings.

(d) A net transfer of Rs 925m was made out of property, plant and equipment to inventories as a result of a change in management intention to use land previously earmarked for a golf course and hotel for additional plots for sale in a 'morcellement' project.

(e) Cost of inventories expensed amounts to Rs 66m (2014: Rs 63m) and Rs 83m (2014: Rs 63m) for Company and for the Group respectively.

21. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	1,150,883	945,552	592,232	488,898
Other receivables	1,727,180	2,074,193	204,895	375,580
Amounts due from associates (Note 31)	12,923	12,642	12,695	12,642
Amounts due from subsidiaries (Note 31)	-	-	2,149,362	2,346,702
	2,890,986	3,032,387	2,959,184	3,223,822

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 days' term.

At September 30, 2015, trade receivables at nominal value of Rs 14.8m (2014: Rs 8m) for the Group and Rs 9.6m (2014: Rs 3.3m) for the Company were impaired and fully provided for. The Company provision includes an amount of Rs 2.6m due from White Palm Ltd (subsidiary of the Company), refer to note 31 for more details.

(a) Movement in the provision for impairment of trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	8,034	8,086	3,295	3,500
Utilised during the year	(2,382)	(3,857)	(438)	(2,363)
Charge for the year	6,641	3,805	6,787	2,158
At September 30,	12,293	8,034	9,644	3,295

21. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) At September 30, the ageing analysis of trade receivables were as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	30 - 60 days	61 - 90 days	> 90 days
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
GROUP						
2015	1,150,883	718,793	258,106	78,519	32,130	63,335
2014	945,552	806,366	83,435	9,924	16,237	29,590
COMPANY						
2015	592,232	400,465	105,554	41,081	15,645	29,487
2014	488,898	333,582	113,148	23,725	1,408	17,035

(c) Other receivables are unsecured and are neither past due nor impaired. Included in other receivables are mainly advances made to suppliers.

(d) As at September 30, 2015, amounts due from subsidiaries at a nominal value of Rs 759.3M (2014: nil).

For terms and conditions pertaining to related party receivables, refer to note 31.

22. CASH AND CASH EQUIVALENTS

(a) For the purposes of the statements of cash flows, the cash and cash equivalents comprise the following:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Cash in hand and at banks	809,367	801,277	273,062	58,084
Bank overdrafts (note 25)	(2,268,912)	(2,997,163)	(2,132,709)	(2,748,817)
	(1,459,545)	(2,195,886)	(1,859,647)	(2,690,733)

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash is Rs 809.3m (2014: Rs 801m) for the Group and Rs 273m (2014: Rs 58m) for the Company respectively.

(b) Non-cash transactions

In the prior year, the principal non-cash transaction consisted of amount due for the renovation of Royal Palm hotel amounting to Rs 249m (the Group and the Company). This amount was excluded from 'purchase of property, plant and equipment' disclosed under investing activities for the purpose of statement of cash flows. There were no such outstanding balances at year end.

At September 30, 2015, the Group and Company had available undrawn loan facilities of Rs 500m (2014: nil) and Rs 48m (2014: nil) respectively. Undrawn overdraft facilities amounted to Rs 836m (2014: nil) for both Group and Company.

23. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
Authorised		
500,000,000 Ordinary shares at no par value	5,000,000	5,000,000
Issued and fully paid		
484,270,608 Ordinary shares at no par value (2014: 161,423,536 Ordinary shares)	5,000,000	1,724,361

The Company made a bonus issue of two ordinary shares for each ordinary share of the Company on 12 June 2015, totalling to 322,847,072 new ordinary shares. The primary purpose of the bonus issue was to improve the liquidity of the Company's shares on the Stock Exchange of Mauritius.

An amount of Rs 3,275,639,000 was capitalised out of revaluation reserve and used for distribution of the bonus issue, following which, the issued share capital of the Company amounted to Rs 5,000,000,000 consisting of 484,270,608 ordinary shares with no par value.

24. OTHER COMPONENTS OF EQUITY

Nature and purpose of reserves	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Other reserves These reserves are principally used to record the fair value adjustments relating to shares issued by the Company to acquire all non-controlling interests in local subsidiaries and the movement in the reserves of the associates.	624,583	624,583	-	-
Available-for-sale financial assets reserve The fair value reserve is principally used to record the fair value adjustment relating to available-for-sale financial assets.	10,970	13,878	556	939
Revaluation reserve The revaluation reserve is principally used to record changes in fair value of freehold land and buildings following revaluation exercises performed by an independent surveyor. It is also used to record impairment losses to the extent that such losses relate to increases on the same asset previously recognised in revaluation reserve.*	2,453,913	5,443,715	1,214,847	4,448,618
Foreign exchange difference reserves These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries and loss or gain arising on cash flow hedges.	(1,183,733)	(1,472,143)	-	-
Total other components of equity	1,905,733	4,610,033	1,215,403	4,449,557

25. BORROWINGS

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Current portion				
Bank overdrafts (note (a))	2,268,912	2,997,163	2,132,709	2,748,817
Term loans (note (b))	2,253,171	3,374,130	2,084,199	3,355,804
Obligations under finance leases (note (c))	117,816	91,828	95,981	71,119
Debentures (note (d))	466,740	623,674	466,740	623,674
	5,106,639	7,086,795	4,779,629	6,799,414
Non-current portion				
Term loans (note (b))	9,364,252	8,742,182	8,775,956	8,268,304
Obligations under finance leases (note (c))	228,584	226,447	198,455	195,933
Debentures (note (d))	808,903	462,337	808,903	462,337
Convertible Preference shares (e)	1,755,115	-	1,755,115	-
	12,156,854	9,430,966	11,538,429	8,926,574
Total borrowings	17,263,493	16,517,761	16,318,058	15,725,988

(a) Bank overdrafts

The bank overdrafts are secured by floating charges on the assets of the individual companies of the Group. The rates of interest vary between 5% and 8% per annum.

(b) Term loans

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Term loans can be analysed as follows:				
Current - Within one year	2,253,171	3,374,130	2,084,199	3,355,804
Non-current - After one year and before two years	814,103	1,863,254	725,487	1,799,251
- After two years and before five years	5,845,658	4,445,187	5,518,811	4,230,173
- After five years	2,704,491	2,433,741	2,531,658	2,238,880
	9,364,252	8,742,182	8,775,956	8,268,304
	11,617,423	12,116,312	10,860,155	11,624,108

* An amount of Rs 3,275,639,000 was capitalised out of revaluation reserve and use for distribution of the bonus issue.

25. BORROWINGS (CONT'D)

(b) Term loans (Cont'd)

Terms loans are denominated as follows:

	Effective interest rate %	Maturity	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Denominated in:						
Mauritian rupees	6.50% - 7%	On demand	-	121,879	-	121,879
Mauritian rupees	6.50% - 8.40%	2015-2025	8,285,151	8,588,525	8,285,151	8,588,525
Euro	EURO LIBOR +2.50%	On demand	319,280	631,840	319,280	631,840
Euro	EURO LIBOR + (2.50% to 5%)	2016-2025	1,917,957	1,970,059	1,814,930	1,867,577
Euro	EURIBOR + (3.50% to 4.5%)	2017-2020	290,476	120,247	290,476	120,247
USD	5.00%	2015	150,318	40,690	150,318	40,690
GBP	5.75%	2015	-	253,350	-	253,350
MAD	6.5%-7.0%	2016-2024	654,241	389,722	-	-
			11,617,423	12,116,312	10,860,155	11,624,108

The term loans are secured by fixed and floating charges over the Group's assets.
The term loans include loans totalling EUR 8.7m (2014: EUR 1.5M) from Ste Anne Resorts Limited and loans amounting to Rs 835.9m (2014:Rs 729.7m) to Beachcomber Limited. The loan from New Mauritius Hotels Group Superannuation Fund was fully repaid (see note 31).
The Company is still in breach of its covenants with one bank. It will honour the loan in the next financial year as per the repayment plan and has therefore classified it under current liability.
The Company has undergone a Financial Reengineering Program which alleviated cash flow pressures. Several existing loans were rescheduled to longer terms to reduce the mismatch between the Company's cash inflows and the repayment profile of the loans.

(c) Obligations under finance leases

	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Minimum lease payments:				
- Within one year	140,428	113,442	114,871	89,454
- After one year and before two years	111,480	106,137	92,067	88,426
- After two years and before five years	141,454	144,886	128,505	129,852
- After five years	-	1,734	-	-
	393,362	366,199	335,443	307,732
Less: Future finance charges on obligations under finance leases	(46,962)	(47,924)	(41,007)	(40,680)
Present value of obligations under finance leases	346,400	318,275	294,436	267,052
Present value analysed as follows:				
Current - Within one year	117,816	91,828	95,981	71,119
Non-current - After one year and before two years	97,953	91,828	80,047	76,212
- After two years and before five years	130,631	133,010	118,408	119,721
- After five years	-	1,609	-	-
	228,584	226,447	198,455	195,933
	346,400	318,275	294,436	267,052

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

(d) Debentures

	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Term debentures can be analysed as follows:				
Current - Within one year	466,740	623,674	466,740	623,674
Non-current - After one year and before two years	100,074	462,337	100,074	462,337
- After two years and before five years	708,829	-	708,829	-
	808,903	462,337	808,903	462,337
	1,275,643	1,086,011	1,275,643	1,086,011

25. BORROWINGS (CONT'D)

(d) Debentures (cont'd)

Debentures are denominated as follows:

	Effective interest rate %	Maturity	THE GROUP 2015 Rs'000	THE GROUP 2014 Rs'000	THE COMPANY 2015 Rs'000	THE COMPANY 2014 Rs'000
Mauritian rupees	7.00%	22-Jul-16	251,582	249,848	251,582	249,848
Mauritian rupees Tranche A notes	Repo rate + 1.35%	15-Jul-18	95,245	-	95,245	-
Mauritian rupees Tranche B notes	Repo rate + 1.85%	15-Jul-19	613,584	-	613,584	-
Euro (Tranche 1)	4.50%	22-Jul-15	-	173,108	-	173,108
Euro (Tranche 2)	5.25%	22-Jul-15	-	450,566	-	450,566
Euro (Tranche 3)	6.00%	22-Jul-16	215,158	212,489	215,158	212,489
Euro	3.50%	15-Jul-17	100,074	-	100,074	-
			1,275,643	1,086,011	1,275,643	1,086,011

During year, the Company raised Rs 815m in the form of secured multicurrency notes in private placement and part of which was used to refinance the existing Euro notes issued by the Company in July 2013 which matured in July 2015.

(e) Convertible Preference shares

During the year under review, the Company issued 161,423,536 redeemable convertible non-voting preference shares at an issue price of Rs. 11 each, totalling Rs. 1,775,658,896. The purpose of same was to reduce the level of bank borrowings of the Company as part of the Financial Reengineering Program.

The fully paid Preference Shares was listed and traded on the Official Market of the SEM as from 10 August 2015.

Salient features of the convertible preference shares are as follows:

- The Preference Shares yield a cumulative preferred dividend of 6% per financial year; preferred dividends will be declared twice per financial year and will be paid in priority over ordinary dividends.

- The preference shares are convertible into ordinary shares at the shareholder's option in January 2018 and January 2019. The conversion will be effected at a factor equal to Rs 11 divided by the average market value of the ordinary shares during a 90 day period prior to the date of conversion less a 10% discount.

- The Company may, at its absolute discretion, from 28 July 2022, redeem or buy back the Preference Shares (in whole or in part) at their nominal value together with a sum equal to the prorated Preferred Dividend payable in respect of the relevant financial year, plus any Preferred Dividend accrued but not paid from previous financial years.

- The shares constitute unsecured and subordinated obligations of the Company and accordingly rank junior to all secured and unsubordinated creditors of the Company but ahead of ordinary shareholders.

The preference shares were classified as a liability even though the shares are redeemable at the option of the Company (as from 2022) since there is a contractual obligation to pay dividend (in priority over ordinary dividends) and the shares do not convert into fixed number of shares.

26. DEFERRED TAX (ASSET)/LIABILITY

Deferred taxes as at September 30, relate to the following:

(a) THE GROUP

	Statement of financial position		Statement of profit or loss		Statement of other comprehensive income	
	2015	2014	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liability						
Accelerated capital allowances	1,204,923	1,249,798	(44,875)	140,239	-	-
Assets revaluation	815,254	776,361	-	-	38,893	402
Employee benefit liability	(168,909)	(107,813)	(2,239)	(925)	(58,857)	4,210
Exchange differences	(39,871)	(44,559)	4,688	-	-	-
	1,811,397	1,873,787				
Deferred tax assets						
Losses available for offsetting against future taxable income	(516,667)	(587,676)	71,009	(206,915)	-	-
Exchange differences	3,594	3,594	-	-	-	-
	(513,073)	(584,082)				
Deferred tax liabilities (net)	1,298,324	1,289,705				
Disclosed as follows:						
Deferred tax asset	(209,877)	(130,261)				
Deferred tax liability	1,508,201	1,419,966				
	1,298,324	1,289,705				
Deferred tax release (Note 11)			28,583	(67,601)		
Deferred tax charged/ (credited) to other comprehensive income					(19,964)	4,612

(b) THE COMPANY

	Statement of financial position		Statement of profit or loss		Statement of other comprehensive income	
	2015	2014	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated capital allowances	1,164,536	1,212,768	(48,232)	118,125	-	-
Assets revaluation	720,619	708,710	-	-	11,909	(2,462)
Losses available for offsetting against future taxable income	(324,111)	(449,776)	125,683	(128,522)	-	-
Provision	(10,825)	(6,123)	(4,702)	(1,387)	-	-
Employee benefit liability	(165,512)	(105,405)	(1,503)	(852)	(58,604)	3,942
Deferred tax liabilities	1,384,707	1,360,174		-	-	
Deferred tax release (Note 11)			71,246	(12,636)	-	-
Deferred tax (credited)/charged to other comprehensive income					(46,695)	1,480

27. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	1,637,676	2,003,401	109,456	90,292
Other payables	1,551,938	1,776,478	852,125	1,168,168
Loan at call payable to subsidiaries (Note 31)	-	-	375,492	343,749
Amount due to subsidiaries (Note 31)	-	-	1,389,493	1,273,198
	3,189,614	3,779,879	2,726,566	2,875,407

27. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables are non-interest bearing and are generally on 30 to 60 days' term.
(b) The loan at call bears interest rate of 7.5% per annum.
(c) For terms and conditions pertaining to related party payables, refer to note 31.

28. DIVIDENDS PAID AND PROPOSED

	THE GROUP AND THE COMPANY	
	2015 Rs'000	2014 Rs'000
Dividend expense (2014: Re 1 per share)	-	161,424

No dividend has been paid during the year compared to fully paid dividend for the year ended September 30, 2014.

29. COMMITMENTS

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Capital Commitments				
Les Salines project	4,050,000	1,000,000	4,050,000	1,000,000
Marrakech Hotel and villa project (Morocco)	530,000	1,300,000	-	-
Royal Palm	-	100,000	-	100,000
	4,580,000	2,400,000	4,050,000	1,100,000

In prior year, Les Salines project consisted of a property development of some 160 acres to be sold for residential purpose.
In current year, following a change in management's intention, the project will consist of approximately 308 acres to be sold for residential purpose and for the construction of a 4 star hotel.
The amount of Rs 530m represents the estimated costs to complete phase 1 of Marrakech project as at September 30, 2015.
In prior year, the amount of Rs 100m was used to complete the renovation of the Royal Palm in Mauritius. The hotel started operation in October 2014.

Operating lease commitments
The Group has various land leases on which the hotel buildings are constructed. Future minimum rentals payable under operating leases as at September 30, are as follows:

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Within one year	89,961	89,425	77,546	77,546
After one year but not more than five years	358,686	356,381	310,184	310,184
More than five years	4,331,292	4,398,798	3,877,306	3,954,852
	4,779,939	4,844,604	4,265,036	4,342,582

30.NON-CONTROLLING INTEREST

Material partly-owned subsidiaries

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2015 %	2014 %
Mautourco Ltd	Mauritius	49	49
Beachcomber Marketing (Pty) Ltd	South Africa	49	49

Accumulated balances of material non-controlling interest:	Rs 000	Rs 000
Mautourco Ltd	34,578	44,902
Beachcomber Marketing (Pty) Ltd	20,461	13,154
Profit and other comprehensive income allocated to material non-controlling interest:		
Mautourco Ltd	12,812	16,732
Beachcomber Marketing (Pty) Ltd	36,831	29,886

The summarised financial information of these subsidiaries is provided below.
This information is based on amounts before inter-company eliminations.

30.NON-CONTROLLING INTEREST (CONT'D)

Summarised statement of profit or loss for the year ended September 30, 2015:	Mautourco Ltd	Beachcomber Marketing (Pty) Ltd
	Rs 000	Rs 000
Revenue	381,933	212,519
Cost of sales	(207,859)	-
Administrative expenses	(157,428)	(156,802)
Finance revenue	-	50,861
Finance costs	(2,306)	(23)
Other income	15,372	-
Profit before tax	29,712	106,555
Income tax	(3,564)	(31,389)
Profit for the year from continuing operations	26,148	75,166
Total comprehensive income	23,931	71,312
Attributable to non-controlling interests	12,812	36,831
Dividends paid to non-controlling interests	(22,050)	(27,636)
Summarised statement of profit or loss for the year ended September 30, 2014:		
	Rs 000	Rs 000
Revenue	372,809	207,383
Cost of sales	(193,713)	-
Administrative expenses	(156,616)	(147,641)
Finance revenue	-	26,325
Finance costs	(2,370)	-
Other income	7,576	-
Profit before tax	27,686	86,067
Income tax	(4,478)	(22,535)
Profit for the year from continuing operations	23,208	63,532
Total comprehensive income	34,147	60,991
Attributable to non-controlling interests	16,732	29,886
Dividends paid to non-controlling interests	(9,800)	(32,120)
Summarised statement of financial position at September 30, 2015:		
Property, plant and equipment and other non-current financial assets (non-current)	112,723	5,760
Trade, cash and bank balances and other current assets	89,868	491,241
Trade and other payables and current liabilities	(100,213)	(455,247)
Interest-bearing loans and borrowing and other non-current liabilities	(28,070)	-
Total equity	74,308	41,754
Attributable to:		
Equity holders of parent	39,730	21,295
Non-controlling interest	34,578	20,460
Summarised statement of financial position at September 30, 2014:		
Property, plant and equipment and other non-current financial assets (non-current)	100,945	6,074
Trade, cash and bank balances and other current assets	118,004	424,128
Trade and other payables and current liabilities	(101,033)	(403,359)
Interest-bearing loans and borrowing and other non-current liabilities	(22,539)	-
Total equity	95,377	26,843
Attributable to:		
Equity holders of parent	50,475	13,689
Non-controlling interest	44,902	13,154
Summarised cash flow information for year ending September 30, 2015		
Cash flow generated from/(used in)	Rs 000	Rs 000
Operating activities	41,027	154,380
Investing activities	(30,219)	(64,243)
Financing activities	(41,742)	(51,200)
Net (decrease)/ increase in cash and cash equivalent	(30,934)	38,937
Summarised cash flow information for year ending September 30, 2014		
Cash flow generated from/(used in)	Rs 000	Rs 000
Operating activities	54,098	85,680
Investing activities	2,098	(88,923)
Financing activities	(5,876)	(65,550)
Net increase/(decrease) in cash and cash equivalent	50,320	(68,793)

31. RELATED PARTY DISCLOSURES

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
		Rs'000	Rs'000	Rs'000	Rs'000
The following transactions have been entered into with related parties:					
(i) Included in Revenue are:	**Nature of goods or services**				
Subsidiaries:					
Beachcomber Marketing (Proprietary) Limited	Hotel packages	-	-	810,370	791,700
Beachcomber Tours SARL	Hotel packages	-	-	564,882	723,001
Holiday Marketing (Pty) Ltd	Hotel packages	-	-	-	2,349
Beachcomber Tours Limited	Hotel packages	-	-	659,148	488,544
Ste Anne Resort Limited	Management fees	-	-	11,776	11,221
Mautourco Ltd	Management fees	-	-	1,020	1,020
White Palm Ltd	Management fees	-	-	5,136	5,136
Beachcomber Hotel Marrakech S.A.	Promoter's fees	-	-	2,849	3,780
Domaine Palm Marrakech S.A.	Promoter's fees	-	-	4,181	6,054
White Palm Ltd	Rental income	-	-	285	303
		-	-	2,059,647	2,033,108
Associate:					
Parure Limitee	Space rental	2,098	1,550	2,098	1,550
(ii) Included in Other expenses are:					
Subsidiaries:					
Beachcomber Tours SA	Incentive commission	-	-	5,501	5,593
Mautourco Ltd	Incentive commission	-	-	275	192
White Palm Ltd	Incentive commission	-	-	202	51
Beachcomber Training Academy Limited	Training courses	-	-	3,608	5,243
Associate:					
Launderers (Hotels & Restaurants) Ltd	Laundry services	121,688	114,271	121,688	114,271
Other related parties:					
New Mauritius Hotels Superannuation Fund	Rent	26,842	25,563	26,842	25,663
(iii) Included in Finance costs are:					
Interest on call account with subsidiaries:					
Beachcomber Marketing (Proprietary) Limited	Interest on call a/c	-	-	26,446	22,448
Beachcomber Tours SARL	Interest on call a/c	-	-	787	1,080
		-	-	27,233	23,528
Included in interest on finance lease:					
Beachcomber Limited		-	-	7,898	9,941
Included in interest on loans:					
Subsidiaries:					
Beachcomber Limited	Interest on loans	-	-	75,548	61,337
Ste Anne Resort Limited	Interest on loans	-	-	13,173	2,842
		-	-	88,721	64,179
Other related party:					
New Mauritius Hotels Superannuation Fund	Interest on loan	6,605	3,223	6,605	3,223
ENL Investment Limited	Interest on loan	1,553	-	1,553	-

31. RELATED PARTY DISCLOSURES (CONT'D)

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
(iv) Included in the trade receivables balance are:				
Subsidiaries:				
Holiday Marketing (Pty) Ltd	-	-	-	5,199
Beachcomber Tours SARL	-	-	64,472	72,364
Beachcomber Tours Limited	-	-	28,343	25,272
Beachcomber Marketing (Proprietary) Limited	-	-	57,150	69,757
White Palm Ltd	-	-	14,184	2,006
Trans-Maurice Car Rental Ltd	-	-	58	-
Mautourco Ltd	-	-	7,157	2,939
	-	-	171,364	177,537
(v) Year end balances receivables from associates:				
Associates:				
Parure Ltée	228	-	-	-
Societe Cajeva	12,695	12,642	12,695	12,642
	12,923	12,642	12,695	12,642
(vi) Year-end balances receivable from related parties				
Subsidiaries:				
Ste Anne Resort Limited	-	-	646,106	584,278
Beachcomber Gold Coast Limited	-	-	107,357	107,357
Kingfisher Ltd	-	-	2,349	2,347
Beachcomber Tours SARL	-	-	9,978	-
Beachcomber Hotel S.A.	-	-	320,253	-
Domaine Palm Marrakech S.A.	-	-	985,360	1,575,311
New Mauritius Hotel - Italia Srl	-	-	28,005	32,543
Les Salines Development Ltd	-	-	19	10
Les Salines Golf and Resort Limited	-	-	40,298	32,607
Beachcomber Training Academy Limited	-	-	9,562	12,016
Plaisance Catering Limited	-	-	75	-
White Palm Ltd	-	-	-	233
	-	-	2,149,362	2,346,702
Other related party:				
Fondation Espoir et Développement (Not-for-profit organisation)	-	55	-	55
New Mauritius Hotels Superannuation Fund	12,067	9,028	12,067	9,028
	12,067	9,083	12,067	9,083
(vii) Included in the loan at call payable to subsidiaries balance are:				
Subsidiary:				
Loan at call payable to Beachcomber Tours SARL	-	-	13,450	26,179
Loan at call payable to Beachcomber Marketing (Proprietary) Limited	-	-	362,042	317,570
	-	-	375,492	343,749

31. RELATED PARTY DISCLOSURES (CONT'D)

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
(viii) Included in other payables balance are:				
Subsidiaries:				
Ste Anne Resort Limited	-	-	-	204
Beachcomber Tours SARL	-	-	4,586	10,507
Beachcomber Marketing (Proprietary) Limited	-	-	8,021	8,473
Holiday Marketing (Pty) Ltd	-	-	11	14
Beachcomber Tours Limited	-	-	8,128	4,726
Mautourco Ltd	-	-	3,637	6,127
White Palm Ltd	-	-	2,286	1,645
New Mauritius Hotel - Italia Srl	-	-	596	-
Beachcomber Training Academy Limited	-	-	94	-
	-	-	27,359	31,696
Associate:				
Launderers (Hotels & Restaurants) Ltd	10,042	9,554	10,042	9,554
Other related parties:				
Fondation Espoir et Developpement (Not for profit organisation)	41	-	41	-
	41	-	41	-
(ix) Year-end balances payable to related parties				
Subsidiaries:				
Beachcomber Hotel S.A.	-	-	-	4,528
Beachcomber Limited	-	-	1,389,493	1,268,670
	-	-	1,389,493	1,273,198
(x) Interest bearing loans and borrowings from related parties included in "term loans":				
Loans payable to Beachcomber Limited	-	-	835,938	729,688
Loan payable to New Mauritius Hotels Superannuation Fund	-	121,879	-	121,879
Loans payable to Ste Anne Resort Limited	-	-	348,104	59,235
	-	121,879	1,184,042	910,802
(xi) Borrowings from related parties included in "obligations under finance leases":				
Beachcomber Limited	-	-	79,108	106,274

31. RELATED PARTY DISCLOSURES (CONT'D)

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. New Mauritius Hotels Limited has acted as guarantor for a EUR 1.5m loan and EUR 7.5m granted to Ste Anne Resorts Limited. For the financial year ended September 30, 2015, the Group has assessed the provision for impairment losses relating to amounts owed by related parties and a provision of Rs 759,326,647 (2014: nil) and Rs 2,573,045 (2014: nil) were made with regards to Domaine Palm Marrakech S.A (refer to note15) and White Palm Limited respectively. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 15.

In the last financial year ended September 30, 2014, an amount of Rs 3,421m, Rs 16m and Rs 1,819m due from Beachcomber Hotel S.A., Beachcomber Hotel Marrakech S.A. and Domaine Palm Marrakech S.A. respectively were transferred and capitalised in ''investment in subsidiaries'' (Refer to note 17).

- Loans from related parties

Loan payable at call to Beachcomber Tours SARL and Beachcomber Marketing (Pty) Ltd bears fixed interest rate at 7.5%.
Loans payable to Beachcomber Limited comprises of five loans of Rs 110.9m (2014: Rs 129.7m) , Rs 200m (2014: Rs 200m), 400m (2014: Rs 400m), Rs 100m (2014: Nil) , and Rs 25m (2014: Nil) . The first two loans bear an interest rate of PLR+1%; the third loan bears an interest rate of PLR+1.25%, and the fourth and fifth loans bear a fixed interest rate of 6.5%. The maturity of the loans due to Beachcomber Limited is between 2015 and 2023.

Loan to New Mauritius Hotels Group Superannuation Fund has been fully repaid during the year. In prior year, loan payable to New Mauritius Hotels Group Superannuation Fund comprised of 2 loans totalling to Rs 121.8M and were interest bearing between 6.5%p.a and 7% per annum.
Loans payable to Ste Anne Resorts Limited comprises of three loans of EUR 222,222 (2014: EUR 250,000), EUR 1m (2014: EUR 1.25m), and EUR 7.5m (2014: Nil). The loans bear an interest rate of Libor 1 month +3%, Libor 1 month +4%, and Libor 1 month+5% respectively. The maturity of these loans is in 2020.
On 8 October 2014, the Company took a loan of Rs 100m from ENL Investment Limited. The loan bore an interest rate of MCB PLR+200 basis points with an interest expense for financial year ended September 30, 2015 amounting to Rs 1.5m. The loan was fully repaid on 8 December 2014.

- Finance lease facilities taken from related parties

The Company benefited from leasing facilities from leasing companies through Beachcomber Limited regarding kitchen and gym equipments.The lease was contracted between Beachcomber Limited and the lessor. The amount due by the Company to Beachcomber Limited amounts to Rs 79m (2014: Rs 106m).

Interest is payable at a rate of 8.5% p.a, and the lease is payable within 4 to 5 years.

New Mauritius Hotels Limited has confirmed its continuous financial support to one of its subsidiary, namely Ste Anne Resorts Limited because the latter is in a net current liability position as at September 30, 2015.

(xii) Compensation of key management personnel	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Short term employee benefits and termination settlements	320,821	241,472	167,532	137,510
Post-employment benefits	6,227	4,151	4,359	4,151
	327,048	245,623	171,891	141,661

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal liabilities comprise of bank loans, overdrafts, finance leases and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets, such as trade and other receivables and cash and cash equivalents which arise directly from its operations.

The Group's activities, therefore, expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group trades only with recognised, creditworthy third parties. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history. Advance payments are requested where necessary until positive credit rating is established. The Group has also insurance covers to reduce the financial losses in case of default by customers.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and available-for-sale financial investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as stated in the statements of financial position or notes to the financial statements. The following table shows the maximum exposure to credit risk for the components of the Statements of financial position.

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	809,367	801,277	273,062	58,084
Available-for-sale financial assets	4,512	25,340	1,467	1,850
Trade and other receivables	1,305,954	1,126,637	2,788,434	2,876,177
Foreign exchange forward contracts	10,408	20,257	10,408	20,257
	2,130,241	1,973,511	3,073,371	2,956,368

Trade and other receivables exclude prepayments.

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analysis in the following sections relates to the position as at September 30, 2015 and 2014 The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial statements in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying value of pension and other post retirement obligations, provisions and on the non-financial assets and liabilities of the Group.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk with respect to foreign currency arising from foreign supplies and revenue. The Group mitigates part of its foreign currency risk through trading activities including forward currency contracts.

The following table demonstrates the sensitivity to a reasonable possible change in the Euro, US Dollar, Pound Sterling , Rands, Australian Dollars, Seychelles Rupees and Moroccan Dirham exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of net investment in foreign operations):

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

a) Foreign currency risk (cont'd)

		THE GROUP	THE COMPANY
	Increase in rates %	Effect on profit before tax and equity Rs'000	Effect on profit before tax and equity Rs'000
2015			
Euros	5%	(174,759)	(100,149)
Pound Sterling	5%	5,741	1,071
Rands	5%	6,390	12
United States Dollars	5%	(10,345)	(6,077)
Australian Dollars	5%	211	93
Seychelles Rupees	5%	(48,423)	-
Moroccan Dirham	5%	(8,897)	-
2014			
Euros	5%	(206,441)	(118,401)
Pound Sterling	5%	(7,271)	(11,507)
Rands	5%	(11,584)	(273)
United States Dollars	5%	341	(666)
Australian Dollars	5%	127	128
Seychelles Rupees	5%	(56,058)	-
Moroccan Dirham	5%	(1,696)	-

A decrease in the rates has an equal and opposite effect on profit before tax and equity.

Currency profile

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

	THE GROUP				THE COMPANY			
	FINANCIAL ASSETS		FINANCIAL LIABILITIES		FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Euros	829,811	755,419	4,324,991	4,884,244	1,683,644	1,914,100	3,686,623	4,282,127
Pound Sterling	324,019	289,500	209,200	434,927	35,684	34,119	14,265	264,257
Rands	130,310	107,759	2,520	339,438	2,764	1,905	2,520	7,365
United States Dollars	30,103	58,516	237,000	51,689	42,174	28,088	163,723	41,402
Australian Dollars	6,679	26,939	2,450	24,407	1,867	2,560	-	-
Seychelles Rupees	2,194	44,518	180,128	78,437	-	-	-	-
Mauritian Rupees	520,590	321,067	13,891,808	12,049,275	1,307,204	975,227	14,760,780	13,703,004
Moroccan Dirhams	286,501	369,424	1,254,957	1,490,580	-	-	-	-
Other	35	369	-	-	35	369	-	
	2,130,242	1,973,511	20,103,054	19,352,997	3,073,372	2,956,368	18,627,911	18,298,155

	THE GROUP		THE COMPANY	
	2015 Rs'000	2014 Rs'000	2015 Rs'000	2014 Rs'000
Net exposure, excluding Mauritian Rupees	(4,601,594)	(5,651,278)	(2,100,963)	(2,614,010)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing loans and borrowings with floating interest rates.

The Group's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group has no significant interest bearing assets.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before taxation (through the impact of variable rate borrowing). There is no impact on the Group's equity. The percentage changes in interest rates taken are: Rs 1% and EUR, USD and GBP 0.25%.

		THE GROUP	THE COMPANY
	Increase in rates	Effect on profit before tax	Effect on profit before tax
	%	Rs'000	Rs'000
2015			
Interest-bearing loans and borrowings in Rs	1.00%	101,819	100,947
Interest-bearing loans and borrowings in EUR	0.25%	8,647	8,392
Interest-bearing loans and borrowings in MAD	0.25%	43	-
Interest-bearing loans and borrowings in SCR	0.25%	80	-
2014			
Interest-bearing loans and borrowings in Rs	1.00%	104,305	103,982
Interest-bearing loans and borrowings in EUR	0.25%	8,719	8,461
Interest-bearing loans and borrowings in MAD	0.25%	642	-
Interest-bearing loans and borrowings in SCR	0.25%	-	-

A decrease in the rates has an equal and opposite effect on profit before tax.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

The table below summarises the maturity profile of the Group's financial liabilities.

THE GROUP	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000		Rs'000	Rs'000	Rs'000
2015						
Trade and other payables	-	2,839,511	-	-	-	2,839,511
Borrowings*	2,588,192	909,332	2,462,533	9,711,558	5,161,116	20,832,731
	2,588,192	3,748,843	2,462,533	9,711,558	5,161,116	23,672,242
2014						
Trade and other payables	-	2,794,731	-	-	-	2,794,731
Borrowings*	3,766,707	1,503,935	2,584,372	8,474,714	2,777,216	19,106,944
	3,766,707	4,298,666	2,584,372	8,474,714	2,777,216	21,901,675

* Borrowings include future interest costs.

THE COMPANY	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2015						
Trade and other payables	-	2,309,852	-	-	-	2,309,852
Borrowings*	2,453,619	825,110	2,286,900	9,250,662	4,897,121	19,713,412
	2,453,619	3,134,962	2,286,900	9,250,662	4,897,121	22,023,264
2014						
Trade and other payables	-	2,531,657	-	-	-	2,531,657
Borrowings*	3,518,362	1,485,975	2,530,491	8,060,925	2,548,435	18,144,188
	3,518,362	4,017,632	2,530,491	8,060,925	2,548,435	20,675,845

*Borrowings include future interest costs.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Equity price risk

The directors have assessed that the impact of a 5% increase or decrease in price of its available-for-sale intruments will not be significant.

(e) Capital Management

The primary objectives of the Group, when managing capital, is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The actual gearing is higher as anticipated by management and is pincipally due to the financing of projects as part of the Group's strategy. The gearing ratio will improve once cash is generated from the projects. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Total capital is based on equity attributable to equity holders of the parent' as shown in the statement of financial position. The gearing ratios at September 30, 2015 and September 30, 2014 were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	20,832,731	19,106,944	19,713,412	18,144,188
Less interests costs included above	(3,569,238)	(2,589,183)	(3,395,354)	(2,418,200)
Less cash in hand and at banks	(809,367)	(801,277)	(273,062)	(58,084)
Net Debt	16,454,126	15,716,484	16,044,996	15,667,904
Equity	13,646,937	13,191,794	9,946,373	11,303,112
Total capital	13,646,937	13,191,794	9,946,373	11,303,112
Equity attributable to equity holders of the parent	13,646,937	13,191,794	9,946,373	11,303,112
Gearing Ratio	121%	119%	161%	139%

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
As at September 30, 2015, the Group held the following financial instruments carried at fair value in the statement of financial position.

Assets measured at fair value (cont'd)

	THE GROUP			
	September 30, 2015 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000
Other financial assets at fair value through profit or loss (Note 34):				
- Foreign exchange forward contracts	10,408	-	10,408	-
Available-for-sale financial assets (Note 18)	4,512	1,768	-	2,744
Property	23,273,980	-	19,763,193	3,510,787
Investment properties	366,000	-	366,000	-
Borrowings	(14,994,581)	-	(14,994,581)	-

	THE COMPANY			
	September 30, 2015 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000
Other financial assets at fair value through profit or loss (Note 34):				
- Foreign exchange forward contracts	10,408	-	10,408	-
Available-for-sale financial assets (Note 18)	1,467	1,419	-	48
Property	16,156,330	-	16,156,330	-
Borrowings	(14,185,349)	-	(14,185,349)	-

Assets measured at fair value (cont'd)

	THE GROUP			
	September 30, 2014 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000
Other financial assets at fair value through profit or loss (Note 34):				
- Foreign exchange forward contracts	20,257	-	20,257	-
- Currency swaps	(40,509)	-	(40,509)	-
Available-for-sale financial assets (Note 18)	25,340	22,570	-	2,770
Property	20,817,657	-	20,817,657	-
Investment properties	786,900	-	786,900	-
Borrowings	(13,520,598)	-	(13,520,598)	-

	THE COMPANY			
	September 30, 2014 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000
Other financial assets at fair value through profit or loss (Note 34):				
- Foreign exchange forward contracts	20,257	-	20,257	-
- Currency swaps	(40,509)	-	(40,509)	-
Available-for-sale financial assets (Note 18)	1,850	1,802	-	48
Property	16,640,269	-	16,640,269	-
Investment properties	195,125	-	195,125	-
Borrowings	(12,977,171)	-	(12,977,171)	-

The carrying amounts of financial assets and liabilities approximate their fair values.
Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
Unquoted available-for-sale financial assets represent investments in equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured. Available-for-sale financial assets are therefore measured at cost.
Fair values of the Group's interest-bearing loans and borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowings rate as at the end of the reporting date.
The fair value of foreign exchange forward and swap contracts are determined by using the foreign exchange spot and forward rates, interest rate curves and forward rate curves of each currency.
For valuation techniques regarding property classified under ''Property, plant and equipment'' and''Investment properties'', refer to note 13 and 14 respectively.
During the reporting period ended 30 September 2015, there were no transfers between Level 1 and Level 2 fair value measurements.

34. OTHER FINANCIAL (LIABILITIES)/ASSETS

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
Other financial (liabilities)/assets at fair value through profit or loss:		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	10,408	20,257
	-	
Currency options	-	(40,509)
	10,408	(20,252)
Disclosed as follows:		
Current assets	10,408	20,257
Current liabilities	-	(40,509)
Total other financial (liabilities)/assets at fair value through profit or loss	10,408	(20,252)

Other financial instruments through profit or loss represent foreign exchange forward contracts and currency options that are not designated in hedge relationships as they are intended to reduce the level of foreign currency risk arising over operations.

These foreign exchange forward contracts and currency options are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency transaction exposures, generally from one to 12 months.

The Group enters into derivative financial instruments with various counterparties, principally financial institution with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are the foreign exchange forward contracts, currency options and currency swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporates various inputs including foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity.

35. EVENTS AFTER THE REPORTING DATE

The events which occurred after the reporting date and which require disclosure in the financial statements for the year ended September 30, 2015 are as follows:

- The Board approved the listing of 717,373 fixed and floating rate secured multicurrency notes comprising of 96,140 MUR Tranche A notes, 618,703 MUR Tranche B notes of a nominal value of Rs 1,000 each and 2,530 EUR notes at a nominal value of EUR 1,000 each, by way of a private placement.

The Listing Executive Committee of the Stock Exchange of Mauritius approved the listing of the notes on the official list of the SEM. The first day of the listing and trading was on the November 12, 2015.

- In December 2015, the board of directors has declared an ordinary interim dividend of Rs 0.33 per share and a dividend of Rs 0.33 per preference shares.

36. FRAUD

A fraud was discovered in one of the subsidiary, namely White Palm Ltd. The estimated loss amounted to Rs 10.5m and same has been accounted under ''other expenses" in the statement of profit or loss.

37. PARTICULARS OF DIRECTORATE IN SUBSIDIARIES

DIRECTORS	Beachcomber Limited	Beachcomber Training Academy Limited	Mautourco Ltd	White Palm Ltd	Les Salines Development Ltd	Les Salines Golf and Resorts Limited	Beachcomber Marketing (Proprietary) Limited	Beachcomber Tours SARL	Beachcomber Tours Limited	Beachcomber Holidays Limited	Wild Africa Safari Ltd	New Mauritius Hotel-Italia Srl	Kingfisher Ltd	Ste Anne Resorts Limited	Beachcomber Gold Coast Limited	Beachcomber Hotel Marrakech S.A.	Beachcomber Hotel S.A.	Domaine Palm Marrakech S.A.
Herbert Couacaud					■	■							■		■			
Michel Daruty de Grandpré		■												■	■			
Mike Edwards									■	■	■							
Gilbert Espitalier-Noël	■		■	■			■	■	■					■		■	■	■
Hector Espitalier-Noël	■				■	■												
Philippe Espitalier-Noël			■	■														
Alexandre Fayd'herbe			■	■														
Xavier Jolivet																■	■	■
Marcel Masson	■		■	■	■	■	■	■	■				■	■	■	■	■	■
Francis Montocchio		■												■				
Terry Munro							■											
Jean-Louis Pismont		■																
Tiburce Plissonneau Duquesne		■																
J. Paul Poussin			■															
Richard Robert			■	■														
Sheila Collet Serret												■						
Jacques Silvant		■														■	■	■
Peter Taylor									■	■	■							
François Venin		■	■	■			■	■	■					■		■	■	■

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NOTICE OF ANNUAL MEETING
NEW MAURITIUS HOTELS LIMITED

Notice is hereby given that the Annual Meeting of shareholders of New Mauritius Hotels Limited will be held at Labourdonnais Waterfront Hotel, Caudan, Port Louis on Friday 19 February 2016 at 10.30 a.m.

AGENDA

1. To receive, consider, and approve the Financial Statements for year ended 30 September 2015, to receive the Independent Auditors' Report and consider the Annual Report..

2. To reappoint, in accordance with Section 23.6 of the Company's Constitution, Messrs. Herbert Couacaud and Colin Taylor who are the two Directors due for retirement as Directors of the Company.

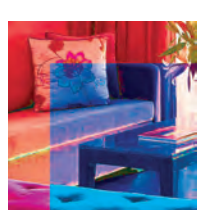
3. To reappoint Messrs. Ernst and Young as auditors for the financial year ending 30 September 2016 and authorize the Board of Directors to fix their emoluments.

4. Shareholders' Question Time.

A member of the Company may appoint a proxy to attend and vote at the meeting on his behalf. The instrument appointing the proxy must be deposited at the Registered Office of the Company, Beachcomber House, Botanical Garden Street, Curepipe 74213, not less than twenty-four hours before the meeting.

By order of the Board
BEACHCOMBER LIMTIED
Secretary

(Per Francis MONTOCCHIO)
February 2, 2016



PROXY

NEW MAURITIUS HOTELS LIMITED

I / We (Block Capitals, please) ....

being a member/members of the New Mauritius Hotels Limited, hereby appoint the Chairman of the meeting or

Mr. / Mrs ....

of ....

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company's shareholders to be held at Labourdonnais Waterfront Hotel, Caudan, Port Louis on Friday 19 February 2016 at 10.30 a.m. and at any adjournment thereof.

Signed this .... day of .... 2016.

Please indicate with an X in the spaces below how you wish your votes to be cast.

RESOLUTION	For	Against
1. To receive, consider and approve the Financial Statements for year ended 30 September 2015, to receive the Independent Auditors' Report and consider the Annual Report.		
2. To reappoint, in accordance with Section 23.6 of the Company's Constitution, Messrs Herbert Couacaud and Colin Taylor who are the two Directors due for retirement as Directors of the Company.		
3. To reappoint Messrs Ernst and Young as auditors for the financial year ending 30 September 2016 and authorize the Board of Directors to fix their emoluments.		

NOTES

1. A member may appoint a proxy of his own choice. If such an appointment is made, delete the words 'the Chairman of the meeting' and insert the name of the person appointed proxy in the space provided.

2. If the appointer is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.

3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.

4. If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

5. To be valid, this form must be completed and deposited at the registered office of the Company not less than twenty four hours before the time fixed for holding the meeting or adjourned meeting.

ANNUAL REPORT 2015