NEW MAURITIUS HOTELS LIMITED

ANNUAL REPORT 2013

Your Board of Directors is pleased to present the Annual Report of New Mauritius Hotels Limited for the year ended September 30, 2013.
This Report was approved by the Board of Directors on December 17, 2013.

Royal Palm Marrakech
Main building

CONTENTS

CHAIRMAN'S ADDRESS

Dear Shareholder,

The past financial year has been particularly challenging. On the operation front, trading environment was increasingly competitive with arrivals from our main markets dropping significantly whilst hotel room capacity in Mauritius continued to grow. On the development front, the opening of the Royal Palm Marrakech hotel and the delivery of the first villas in Marrakech scheduled for December has necessitated an unfailing commitment.

Tourist arrivals in Mauritius during the financial year grew by a mere 1.9%. The economic slowdown in Europe coupled with the less favourable air access conditions in terms of connectivity and pricing caused a significant contraction in the number of visitors from our main market. In addition, the growing imbalance between air seats availability and hotel room capacity continued to weigh on the tourism industry and gross revenue of the hotel industry dropped significantly in relation to last year. Our results were thus impacted and Group earnings were down on those of the previous year. Nonetheless, we were able to renew with our dividend policy by the payment of Rs1.00 per share in December 2013 in light of a more optimistic outlook.

In order not to jeopardise the long term, we continued to keep our high standard of service and our pricing policy. We thus succeeded in maintaining our average revenue per guest but lost some percentage points in occupancy, particularly in our lower rated hotels. It is gratifying to note that, in the last months, we have managed to recapture and even improve our market share and, with the bookings on hand at the time of writing, it is expected that this trend will continue. It is, therefore, reasonable to forecast a significant improvement in our operating results for the current financial year.

I am pleased to announce the soft opening of our prestigious Royal Palm Marrakech hotel in December 2013. The number of rooms in service will increase gradually until the hotel operates at full capacity during the year. This hotel is unique in Marrakech benefiting from a breathtaking view on the Atlas mountains and being seated on a golf course of international standards. It has been widely acclaimed by the trade and I am confident that it will prove to be a success.

We also plan to transfer the property title for some 50 villas to their owners during the current financial year. This will bring substantial additional cash flow and the profit realised thereon will be included in the year's results on which it will have a significant impact.

During the 2014 low season, the Royal Palm Mauritius hotel will be closed for major renovation. Forty two junior suites will be converted into 15 large suites and 6 family apartments with the remaining junior suites being converted into communicating rooms to the existing suites. The interior decoration will be entirely reviewed and the technical system will be upgraded and brought to modern norms.

During the year we had the pleasure to welcome on the Board of Directors three new members. I wish to thank them for their immediate adaptation and positive contribution to the affairs of the Company.

In conclusion, I express my sincere appreciation to the Chief Executive Officer and other members of the Board, all the personnel and the shareholders for their continued support.

Hector ESPITALIER-NOËL
CHAIRMAN

December 17, 2013

KEY FIGURES

september 30, 2013

Income statements

	THE GROUP		
	2013 Rs'm	2012 Rs'm	2011 Rs'm
Revenue	7,819	8,110	7,622
Operating profit	972	1,221	1,071
Profit before tax	428	603	803
Income tax (expense)/credit	(24)	8	(51)
Profit for the year	404	611	752
Non-controlling interests	(34)	(29)	(26)
Profit attributable to owners of the parent	370	582	726
Dividends	(161)	-	(323)
Retained profit for the year	209	582	403

Statements of financial position

	2013 Rs'm	2012 Rs'm	2011 Rs'm
Non-current assets	25,434	23,485	22,842
Current assets	7,567	6,182	6,413
Stated capital	1,724	1,724	1,724
Retained earnings	7,132	6,076	5,448
Other components of equity	4,453	4,968	5,014
Shareholders funds	13,309	12,768	12,186
Non-controlling interests	69	59	47
Total equity	13,378	12,827	12,233
Non-current liabilities	11,586	9,690	10,803
Current liabilities	8,036	7,151	6,220

Key financial ratios

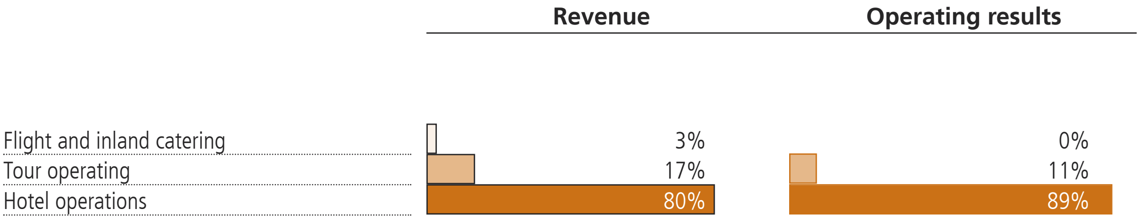
		2013	2012	2011
Number of room keys available as at 30.09		2,079	2,077	2,024
Room nights available		758,165	757,177	693,121
Number of guests nights		973,543	1,013,411	902,295
Occupancy	(%)	61	64	68
RevPar	(Rs)	8,207	8,617	9,018
Earnings per share	(Rs)	2.29	3.60	4.50
Dividends per share	(Rs)	1.00	-	2.00
Interest cover	(x)	2.71	3.06	3.61
Dividend cover	(x)	2.29	-	2.25
Dividend payout	(%)	43.70	-	44.44
Net Asset value per share	(Rs)	82.88	79.46	75.78
Return on equity	(%)	3.02	4.76	6.15
Return on assets	(%)	1.22	2.06	2.57
Gearing	(%)	107	96	97

SEGMENTAL INFORMATION

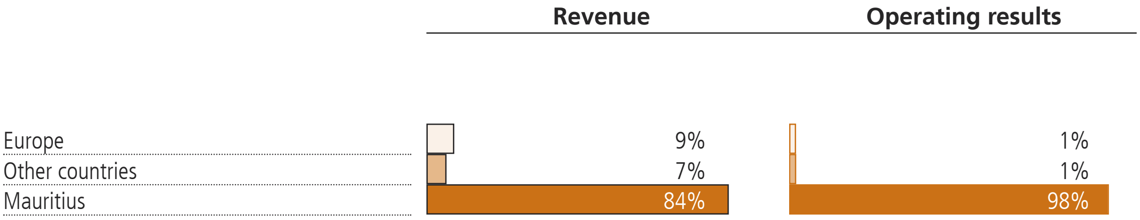
for the year ended september 30, 2013

	Revenue		Operating results	
	2013 Rs'm	2012 Rs'm	2013 Rs'm	2012 Rs'm
Business:				
Hotel operations	6,223	6,524	864	1,122
Tour operating	1,354	1,344	108	113
Flight and inland catering	242	242	-	(14)
	7,819	8,110	972	1,221
Geographical:				
Mauritius	6,562	6,832	946	1,144
Europe	665	651	12	18
Other countries	592	627	13	59
	7,819	8,110	972	1,221

Business



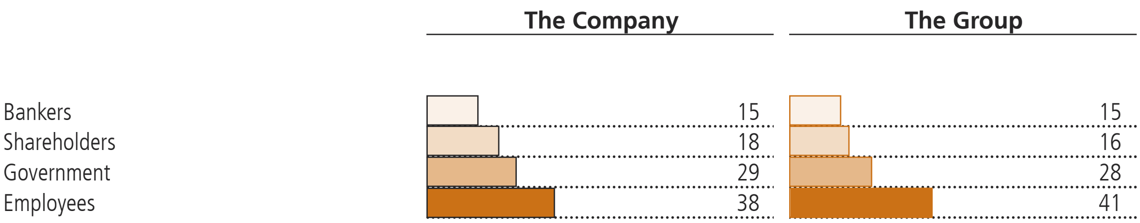
Geographical



VALUE ADDED STATEMENT

for the year ended september 30, 2013

	The Company		The Group	
	Rs'm	%	Rs'm	%
Revenue	6,111		7,819	
Value added tax	866		1,037	
Total revenue	6,977		8,856	
Payment to suppliers for material and services	(2,394)		(3,215)	
Value added by operations	4,582		5,641	
Investment and other income	4		16	
Total wealth created	**4,586**	**100**	**5,657**	**100**
Distributed as follows:				
Employees				
Staff costs	**1,747**	**38**	**2,297**	**41**
Government				
Value added tax	866		1,037	
Environment fees	48		48	
Corporate tax	19		24	
Licences, leases and campement site tax	128		145	
Social security charges	271		339	
	1,332	**29**	**1,592**	**28**
Reinvested to maintain/develop operations				
Depreciation and amortisation	437		509	
Retained earnings (Excluding gain on liquidation)	208		242	
	645	**14**	**751**	**13**
Providers of capital				
Dividends to shareholders	161	4	161	3
Interest on borrowings	701	15	856	15
	862	**19**	**1,017**	**18**
Total wealth distributed	**4,586**	**100**	**5,657**	**100**



ANNUAL REPORT

The Directors are pleased to present their Annual Report for the year ended September 30, 2013.

CONSOLIDATION AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The audited Financial Statements for the year ended September 30, 2013 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 International Financial Reporting Standards and Interpretations, which came into application, did not have a material impact on the financial performance or position of the Group.

COMMENTS ON RESULTS

Revenue
A drop of 4.5% was recorded in arrivals from European countries as compared to the previous year, with France and Italy, two of our main markets, registering reductions of 10% and 23% respectively. The Group's pricing policy coupled with high service quality was nevertheless maintained and enabled the average revenue per guest to be preserved but with lower occupancy. Revenue amounting to Rs7,819m for the year was thus Rs291m lower than last year.

The shortfall in Revenue impacted directly on operating profit which decreased by Rs249m to Rs972m as disclosed at page 4 under segmental information. Whilst the Royal Palm, Paradis and Trou aux Biches hotels realised similar results compared to last year, the other hotels were affected by the excess capacity which prompted heavy rate discounting by their competitors.

Close control continued to be exercised on operating costs which, this year, were Rs37m lower than last year.

Depreciation and finance costs
The depreciation charge for the year has been similar to last year's as, excluding the Marrakech project which is not yet subject to depreciation, capital expenditure during the year was kept to a minimum.

The appreciation of the Euro by 4% on average against the Rupee during the financial year has negatively impacted on the year-end conversion of euro currency loans payable and forward contracts. A total of Rs118m has been provided on account of unrealised losses on these conversions, out of which Rs94m has been capitalised as borrowing costs in the Marrakech project and the difference included in finance costs.

Other revenue
Finance revenue amounted to Rs16m this year compared to Rs42m last year, which figure included a profit of Rs17m on currency loans conversion on account of the Euro depreciating by almost 1% against the Rupee during 2012 financial year.

Other income represents mainly the fair value gain on the investment property "Domaine de l'Harmonie" at Les Salines.

At Company's level, a net gain of Rs1,093m has been recorded in the Income Statement following the completion of procedures for the voluntary dissolutions of dormant local subsidiaries. The net assets of those wholly owned subsidiaries were transferred via inter-company current accounts to NMH following the merger exercise in 2002. The net gain represents the write back of these current accounts in NMH.

Share of results of associates
This is made up essentially of the positive contribution from Les Villas de Bel Ombre Ltée.

Income tax
The total tax charge of Rs24m has been arrived at after taking into account a deferred tax credit of Rs17m arising on the Marrakech project. This credit will start to reverse as from next year with the recognition of profit from sale of villas.

Earnings
The reduction of 4.6% in hotel revenue impacted negatively on earnings attributable to shareholders. Earnings per share thus fell from Rs3.60 last year to Rs2.29 this year.

Dividends
A dividend of Rs1.00 per share was declared in September 2013 and paid in December 2013. The total amount of Rs161m paid is in line with the Company's policy to distribute around 50% of its earnings for the year as dividends.

Cash flow and capital expenditure
Capital expenditure of Rs1,756m for the year was incurred mainly on the Marrakech project and was financed by banks and by multicurrency notes issued in private placement.
Total assets at year end moved from Rs29,667m to Rs33,000m whilst net borrowings increased from Rs12,256m to Rs14,250m. Net asset value per share thus rose from Rs79.46 to Rs82.88. It is to be noted that non-current assets do not recognise any value for leasehold land.

Inventories

Inventories include Rs1,142m of land at Les Salines and Rs2,684m of cost of villas for sale under development at Marrakech.

PROJECTS

Marrakech

The hotel in Marrakech will host its first guests on December 26, 2013 with the 18-hole golf course and a third of its 135 suites in service. It should operate at full capacity during the third quarter whereas some 15 villas and all civil works associated with the remaining 78 villas of phase one would have been completed during the second quarter.

The Domaine Royal Palm is now regarded as a prime residential estate development in Marrakech. The opening of the hotel is attracting increased interest for the villas available for sale and, looking forward, the Marrakech project should contribute significantly to the Group's earnings growth and debt repayment as from the 2013/2014 financial year.

Royal Palm Mauritius

A budget of some Rs 400m has been earmarked for the renovation of the Royal Palm hotel during the 2014 low season.

OUTLOOK

At the time of writing, Earnings for the first quarter to December 31, 2013 are expected to improve on those realised during last year's corresponding period. Forward bookings on hand are also comfortably higher in relation to last year. Prospects for Group earnings to grow appreciably for the first half-year, therefore, appear good. Profit arising on the villas sold in Marrakech will be recognised as and when the titles are transferred to the buyers.

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 results achieved.

Hector ESPITALIER-NOËL
CHAIRMAN

Herbert COUACAUD C.M.G.
CHIEF EXECUTIVE OFFICER

December 17, 2013

Royal Palm Marrakech

CORPORATE GOVERNANCE REPORT

Group structure as at september 30, 2013

NEW MAURITIUS HOTELS LIMITED

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

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	Iqbal BADULLA

SECRETARIAL SERVICES

100%	BEACHCOMBER LIMITED	

TOUR OPERATING

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

CORPORATE GOVERNANCE REPORT

Shareholding as at september 30, 2013

Size of holding		Shareholders			Shares held		
				Cumulative			Cumulative
From	To	No.	%	%	No.	%	%
1	1,000	4,438	60.64	60.64	1,413,803	0.88	0.88
1,001	5,000	1,631	22.29	82.93	3,776,663	2.34	3.22
5,001	10,000	464	6.34	89.27	3,305,005	2.05	5.27
10,001	25,000	381	5.21	94.48	5,925,169	3.67	8.94
25,001	50,000	155	2.12	96.60	5,602,228	3.47	12.41
50,001	75,000	65	0.89	97.49	3,943,113	2.44	14.85
75,001	100,000	32	0.44	97.93	2,718,922	1.68	16.53
100,001	250,000	72	0.98	98.91	11,298,664	7.00	23.53
250,001	500,000	41	0.56	99.47	13,759,330	8.52	32.05
500,001	1,000,000	15	0.20	99.67	10,798,229	6.69	38.74
1,000,001	1,500,000	7	0.10	99.77	8,864,487	5.49	44.23
1,500,001	2,000,000	4	0.05	99.82	6,552,730	4.06	48.29
2,000,001	2,500,000	2	0.03	99.85	4,552,440	2.82	51.11
2,500,001	5,000,000	6	0.08	99.93	21,414,011	13.27	64.38
5,000,001	8,000,000	3	0.04	99.97	17,631,314	10.92	75.30
8,000,001	and above	2	0.03	100.00	39,867,428	24.70	100.00
		7,318			161,423,536		

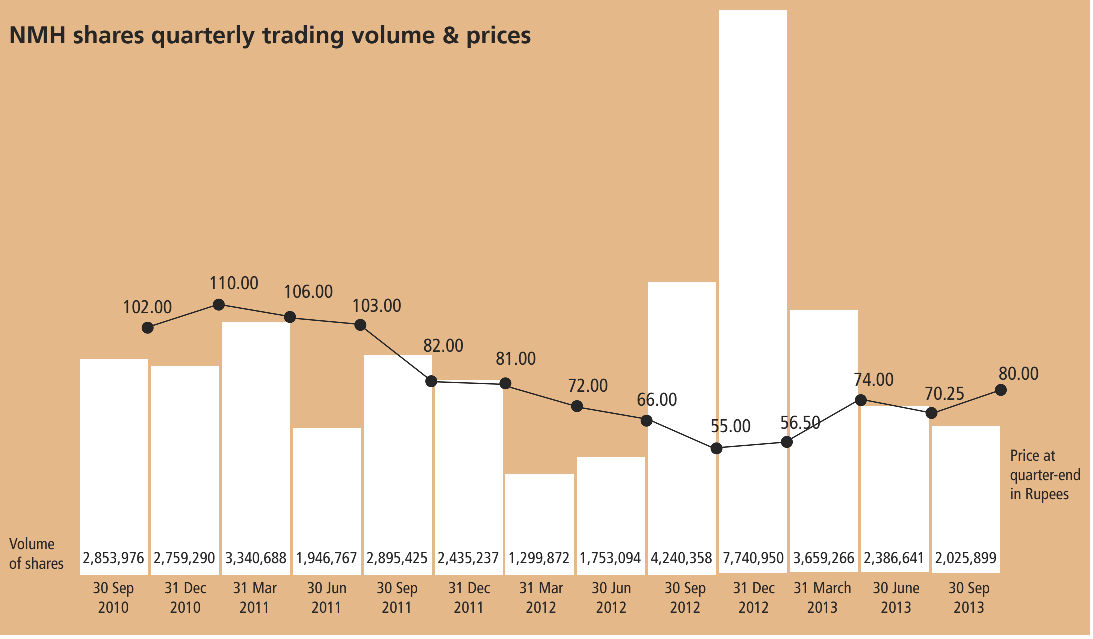
Summary by shareholder category

Category	No. of shareholders	No. of shares	%
INDIVIDUAL	6,866	51,135,917	31.68
INSURANCE COMPANIES	30	10,663,510	6.61
INVESTMENT COMPANIES & TRUSTS	180	39,607,007	24.54
OTHER CORPORATE BODIES	139	36,375,791	22.53
PENSION & PROVIDENT FUNDS	103	23,641,311	14.64
Total	7,318	161,423,536	100.00

Calendar 2014

Publication of Abridged 1st Quarter Results	February
Annual General Meeting	March
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



CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

NON- EXECUTIVE DIRECTORS

Hector ESPITALIER-NOËL
Chairman
Member of the Corporate Governance Committee

Jean Pierre MONTOCCHIO
Chairman of the Corporate Governance Committee
Member of the Audit Committee

Gilbert ESPITALIER-NOËL
Member of the Corporate Governance Committee

INDEPENDENT DIRECTORS

Sunil BANYMANDHUB
Chairman of the Audit Committee

Louis RIVALLAND
Member of the Audit Committee

Colin TAYLOR
Member of the Audit and Corporate Governance Committee

EXECUTIVE DIRECTORS

Herbert COUACAUD C.M.G.
Chief Executive Officer (CEO)
Member of the Corporate Governance Committee

Marcel MASSON
Finance Director
Member of the Corporate Governance Committee

Robert DOGER DE SPÉVILLE
Commercial Director

Jacques SILVANT
General Manager Royal Palm Hotel

SECRETARY

BEACHCOMBER LIMITED
Beachcomber House
Botanical Garden Street,
Curepipe, 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
Habib Bank Ltd
Standard Bank (Mauritius) Limited
Bramer Bank

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, 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 February 2013, shareholders:

i. Re-elected Messrs Sunil Banymandhub and Louis Rivalland as members of the Board of Directors.
ii. Elected as members of the Board of Directors Messrs Gilbert Espitalier Noel and Colin Taylor nominated by the Board to replace Messrs Michel Pitot and Timothy Taylor who had resigned.
iii. Elected as member of the Board of Directors Mr Jacques Silvant nominated by the Board in replacement, by rotation, of Mr Jean Marc Lagesse whose term had expired.

The Board comprises three non-executive Directors including the Chairman, three 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 October 2013 and was reported to the Board in November 2013. 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 Noel Group.
Other directorship in listed companies:
ENL Commercial Ltd, ENL Land Ltd and Rogers & Co. Limited

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, Mauritius Commercial Bank Ltd, Promotion and Development Ltd and Rogers & Co. Ltd and ENL Land Ltd.

Gilbert ESPITALIER NOEL

He is the Chief Executive Officer of ENL Property Limited. 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 was appointed Director in February 2013. 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.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE

Louis RIVALLAND
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.

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 1987 until 2004 when he was appointed CEO of Taylor Smith Group. 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

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

Robert DOGER DE SPEVILLE
Member of Institute of Chartered Accountants S.A, he joined the Company in 1977 and is currently the Commercial Director.
Other directorship in listed companies: None

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
Holds a Degree in Hospitality and Management, France. He was appointed Director in February 2013. He joined the Company in 2011 and is currently the General Manager of the Royal Palm Hotel.
Other directorship in listed companies: None

At the AGM to be held on March 28, 2014, the Board of Directors will recommend Messrs Jean Pierre Montocchio and Marcel Masson for re-election to the Board as provided by Section 23.6.2 of the Company's Constitution.

Directors' attendance to committee meetings

Directors	Board	Corporate Governance	Audit
Hector ESPITALIER-NOEL	7/7	3/4	-
Sunil BANYMANDHUB	6/7	-	4/4
Herbert COUACAUD	7/7	4/4	
Robert DOGER DE SPEVILLE	6/7	-	-
Gilbert ESPITALIER-NOEL	5/6	2/3	-
Marcel MASSON	7/7	4/4	4/4
Jean-Pierre MONTOCCHIO	5/7	4/4	4/4
Louis RIVALLAND	5/7	-	4/4
Jacques SILVANT	4/6	-	-
Colin TAYLOR	6/6	-	-

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 paid by the Company for the year ended September 30, 2013:

Executive	2013 Rs'000
COUACAUD Herbert	12,953
DOGER de SPEVILLE Robert	10,008
LAGESSE Jean Marc (From October 2012 to December 2012)	3,160
MASSON Marcel	14,110
SILVANT Jacques (From January 2013 to September 2013)	8,527
TOTAL	48,758

Non Executive	2013 Rs'000
BANYMANDHUB Sunil	420
ESPITALIER-NOEL Gilbert	280
ESPITALIER-NOEL Hector	480
MONTOCCHIO Jean Pierre	420
PITOT Michel	209
RIVALLAND Louis	420
TAYLOR Colin	200
TAYLOR Timothy	50
TOTAL	2,479

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

Emoluments and benefits paid by subsidiaries for the year ended September 30, 2013 to:

	2013 Rs'000	2012 Rs'000
Executive Directors of:		
Beachcomber Tours Limited	24,417	26,274
Beachcomber Marketing (Pty) Ltd	14,771	15,151

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

	Direct %	Indirect %
Hector ESPITALIER-NOEL (Chairman)	-	-
Sunil BANYMANDHUB	0.01	0.01
Herbert COUACAUD C.M.G	7.05	-
Robert DOGER de SPEVILLE	-	-
Gilbert ESPITALIER-NOEL	-	-
Marcel MASSON	0.13	-
Jean-Pierre MONTOCCHIO	-	0.07
Louis RIVALLAND	0.02	-
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 30th September 2014:

- from 17 November 2013 to 16 December 2013
- from 15 January 2014 to 17 February 2014
- from 28 February 2014 to 28 March 2014
- from 14 April 2014 to 13 May 2014
- from 6 July 2014 to 5 August 2014
- from 27 August 2014 to 26 September 2014

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

Directors	Number of shares purchased / (sold)
Robert DOGER DE SPEVILLE	(380,933)
Gilbert ESPITALIER-NOEL	5,688
Hector ESPITALIER-NOEL	(82,400)
Marcel MASSON	45,000
Louis RIVALLAND	3,000

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

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, half-yearly and annual results of the Group are published in three main daily newspapers. Additionally, the results and other important information are also periodically updated on the Company's website viz. www.beachcomber-hotels.com. Further, the Company also holds an Analysts' meeting after the half-yearly results has been released by the Board of Directors, where information is disseminated. Moreover, the Company also gives important Press Releases from time to time.

CORPORATE GOVERNANCE REPORT

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.

During the year under review, Messrs Gilbert Espitalier Noel and Colin Taylor were nominated on the Corporate Governance Committee in replacement of Mr Michel Pitot who had resigned as Director and to fill a vacancy respectively. The composition of the Audit Committee on its part remained unchanged.

With effect from November 2013, Mr Colin Taylor replaced Mr Jean Pierre Montocchio on the Audit Committee.

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 2014;
- 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 was promoted General Manager of the Le Victoria in February 2013.

Jean Louis PISMONT

Graduated from the hotel school of Granville, he also holds an 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, Paradis Hotel & Golf Club and Shandrani Resort & Spa.

Francois 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 is currently the General Manager of Le Mauricia and Le Canonnier hotels since 2002.

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

Xavier JOLIVET
Worked for reputable hotel chains in France, USA and Monaco before joining the Group as Deputy Manager of the Royal Palm Grand Baie 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

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

Tour operating and sales offices

Irene BLANCO
Holds a degree in tourism from Lion University, Spain. She worked at "Leading Hotels of the World " office in Madrid before joining the Group in 2000. she has been managing the Beachcomber office in Madrid ever since.

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.

Chris GILBERT
Worked for Kerzner International, One & Only Resorts, as Executive Director Sales UK and Ireland before joining the group in 2008 as manager of the Beachcomber office in Lomdon. He was appointed General Manager of Beachcomber Tours UK in 2010.

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.

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.

Asraf KHODABUX
Holds a Master of Business Administration (MBA) in Corporate Finance from the UK and is a Fellow member of the Association of Chartered Certified Accountants. He joined the NMH Group in 2002 as head of the Internal Audit Department and is currently the General Manager of White Palm Ltd.

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. He was promoted Managing Director of the Company in 2010.

The senior management team also includes the four executive directors whose profiles have been disclosed on page 12.

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 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.

CORPORATE GOVERNANCE REPORT

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, the General Managers of the Canonnier/Mauricia and Royal Palm 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), 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 31 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;

CORPORATE GOVERNANCE REPORT

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 10 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 Rs10m (2012: Rs9m) to the fund.

Political donations are dealt with by the Board. For the year under review, total political donations amounting to Rs300,000 have been made (2012: Rs525,000).

External Auditors

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

The fees charged by auditors for audit and other services were:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Lead Auditors				
Audit services	6,990	6,279	6,340	5,825
Tax services	625	500	480	480
Total	7,615	6,779	6,820	6,305
(b) Secondary Auditors				
Audit services	3,650	3,450	-	-
Tax services	177	125	-	-
Total	3,827	3,575	-	-

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 30 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 30 September 2013, the income statements, the statements of changes in equity, the statements of cash flow 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 includes 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.

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 most of its obligations and requirements under the Code of Corporate Governance.

Hector ESPITALIER-NOËL
CHAIRMAN

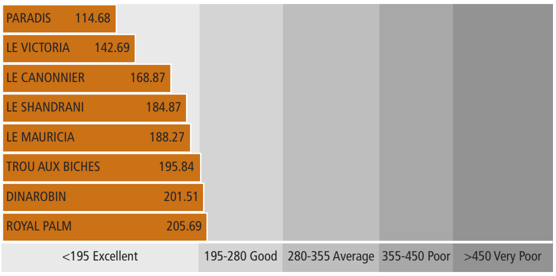
Herbert COUACAUD C.M.G.
CHIEF EXECUTIVE OFFICER

December 17, 2013

ENVIRONMENTAL & SOCIAL RESPONSIBILITY

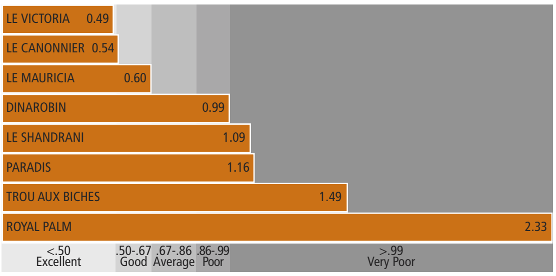
The Group's sustainability actions in 2013 were very much geared towards improving the energy efficiency of all operations.
In that respect, the internal benchmarking process established in 2012 was continued and contributed to motivate the employees to better the scores achieved last year.

ELECTRICITY USAGE (kWh / m² / year)



The chart above shows electricity consumption per year as compared to the built surface area of each hotel of the group. The benchmark used has been derived from the Hotel Energy Solutions for Resort Hotels.
It is very rewarding to note from the above that all hotels are within the Good and Excellent categories showing that the commitment to energy reduction and optimisation is bearing its fruits.

WATER USAGE (m³ / GN / year)



The second chart relates to water usage. Since the consumption is much more occupancy related, the benchmark incorporates Guest Nights.
In opposition to electricity, the performance of water usage varies from excellent for 2 hotels to Poor and Very Poor for others. There is clearly room for improvement.

PROJECTS COMPLETED IN 2013

- Installation of occupancy based HVAC controllers as well as LED light fittings in the remaining rooms at Shandrani. For recall, the De Luxe rooms refurbished in 2012 were fitted with a full complement of energy saving features.

- Installation of water saving devices called aerators on all bathroom appliances of the group leading to water savings in the range of 30% to 50%. This has unfortunately compounded by two negative factors namely extensive irrigation at Trou aux Biches hotel and severe leaks, now repaired, at Shandrani and Royal Palm hotels.
- Replacement of 2 air conditioning water chillers at Le Paradis Hotel. These chillers were 12 years old and due to their age and outdated technology were operating at very low efficiencies, thereby impacting heavily to the electricity consumption of the hotel. The new chillers, which are due to arrive in January, are state of the art machines with net EER's (EN14511) of 3.11. This should contribute very positively to lower the electrical consumption of the hotel.
- Partnership agreement with a control company from Malta specialised in the control and supervision of HVAC and lighting in hotel rooms. This partnership will lead in the coming years to the installation of highly efficient and tailor made, occupancy based control systems in hotel rooms. This project had been announced in the previous Sustainability Report to be a reality in 2013 but has been subject to a thorough review during this year. The review has led to a change in the initial stategy and has caused a one year delay in the projected investment.
- 2 students in Engineering from the University of Mauritius did their final year thesis on the efficiency of hot water production at Dinarobin and Trou aux Biches Hotels. Their study enabled us to put actual values on the productivity of the solar hot water panels installed in these two hotels. For instance at Trou aux Biches we were able to measure the actual output power of a single solar water panel at 720W in summer and 600W in winter which is satisfactory compared to the theoretical figure of 800W per panel under ideal conditions.

ENVIRONMENTAL & SOCIAL RESPONSIBILITY

NEW AND ONGOING PROJECTS

- As stated in the 2012 Sustainability Report, we aim to complete our program of solar water heaters in Shandrani and Victoria which, together with Le Canonnier, are the only hotels without solar hot water heaters. Le Canonnier's architecture is not suitable for a comprehensive solar heater system. The project has been delayed by a year and we are confident that it will be implemented in 2014.
- The Royal Palm will be refurbished in 2014 and all parties involved in the refurbishment project are working towards making the new hotel as environmentally friendly as possible. Various avenues are being studied but the main ones in the rooms will definitely include full LED lighting, energy efficient air conditioning and occupancy based HVAC control.
- To complement the energy intensity benchmarking index that was developed in house, a comprehensive carbon footprint mapping of our hotels and operations in 2014 will be conducted. These two indices together will provide our group with a perfect sustainability dashboard.
- Continue the program of replacement of air conditioning water chillers started in 2013 at Le Paradis.

AFD LOANS AND GRANTS

The second phase of the loans and grants from the Agence Française de Developement has been validated and will become available at the beginning of 2014. The necessary will be done for the projects listed above to qualify for financing under the new program.

CORPORATE SOCIAL RESPONSIBILITY

Funding

NMH continued its financial support to its Fondation Espoir et Développement (FED) despite the non-statutory obligation for the Company to contribute to the Fondation due to its tax losses in the preceding financial year.

During the financial year, NMH has allocated a budget of Rs10.3m to FED representing an increase of Rs1.4m compared to last year. It is also worth noted that FED received contributions of some Rs1m from Beachcomber Hotels guests and from companies which contracted social projects jointly with FED. These contributions have enabled FED to maintain its commitments towards local NGOs and to pursue its own social projects namely Projet Employabilité Jeunes (PEJ) and Projet Artisanat.

Projet Employabilite Jeunes (PEJ)

This project, in collaboration with hotel managers, aims at integrating youths who have not completed normal schooling, into mainstream employment. Some 185 youths started the program in August 2012, of which 122 completed the course in April 2013. 116 have been employed or sponsored for technical training by NMH and other enterprises. PEJ is proving to be popular and other hotel groups showed interest to participate jointly in this project.

Projet Artisanat

This project is run jointly by FED and Fondation Medine Horizons. It is designed to support artisans from vulnerable backgrounds by giving them facilities not only to sell their products to tourists mainly via hotel boutiques but also to supply hotels of authentic local handicraft which are offered as guest supplies.

During the year, total sales of Rs 4m have been realised (2012: Rs1.6m) including Rs0.3m for the Local Hands shop located in the socio-commercial centre at Trou aux Biches. Some 50 artisans participated actively in the project. FED is also planning to assist NGOs in providing design support in view of public fairs.

Regional committees

Regional Committees which comprise NMH's employees are also active in various regions of the island, especially around hotels areas. The social projects consist of providing educational support to primary schools particularly in the south west, organizing IT training in collaboration of the National Computer Board and providing financial support to regional sports and social clubs. These social actions enable the hotels including the head office to keep in touch and interact with their neighbourhood.

ROYAL PALM MARRAKECH

ROYAL PALM MARRAKECH

ROYAL PALM MARRAKECH

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 17, 2013


Domaine Royal Palm Marrakech
Show villa

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 30 to 79 which comprise the statements of financial position as at September 30, 2013 and the statements of 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 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 30 to 79 give a true and fair view of the financial position of the Group and the Company as at September 30, 2013 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, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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
Ebene, Mauritius

Roger DE CHAZAL, A.C.A.
Licensed by Financial Reporting Council

December 17, 2013

INCOME STATEMENTS

for the year ended september 30, 2013

	Notes	THE GROUP 2013 Rs.'000	THE GROUP 2012 Rs.'000	THE COMPANY 2013 Rs.'000	THE COMPANY 2012 Rs.'000
Revenue	4	7,818,863	8,110,396	6,110,903	6,394,280
Direct costs		(1,271,747)	(1,270,661)	(960,681)	(991,554)
Staff costs	5	(2,636,454)	(2,592,160)	(2,018,322)	(2,007,695)
Other expenses	6	(2,439,378)	(2,521,420)	(1,760,927)	(1,824,776)
Depreciation of property, plant and equipment	13	(505,244)	(506,899)	(434,807)	(438,547)
Amortisation of intangible assets	15	(3,952)	(3,831)	(2,342)	(2,336)
Profit/(loss) on disposal of property, plant and equipment		9,433	6,086	(719)	(2,089)
Finance revenue	7	15,849	42,151	3,664	34,281
Finance costs	8	(609,491)	(586,541)	(639,118)	(591,422)
Other income	10	112,348	30,630	89,903	17,300
Gain on liquidation of subsidiaries	35	-	-	1,093,624	-
Share of results of associates	17	41,039	(12,349)	-	-
Pre-operational expenses	9	(103,195)	(92,470)	-	-
Profit before tax		428,071	602,932	1,481,178	587,442
Income tax (expense)/credit	11	(24,356)	7,987	(19,094)	(11,346)
Profit for the year		403,715	610,919	1,462,084	576,096
Profit attributable to:					
Owners of the parent		369,427	581,634	1,462,084	576,096
Non-controlling interests		34,288	29,285	-	-
		403,715	610,919	1,462,084	576,096
Basic earnings per share (Rs.)	12	2.29	3.60		

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended september 30, 2013

	THE GROUP 2013 Rs.'000	THE GROUP 2012 Rs.'000	THE COMPANY 2013 Rs.'000	THE COMPANY 2012 Rs.'000
Profit for the year	403,715	610,919	1,462,084	576,096
Other comprehensive income/(loss) :				
Exchange differences on translating foreign operations	(33,289)	1,380	-	-
Gain / (loss) on available-for-sale financial assets	6,880	(20,599)	102	(618)
Gain / (loss) on cash flow hedges	7,361	(231)	-	-
Gains on revaluation of property	407,202	-	312,467	-
Tax effect on gains on property revaluation	(58,180)	14,160	(45,116)	-
Share of other comprehensive income of associates	-	6,430	-	-
Other comprehensive income/ (loss) for the year, net of tax	329,974	1,140	267,453	(618)
Total comprehensive income for the year	733,689	612,059	1,729,537	575,478
Total comprehensive income attributable to:				
Owners of the parent	702,415	582,625	1,729,537	575,478
Non-controlling interests	31,274	29,434	-	-
	733,689	612,059	1,729,537	575,478

STATEMENTS OF FINANCIAL POSITION

as at september 30, 2013

	Notes	THE GROUP 2013 Rs'000	THE GROUP 2012 Rs'000	THE COMPANY 2013 Rs'000	THE COMPANY 2012 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	22,681,483	20,839,342	17,961,409	17,838,268
Investment properties	14	480,900	378,330	195,125	115,000
Intangible assets	15	1,707,528	1,706,910	1,221,267	1,223,609
Investment in subsidiaries	16	-	-	2,542,247	3,181,875
Investment in associates	17	524,683	509,585	19,062	19,062
Available-for-sale financial assets	18	26,021	19,141	1,480	1,378
Employee benefit assets	19	12,962	32,184	12,280	32,544
		25,433,577	23,485,492	21,952,870	22,411,736
Current assets					
Inventories	20	4,150,415	3,458,486	1,420,678	1,379,101
Trade and other receivables	21	2,520,205	1,982,582	7,182,123	4,518,643
Other financial assets	33	560	10,737	560	10,737
Income tax prepaid	11	46,348	49,414	47,297	47,129
Cash in hand and at banks	22	849,316	680,696	84,007	144,079
		7,566,844	6,181,915	8,734,665	6,099,689
Total assets		33,000,421	29,667,407	30,687,535	28,511,425
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	23	1,724,361	1,724,361	1,724,361	1,724,361
Retained earnings		7,132,162	6,076,131	5,681,166	4,344,893
Other components of equity	24	4,452,955	4,967,995	4,490,218	4,258,378
		13,309,478	12,768,487	11,895,745	10,327,632
Non-controlling interests		68,915	58,662	-	-
Total equity		13,378,393	12,827,149	11,895,745	10,327,632
Non-current liabilities					
Borrowings	25	10,112,954	8,263,293	9,984,306	8,121,368
Deferred tax liability	26	1,464,362	1,419,454	1,481,647	1,427,572
Employee benefit liability	19	9,167	6,857	-	-
Total non-current liabilities		11,586,483	9,689,604	11,465,953	9,548,940
Current liabilities					
Trade and other payables	27	3,036,877	2,477,043	2,387,438	4,101,701
Borrowings	25	4,986,855	4,673,611	4,926,586	4,533,152
Other financial liabilities	33	11,813	-	11,813	-
Total current liabilities		8,035,545	7,150,654	7,325,837	8,634,853
Total liabilities		19,622,028	16,840,258	18,791,790	18,183,793
Total equity and liabilities		33,000,421	29,667,407	30,687,535	28,511,425

Approved by the Board of Directors on December 17, 2013 and signed on its behalf by:

Hector ESPITALIER-NOËL
Chairman

Herbert COUACAUD C.M.G.
Chief Executive Officer

STATEMENTS OF CHANGES IN EQUITY

for the year ended september 30, 2013

THE GROUP

	Attributable to owners of the parent								
	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for -sale Financial Assets Reserve	Revaluation Reserve	Other Reserves	Total	Non-controlling Interests	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at October 1, 2011	1,724,361	5,447,655	(1,025,901)	28,278	4,582,556	1,428,913	12,185,862	46,799	12,232,661
Changes in equity for the year									
Profit for the year	-	581,634	-	-	-	-	581,634	29,285	610,919
Other comprehensive income /(loss) for the year	-	-	1,000	(20,599)	14,160	6,430	991	149	1,140
Total comprehensive income /(loss) for the year	-	581,634	1,000	(20,599)	14,160	6,430	582,625	29,434	612,059
Depreciation transfer for buildings	-	55,108	-	-	(55,108)	-	-	-	-
Tax effect of depreciation transfer for buildings	-	(8,266)	-	-	8,266	-	-	-	-
Dividends (Note 28)	-	-	-	-	-	-	-	(17,571)	(17,571)
Balance at September 30, 2012	1,724,361	6,076,131	(1,024,901)	7,679	4,549,874	1,435,343	12,768,487	58,662	12,827,149
Balance at October 1, 2012	1,724,361	6,076,131	(1,024,901)	7,679	4,549,874	1,435,343	12,768,487	58,662	12,827,149
Changes in equity for the year									
Profit for the year	-	369,427	-	-	-	-	369,427	34,288	403,715
Other comprehensive (loss)/income for the year	-	-	(22,914)	6,880	349,022	-	332,988	(3,014)	329,974
Total comprehensive income /(loss) for the year	-	369,427	(22,914)	6,880	349,022	-	702,415	31,274	733,689
Deconsolidation of subsidiaries	-	810,760	-	-	-	(810,760)	-	-	-
Depreciation transfer for buildings	-	43,845	-	-	(43,845)	-	-	-	-
Tax effect of depreciation transfer for buildings	-	(6,577)	-	-	6,577	-	-	-	-
Dividends (Note 28)	-	(161,424)	-	-	-	-	(161,424)	(21,021)	(182,445)
Balance at September 30, 2013	1,724,361	7,132,162	(1,047,815)	14,559	4,861,628	624,583	13,309,478	68,915	13,378,393

THE COMPANY

	Stated Capital	Retained Earnings	Available-for -sale Financial Assets Reserve	Revaluation Reserve	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at October 1, 2011	1,724,361	3,729,737	1,085	4,296,971	9,752,154
Changes in equity for the year					
Profit for the year	-	576,096	-	-	576,096
Other comprehensive loss for the year	-	-	(618)	-	(618)
Total comprehensive income/(loss) for the year	-	576,096	(618)	-	575,478
Depreciation transfer for buildings	-	45,953	-	(45,953)	-
Tax effect of depreciation transfer for buildings	-	(6,893)	-	6,893	-
Balance at September 30, 2012	1,724,361	4,344,893	467	4,257,911	10,327,632
Balance at October 1, 2012	1,724,361	4,344,893	467	4,257,911	10,327,632
Changes in equity for the year					
Profit for the year	-	1,462,084	-	-	1,462,084
Other comprehensive income for the year	-	-	102	267,351	267,453
Total comprehensive income for the year	-	1,462,084	102	267,351	1,729,537
Depreciation transfer for buildings	-	41,898	-	(41,898)	-
Tax effect of depreciation transfer for buildings	-	(6,285)	-	6,285	-
Dividends (Note 28)	-	(161,424)	-	-	(161,424)
Balance at September 30, 2013	1,724,361	5,681,166	569	4,489,649	11,895,745

STATEMENTS OF CASH FLOWS

for the year ended september 30, 2013

	Notes	THE GROUP 2013 Rs'000	THE GROUP 2012 Rs'000	THE COMPANY 2013 Rs'000	THE COMPANY 2012 Rs'000
Operating activities					
Profit before tax		428,071	602,932	1,481,178	587,442
Adjustments to reconcile profit before tax to net cash flows					
Non-cash:					
Depreciation on property, plant and equipment	13	514,470	517,494	434,807	438,547
Amortisation of intangible assets	15	3,952	3,831	2,342	2,336
(Profit)/loss on disposal of property, plant and equipment		(9,433)	(6,086)	719	2,089
Provision for bad debts		5,173	6,413	3,500	5,000
Fair value gain on investment properties	14	(101,177)	(30,630)	(78,732)	(17,300)
Dividend income		(6)	(5)	(3,398)	(10,347)
Interest income	7	(15,843)	(24,871)	(266)	(6,659)
Interest expense	8	587,501	581,375	617,128	586,256
Loss on other financial assets	8	21,990	5,166	21,990	5,166
Exchange loss/(gain) on retranslation of loans	7 & 8	4,979	(17,275)	7,535	(17,275)
Share of (profit)/ loss of associates	17	(41,039)	12,349	-	-
Profit on winding up of subsidiaries		-	-	(1,093,624)	-
Decrease in employee benefit asset	19	21,532	1,394	20,264	2,248
Working capital adjustments:					
(Increase)/decrease in inventories		(493,072)	(249,204)	22,611	33,819
(Increase)/decrease in trade and other receivables		(569,022)	547,549	(63,662)	(17,399)
Increase/(decrease) in trade and other payables		376,695	(493,160)	(142,434)	217,403
Income tax paid	11	(37,681)	(86,666)	(10,306)	(45,427)
Net cash flows generated from operating activities		697,090	1,370,606	1,219,652	1,765,899
Investing activities					
Purchase of property, plant and equipment		(1,527,169)	(918,203)	(172,842)	(686,441)
Purchase of intangible assets		-	(305)	-	(305)
Proceeds from sale of property, plant and equipment		23,240	24,306	10,535	7,242
Proceeds from redemption of shares in associates		24,145	-	-	-
Dividend received		3,398	5,247	3,398	5,247
Interest received	7	15,843	24,871	266	6,659
Net cash flows used in investing activities		(1,460,543)	(864,084)	(158,643)	(667,598)
Financing activities					
Proceeds from borrowings		5,230,360	4,738,997	5,230,360	4,738,997
Repayment of term loans		(3,813,984)	(4,191,512)	(3,736,958)	(4,191,512)
Financing through lease obligation		148,368	-	148,368	-
Repayment of finance lease liabilities		(80,538)	(61,660)	(51,915)	(20,975)
Advances to subsidiaries		-	-	(2,509,285)	(624,514)
Interest paid	8	(955,118)	(827,287)	(735,707)	(695,604)
Dividends paid to owners of the parent		-	(80,712)	-	(80,712)
Dividends paid to non-controlling interests		(21,021)	(17,571)	-	-
Net cash flows from/(used in) financing activities		508,067	(439,745)	(1,655,137)	(874,320)
Net (decrease)/increase in cash and cash equivalents		(255,386)	66,777	(594,128)	223,981
Cash and cash equivalents at October 1,		(971,797)	(1,066,671)	(1,400,891)	(1,624,962)
Net foreign exchange difference		(19,936)	28,097	-	-
Cash and cash equivalents at September 30,	22	(1,247,119)	(971,797)	(1,995,019)	(1,400,981)

NOTES TO THE FINANCIAL STATEMENTS
CONTENTS

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, 2013 were authorised for issue in accordance with a resolution of the Directors on December 17, 2013. 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 Company and its subsidiaries as at 30 September 2013.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full. Losses in a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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 interest;
- 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 other comprehensive income to profit or loss.

2.1 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new and amended IFRS and IFRIC interpretations during the year:
The Group has adopted the following standards and amendments as of October 1, 2012:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g., net loss or gain on AFS financial assets) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

IAS 1 Clarification of the requirement for comparative information (Amendment)

These amendments clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position (as at 1 January 2012 in the case of the Group), presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1 January 2012. The amendments affect presentation only and have no impact on the Group's financial position or performance.

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after 1 January 2012 and has been no effect on the Group's financial position, performance or its disclosures.

2.2 STANDARDS 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.

IFRS 1 Government Loans – Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013. The amendment has no impact on the Group.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

The amendment becomes effective for annual periods beginning on or after 1 January 2013. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013. This amendment has no impact on the Group's financial position or performance.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will not impact the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but has no impact on the Group's financial position or performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment becomes effective for annual periods beginning on or after 1 January 2013. These amendments will not have any significant impact on the Group.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual periods beginning on or after 1 January 2013. The new interpretation will not have an impact on the Group.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be elevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. The Group is currently assessing the impact of the amendment on the Group's financial position and performance.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. The Group is currently assessing the impact of those amendments.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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 and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements 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 Note 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 32 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 assets
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.

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.

(i) 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).

(ii) 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 income statements 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 at least every 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 is 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 hotel in Morocco, namely Royal Palm Marrakech. 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

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.

Consolidated financial statements
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary companies). Subsidiary companies are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Business combinations are accounted for using the purchase method of accounting. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

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 income statement 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 the income statement 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, 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.

Trademark

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 the income statement.

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 income statement.

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.

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 income statement. The losses arising from impairment are recognised in the income statement.

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 operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement 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 and borrowings.

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 the income statement.

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

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

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

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

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

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 data.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole as described in note 32.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

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 expired.

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 the income statement.

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 the income statement net of any reimbursement.

Employee benefit assets

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.

Defined benefit schemes

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The employee benefit asset is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

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 the income statement. 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 income statement.

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 flight 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
Revenue and profit arising on sale of villas is recognised in profit or loss on the date the deed of sale is signed. No revenue has been recognised till date. Down payments collected in respect of sale of villas are accounted as deposit in other payable.

(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.

(vii) 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.

Segmental Reporting
The Group presents segmental information using business 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 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 (under construction).

- Tour operating- carried out in France, United Kingdom, Italia, South Africa and Australia.

- Flight and inland catering- carried out in Mauritius.

- Property development- construction of villas in Morocco and property development in Mauritius.

Property development has been identified as a new reportable segment in the current period in accordance with the quantitative thresholds as set by IFRS 8 Operating Segments. As a result, segment data for the prior period has been restated for comparative purposes to reflect the newly reportable segment separately.

4. SEGMENTAL REPORTING

	Hotel Operations Rs'000	Tour Operating Rs'000	Flight & Inland Catering Rs'000	Property & Others Rs'000	Group Rs'000
Business segments for the year ended September 30, 2013					
Revenue	6,222,501	1,353,839	242,523	-	7,818,863
Profit /(loss) after tax	331,918	72,308	(1,007)	496	403,715
Segment assets	26,121,228	1,498,321	424,119	4,432,070	32,475,738
Share of net assets of associates	-	-	-	524,683	524,683
Total assets					33,000,421
Segment liabilities	17,300,564	1,245,519	48,907	1,027,038	19,622,028
Other segment information:					
Capital expenditure	1,736,348	34,501	11,000	32,101	1,813,950
Depreciation on property, plant and equipment	453,303	42,289	11,000	7,878	514,470
Amortisation of intangible assets	3,952	-	-	-	3,952
Business segments for the year ended September 30, 2012					
Revenue	6,524,484	1,343,963	241,949	-	8,110,396
Profit/(loss) after tax	590,777	72,438	(16,837)	(35,459)	610,919
Segment assets	24,054,429	1,333,965	405,491	3,363,937	29,157,822
Share of net assets of associates	-	-	-	509,585	509,585
Total assets					29,667,407
Segment liabilities	14,688,271	1,098,903	50,084	996,143	16,833,401
Other segment information:					
Capital expenditure	916,364	53,475	10,115	178,618	1,158,572
Depreciation on property, plant and equipment	454,054	43,177	11,350	8,913	517,494
Amortisation of intangible assets	3,831	-	-	-	3,831

	Mauritius Rs'000	Europe Rs'000	Morocco Rs'000	Other countries Rs'000	Total Rs'000
Geographical segments for the year ended September 30 2013					
Segment revenue	6,561,589	665,300	-	591,974	7,818,863
Segment assets	23,054,170	981,521	7,039,609	1,925,121	33,000,421
Capital expenditure	281,151	3,370	1,489,943	39,486	1,813,950
Geographical segments for the year ended September 30 2012					
Segment revenue	6,832,408	650,646	-	627,342	8,110,396
Segment assets	22,822,772	953,913	5,079,371	811,351	29,667,407
Capital expenditure	816,490	12,748	309,421	19,913	1,158,572

Revenue is based on the country in which services are rendered. Segment assets and capital expenditure are where the assets are located.

5. STAFF COSTS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Wages, salaries, fees and bonuses	1,914,514	1,928,759	1,424,713	1,463,890
Social security costs	339,256	286,173	270,568	211,584
Employee benefits and related expenses	382,684	377,228	323,041	332,221
	2,636,454	2,592,160	2,018,322	2,007,695

6. OTHER EXPENSES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Operating supplies and cleaning expenses	338,918	366,045	307,097	342,897
Repairs and maintenance	219,932	210,113	181,672	168,323
Utility costs	480,157	490,402	390,048	411,292
Marketing expenses	788,517	808,004	427,951	433,346
Guest entertainment	85,636	85,627	81,946	83,601
Administrative expenses	260,150	294,426	136,041	152,448
Operating lease rentals	146,403	135,166	129,882	124,247
Licences, patents, insurance and taxes	119,665	131,637	106,290	108,622
	2,439,378	2,521,420	1,760,927	1,824,776

7. FINANCE REVENUE

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Investment income: Quoted	6	5	6	5
Unquoted	-	-	3,392	10,342
Exchange gain on retranslation of loans	-	17,275	-	17,275
Interest income	15,843	24,871	266	6,659
	15,849	42,151	3,664	34,281

8. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Fair value loss on derivatives	21,990	5,166	21,990	5,166
Exchange loss on retranslation of loans and debentures	99,011	-	7,535	-
Exchange loss on retranslation of subsidiaries' current accounts	-	-	27,606	-
Interest costs on:				
Bank overdrafts	70,859	83,018	69,702	82,281
Loans	747,015	728,279	593,287	571,927
Debentures	13,063	-	-	-
Finance leases	24,575	14,218	20,841	9,882
Call account with subsidiaries (Note 30)	-	-	16,141	15,520
Others	595	1,772	595	15,994
	977,108	832,453	757,697	700,770
Less borrowing costs capitalised:	(367,617)	(245,912)	(118,579)	(109,348)
	609,491	586,541	639,118	591,422
Borrowing costs capitalised can be analysed as follows:				
Exchange loss on retranslation of loans and debentures included in:				
Property, plant and equipment(Note 13 (c))	(61,006)	-	-	-
Inventories (Note 20 (c))	(33,026)	-	-	-
	(94,032)	-	-	-
Interest cost on bank loans and debentures included in:				
Property, plant and equipment(Note 13 (c))	(154,633)	(152,250)	(52,998)	(49,470)
Inventories (Note 20 (c))	(118,952)	(93,662)	(65,581)	(59,878)
	(273,585)	(245,912)	(118,579)	(109,348)
Total borrowing costs capitalised	(367,617)	(245,912)	(118,579)	(109,348)

9. PRE-OPERATIONAL EXPENSES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Pre-operational costs incurred	103,195	92,470	-	-

These relate to expenses incurred in relation to staff and administrative costs, operating land lease rental and marketing expenses by Domaine Palm Marrakech S.A. and Beachcomber Marrakech S.A., where construction works are in progress.

10. OTHER INCOME

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Fair value gain on investment properties (Note 14)	101,177	30,630	78,732	17,300
Insurance proceeds-credit protection	11,171	-	11,171	-
	112,348	30,630	89,903	17,300

11. INCOME TAX

	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
The major components of income tax expense for the years ended September 30, 2013 and 2012 are:				
Income statements				
Income tax on the adjusted profit for the year at 15% (2012: 15%)	(27,490)	(35,697)	-	-
Corporate Social Responsibility (CSR) charge	(10,306)	(9,888)	(10,306)	(8,958)
Over/(under) provision of income tax in previous year	168	(90)	171	(24)
Deferred tax (Note 26)	9,228	59,353	(8,959)	3,327
Over/(under) provision in deferred tax in previous year	4,044	(5,691)	-	(5,691)
Income tax (expense)/credit reported in income statements	(24,356)	7,987	(19,094)	(11,346)
Statements of financial position				
At October 1,	49,414	8,423	47,129	10,684
(Under)/Over provision of income tax in previous year	168	(90)	171	(24)
Income tax on the adjusted profit for the year at 15% to 30% (2012: 15% to 30%)	(37,796)	(45,892)	(10,309)	(8,958)
Exchange differences	(3,119)	307	-	-
Less: Payment during the year	37,681	86,666	10,306	45,427
At September 30,	46,348	49,414	47,297	47,129
Analysis of tax position at year end:				
Income tax prepaid	46,348	49,414	47,297	47,129
Tax reconciliation				
A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian's tax rate for the years ended September 30, 2013 and 2012 as follows:				
Profit before tax	428,071	602,932	1,481,178	587,442
Tax calculated at a tax rate of 15% (2012: 15%)	(64,211)	(90,440)	(222,177)	(88,116)
Expenses not deductible for tax purposes	(391)	(6,267)	(7,580)	(3,731)
Expenses qualifying for double deduction	44,437	78,600	44,434	78,600
Corporate Social Responsibilty (CSR) charge	(10,306)	(9,888)	(10,306)	(8,958)
Gain on liquidation of subsidiaries	-	-	164,044	-
Deferred tax asset not recognised	-	1,910	-	-
(Under)/Overprovision in deferred tax in previous year	(4,044)	5,691	-	5,691
Underprovision of tax in previous year	168	(2,813)	171	(24)
Fair value gain on investment properties not subject to tax	11,810	4,412	11,810	4,412
Income not subject to tax	(1,819)	26,782	510	780
Tax (expense)/credit	(24,356)	7,987	(19,094)	(11,346)

12. BASIC EARNINGS PER SHARE

	THE GROUP	
	2013 Rs'000	2012 Rs'000
Profit for the year attributable to owners of the parent	369,427	581,634
Number of equity shares in issue	161,423,536	161,423,536

Basic 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.

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, 2011	1,681,801	14,882,587	3,927,370	314,393	2,075,367	22,881,518
Additions	4,360	339,178	402,880	75,846	336,003	1,158,267
Transfer	-	824,407	3,007	-	(827,414)	-
Disposals	-	-	(49,829)	(31,833)	-	(81,662)
Scrapped	-	-	(10,409)	(3,053)	-	(13,462)
Exchange differences	(20,065)	20,947	161,025	460	42,007	204,374
At September 30, 2012	1,666,096	16,067,119	4,434,044	355,813	1,625,963	24,149,035
Depreciation						
At October 1, 2011	-	373,953	2,189,267	121,615	-	2,684,835
Charge for the year*	-	84,468	365,696	67,330	-	517,494
Disposals	-	-	(45,004)	(22,807)	-	(67,811)
Scrapped	-	-	(7,574)	(1,519)	-	(9,093)
Exchange differences	-	12,888	163,058	8,322	-	184,268
At September 30, 2012	-	471,309	2,665,443	172,941	-	3,309,693
Net Book Values						
At September 30, 2012	1,666,096	15,595,810	1,768,601	182,872	1,625,963	20,839,342
At September 30, 2011	1,681,801	14,508,634	1,738,103	192,778	2,075,367	20,196,683
Cost and valuation						
At October 1, 2012	1,666,096	16,067,119	4,434,044	355,813	1,625,963	24,149,035
Additions	51,519	56,390	202,756	48,617	1,454,668	1,813,950
Transfer**	59,009	7,802	611	-	(55,135)	12,287
Disposals	-	-	(27,748)	(44,577)	-	(72,325)
Scrapped	(50)	-	(24,677)	-	-	(24,727)
Revaluation	23,474	(40,817)	-	-	-	(21,500)
Exchange differences	2,345	89,146	16,607	(341)	34,991	142,748
At September 30, 2013	1,802,393	16,179,640	4,601,593	359,512	3,060,487	25,999,468
Depreciation						
At October 1, 2012	-	471,309	2,665,443	172,941	-	3,309,693
Charge for the year*	1,044	82,638	373,016	57,772	-	514,470
Disposals	-	-	(32,277)	(35,094)	-	(67,371)
Scrapped	(153)	-	(22,209)	-	-	(22,362)
Revaluation	-	(428,702)	-	-	-	(428,702)
Exchange differences	-	3,464	9,655	(862)	-	12,257
At September 30, 2013	891	128,709	2,993,628	194,757	-	3,317,985
Net Book Values						
At September 30, 2013	1,801,502	16,050,931	1,607,965	164,755	3,060,487	22,681,483
At September 30, 2012	1,666,096	15,595,810	1,768,601	182,872	1,625,963	20,839,342

* Included in depreciation charged for the year is an amount of Rs 9,226,000 (2012:Rs 10,595,000) which has been reclassified to pre-operational expenses in respect of Domaine Palm Marrakech and Beachcomber Marrakech SA.

** An amount of Rs 12,287,000 relating to acquisition cost of land, i.e cost of land and indemnity fees paid for golf and country club has been transferred from inventories to property, plant and equipment.

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, 2011	1,625,000	13,740,601	3,777,365	189,915	802,578	20,135,459
Additions	4,360	338,417	356,912	22,255	61,468	783,412
Transfer	-	790,903	3,007	-	(793,910)	-
Disposals	-	-	(21,651)	(7,038)	-	(28,689)
Scrapped	-	-	(10,409)	(3,053)	-	(13,462)
At September 30, 2012	1,629,360	14,869,921	4,105,224	202,079	70,136	20,876,720
Depreciation						
At October 1, 2011	-	372,607	2,164,916	95,203	-	2,632,726
Charge for the year	-	78,120	332,176	28,251	-	438,547
Disposals	-	-	(18,536)	(5,191)	-	(23,727)
Scrapped	-	-	(7,575)	(1,519)	-	(9,094)
At September 30, 2012	-	450,727	2,470,981	116,744	-	3,038,452
Net Book Values						
At September 30, 2012	1,629,360	14,419,194	1,634,243	85,335	70,136	17,838,268
At September 30, 2011	1,625,000	13,367,994	1,612,449	94,712	802,578	17,502,733
Cost and valuation						
At October 1, 2012	1,629,360	14,869,921	4,105,224	202,079	70,136	20,876,720
Additions	50,214	54,289	127,934	15,837	8,461	256,735
Transfer	46,722	7,802	611	-	(55,135)	-
Disposals	-	-	(25,885)	(21,930)	-	(47,815)
Scrapped	-	-	(17,553)	-	-	(17,553)
Revaluation	11,704	(118,722)	-	-	-	(107,018)
At September 30, 2013	1,738,000	14,813,290	4,190,331	195,986	23,462	20,961,069
Depreciation						
At October 1, 2012	-	450,727	2,470,981	116,744	-	3,038,452
Charge for the year	-	74,242	336,917	23,648	-	434,807
Disposals	-	-	(22,475)	(15,816)	-	(38,291)
Scrapped	-	-	(15,823)	-	-	(15,823)
Revaluation	-	(419,485)	-	-	-	(419,485)
At September 30, 2013	-	105,484	2,769,600	124,576	-	2,999,660
Net Book Values						
At September 30, 2013	1,738,000	14,707,806	1,420,731	71,410	23,462	17,961,409
At September 30, 2012	1,629,360	14,419,194	1,634,243	85,335	70,136	17,838,268

(a) Revaluation of freehold land and buildings

The freehold land and buildings of the Group and the Company were revalued on September 30, 2013 by Mr. Noor Dilmohamed, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer, based on open market value. It is the Group's policy to revalue its land and buildings every two years.

13. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Cost	13,192,873	13,018,342	12,242,630	12,083,603
Accumulated depreciation	(730,333)	(695,309)	(613,637)	(581,293)
Net carrying amount	12,462,540	12,323,033	11,628,993	11,502,310
(c) Borrowing costs				
Les Salines and Marrakech projects				
and renovation of Shandrani for the financial year:				
Borrowing costs capitalised in property, plant and equipment (note 8)	215,639	152,250	52,998	49,170
The rate used to determine the amount of interrest costs eligible for capitalisation varied between 2.5% to 5.1% for loans in foreign currency and 7.4% - 8.4% for loans denominated in Mauritian rupees.				
(d) Assets held under finance leases				
The carrying amount of property, plant and equipment held under finance leases was:				
Plant and equipment included in other fixed assets				
Cost	318,041	156,835	299,791	153,042
Accumulated depreciation	(83,408)	(25,585)	(73,212)	(23,516)
Net book values	234,633	131,250	226,579	129,526
Motor vehicles				
Cost	171,044	161,571	38,422	22,697
Accumulated depreciation	(72,929)	(75,766)	(6,950)	(1,746)
Net book values	98,115	85,805	31,472	20,951

(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 Rs56.7m the Group (2012: Rs65.7m) and Rs30.9m (2012: Rs22.5m) for the Company.

(g) During the year, the Company has transferred existing ownership of assets amounting to Rs146.4m (2012: nil) to a leasing company.

14. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	378,330	347,700	115,000	97,700
Transfer (note (b))	1,393	-	1,393	-
Fair value gain (note 10)	101,177	30,630	78,732	17,300
At September 30,	480,900	378,330	195,125	115,000
(a) Investment properties are stated at fair value, based on valuations performed by Noor Dilmohamed & Associates, an independent certified practising valuer, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer, as at September 30, 2013. The fair value of the properties has been determined using transactions observable in the market.				
(b) During the year, properties of 0.25 acres was transferred from stock of land to investment property at its carrying value.				
(c) The amounts recognised in the income statements were as follows in respect of :				
Direct operating expenses arising from the investment properties:				
- that generated rental income during the year	-	-	-	-
- that did not generate rental income during the year	11,526	8,865	9,515	6,837

15. INTANGIBLE ASSETS

	Goodwill arising on Acquisition Rs'000	Leasehold Rights Rs'000	Trademark Rs'000	Total Rs'000
THE GROUP				
Cost				
At October 1, 2011	1,259,000	437,821	27,643	1,724,464
Additions	-	305	-	305
Exchange differences	-	201	-	201
At September 30, 2012	1,259,000	438,327	27,643	1,724,970
Amortisation				
At October 1, 2011	-	14,080	-	14,080
Amortisation charge	-	3,831	-	3,831
Exchange differences	-	149	-	149
At September 30, 2012	-	18,060	-	18,060
Net book values				
At September 30, 2012	1,259,000	420,267	27,643	1,706,910
At September 30, 2011	1,259,000	423,741	27,643	1,710,384
Cost				
At October 1, 2012	1,259,000	438,327	27,643	1,724,970
Exchange differences	-	5,331	-	5,331
At September 30, 2013	1,259,000	443,658	27,643	1,730,301
Amortisation				
At October 1, 2012	-	18,060	-	18,060
Amortisation charge	-	3,952	-	3,952
Exchange differences	-	761	-	761
At September 30, 2013	-	22,773	-	22,773
Net book values				
At September 30, 2013	1,259,000	420,885	27,643	1,707,528
At September 30, 2012	1,259,000	420,267	27,643	1,706,910

THE COMPANY

	Goodwill arising on Acquisition Rs'000	Leasehold Rights Rs'000	Total Rs'000
Cost			
At October 1, 2011	1,089,892	139,942	1,229,834
Additions	-	305	305
At September 30, 2012	1,089,892	140,247	1,230,139
Amortisation			
At October 1, 2011	-	4,194	4,194
Amortisation charge	-	2,336	2,336
At September 30, 2012	-	6,530	6,530
Net book values			
At September 30, 2012	1,089,892	133,717	1,223,609
At September 30, 2011	1,089,892	135,748	1,225,640

15. INTANGIBLE ASSETS (cont'd)

THE COMPANY (continued)

	Goodwill arising on acquisition Rs'000	Leasehold Rights Rs'000	Total Rs'000
Cost			
At October 1, 2012 and September 30, 2013	1,089,892	140,247	1,230,139
Amortisation			
At October 1, 2012	-	6,530	6,530
Amortisation charge	-	2,342	2,342
At September 30, 2013	-	8,872	8,872
Net book values			
At September 30, 2013	1,089,892	131,375	1,221,267
At September 30, 2012	1,089,892	133,717	1,223,609

(a) Impairment testing of Goodwill

Goodwill has been allocated for impairment testing purposes to the following individual cash-generating unit as follows:

Cash-generating units

	Allocation of goodwill	
	2013 Rs.'000	2012 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	5,883
The Group	1,259,000	1,259,000

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.

15. INTANGIBLE ASSETS (cont'd)

(a) Impairment testing of Goodwill (Cont'd)

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 and 2 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 2015 while Phase 2 is expected to bring an additional EUR 24m in the years ending 30 September 2015 and 2016.

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 villa sales in phase 2 are expected to increase compared to Phase 1 so as to bring an additional EUR 24m net cash flows 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 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.

Sensitivity to changes in assumptions

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 significant impact on the recoverable value of the Project.

All other Cash Generating Units (CGUs)

For the other CGUs apart from Domaine Palm Marrakech S.A, the recoverable amount has been determined based on an Enterprise value/Revenue multiple basis using quoted prices of identical units in Mauritius. Where necessary, discounts from 20% to 50% have been applied to adjust for difference in size, risks and geographical markets.

(b) 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.

(c) Trademark

Trademark represents cost of acquisition of “White Sand Tours” trademark in 2011.

16. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2013	2012
	Rs'000	Rs'000
(a) Cost (Unquoted)		
At October 1,	3,181,875	2,963,391
Additions during the year	503	218,484
Subsidiaries wound up during the year (Note 35)	(640,131)	-
At September 30,	2,542,247	3,181,875

(b) List of Subsidiaries

Name of Corporation	Main business activity	Country of incorporation	Effective % holding 2013 %	Effective % holding 2012 %
Grand Baie Hotel Limited	Dormant	Mauritius	-	100
Royal Gardens Ltd	Dormant	Mauritius	-	100
Maunex (Mauritius) Limited	Dormant	Mauritius	-	100
Imperial Ltd	Dormant	Mauritius	-	100
Plaisance Catering Limited	Dormant	Mauritius	-	100
Beachcomber Boutiques Limited	Dormant	Mauritius	-	100
Société Immobilière et Touristique de Grand Baie	Dormant	Mauritius	-	100
Société Royal Gardens	Dormant	Mauritius	-	100
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 Resorts 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 local dormant undertakings have been wound up during the year.

17. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	509,585	520,746	19,062	19,789
Movement during the year	-	-	-	(727)
Share of reserves of associates	-	6,430	-	-
Dividends from associates	(3,392)	(5,242)	-	-
Reduction in share capital of associate	(24,145)	-	-	-
Exchange difference	1,596	-	-	-
Share of results of associates	41,039	(12,349)	-	-
At September 30,	524,683	509,585	19,062	19,062

During the year under review, Marguerite Morocco Hospitality reduced its share capital by MAD 18,900,000.

Summarised financial information of associates on an aggregated basis:

	THE GROUP	
	2013	2012
	Rs'000	Rs'000
Total assets	5,561,191	5,629,044
Total liabilities	(881,429)	(2,660,616)
Net assets	4,679,762	2,968,428
Revenue	1,473,374	1,389,754
Profit/(Loss) for the year	277,952	(26,517)
Share of results of associates	41,039	(12,349)

Investment in associates consist of investments in unquoted shares.

List of associates	Year-end	Class of shares	Percentage held	
			2013	2012
			%	%
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	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	19,141	39,721	1,378	1,996
Fair value gain/(loss)	6,880	(20,580)	102	(618)
At September 30,	26,021	19,141	1,480	1,378
Analysed into:				
Quoted	15,011	15,182	1,432	1,330
Unquoted	11,010	3,959	48	48
	26,021	19,141	1,480	1,378

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 ASSETS

(i) 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. The pension scheme is a defined benefit scheme.

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
(ii) The amounts recognised in the statements of financial position are as follows:				
Defined benefit obligation	2,889,215	2,568,916	2,856,225	2,550,905
Fair value of plan assets	(2,151,398)	(1,982,816)	(2,132,928)	(1,970,557)
	737,817	586,100	723,297	580,348
Unrecognised actuarial loss	(741,612)	(611,427)	(735,577)	(612,892)
Employee benefit asset	(3,795)	(25,327)	(12,280)	(32,544)
Net employee benefit asset includes the following:				
Employee benefit asset	(12,962)	(32,184)	(12,280)	(32,544)
Employee benefit liability	9,167	6,857	-	-
	(3,795)	(25,327)	(12,280)	(32,544)
(iii) The amounts recognised in the income statements are as follows:				
Current service cost	66,887	73,191	65,260	71,384
Scheme expenses	1,353	1,353	1,344	1,345
Interest cost on defined benefit obligation	201,606	199,133	200,108	197,584
Expected return on plan assets	(168,671)	(182,454)	(167,617)	(181,104)
Past service cost	1,923	-	-	-
Actuarial loss	14,124	7,377	13,964	7,335
Net benefit expense	117,222	98,600	113,059	96,544
The actual return on the plan assets was Rs164m (2012: Rs98m) for the current financial year.				
(iv) Movement in the asset recognised in the statements of financial position :				
At October 1,	(25,327)	(26,721)	(32,544)	(34,792)
Total expense as above	117,222	98,600	113,059	96,544
Contributions paid	(95,690)	(97,206)	(92,795)	(94,296)
At September 30,	(3,795)	(25,327)	(12,280)	(32,544)
(v) Changes in the present value of the defined benefit obligation are as follows:				
At October 1,	2,568,916	2,540,574	2,550,905	2,522,032
Effects of change in assumptions	(178,504)	(394,761)	(177,218)	(391,402)
Adjusted amount at October 1,	2,390,412	2,145,813	2,373,687	2,130,630
Current service cost	66,887	73,191	65,260	71,384
Interest cost	201,606	199,133	200,108	197,584
Employees' contribution	31,828	32,312	30,932	31,432
Past service cost	1,923	-	-	-
Actuarial loss	317,780	215,326	305,521	215,888
Benefits paid	(121,221)	(96,859)	(119,283)	(96,013)
At September 30,	2,889,215	2,568,916	2,856,225	2,550,905
(vi) Changes in the fair value of plan assets are as follows:				
At October 1,	1,982,816	1,854,326	1,970,557	1,843,051
Expected return	168,671	182,454	167,617	181,104
Contribution by employer	95,690	97,206	92,795	94,296
Scheme expenses	(1,353)	(1,353)	(1,344)	(1,345)
Employees' contribution	31,828	32,312	30,932	31,432
Actuarial losses	(5,033)	(85,270)	(8,346)	(81,968)
Benefits paid	(121,221)	(96,859)	(119,283)	(96,013)
At September 30,	2,151,398	1,982,816	2,132,928	1,970,557

19. EMPLOYEE BENEFIT ASSETS (cont'd)

(vii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	%	%	%	%
Local equities	41	41	41	41
Overseas bond and equities	34	34	34	34
Fixed interest	4	4	4	4
Property and other	21	21	21	21
	100	100	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.

(viii) The principal actuarial assumptions used in determining pension for the Group's schemes are as follows:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	%	%	%	%
Discount rate	7.50	8.50	7.50	8.50
Rate of return on assets	7.50	8.50	7.50	8.50
Future salary increase	4.00	6.25	4.00	6.25
Future pension increase	0.00	2.25	0.00	2.25

(ix) The figures in respect of defined benefit obligation for the current year and previous years are as follows:

	2013	2012	2011	2010	2009
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP					
Defined benefit obligation	(2,889,215)	(2,568,916)	(2,540,574)	(2,088,891)	(1,898,663)
Plan assets	2,151,398	1,982,816	1,854,326	1,749,140	1,777,950
Deficit	(737,817)	(586,100)	(686,248)	(339,751)	(120,713)
Unrecognised portion of actuarial gains	(741,612)	(611,427)	(712,969)	(400,186)	(168,941)
Experience adjustments on plan liabilities	(317,780)	(215,326)	(194,731)	27,624	50,184
Experience adjustments on plan assets	5,033	85,270	135,730	(258,326)	123,072
THE COMPANY					
Defined benefit obligation	(2,856,225)	(2,550,905)	(2,522,032)	(2,078,525)	(1,877,386)
Plan assets	2,132,928	1,970,557	1,843,051	1,740,460	1,758,026
Deficit	(723,297)	(580,348)	(678,981)	(338,065)	(119,360)
Unrecognised portion of actuarial gains	(735,577)	(612,892)	(713,773)	(399,649)	(168,522)
Experience adjustments on plan liabilities	(305,521)	(215,888)	190,547	13,280	51,197
Experience adjustments on plan assets	8,346	81,968	135,052	(244,406)	114,541

(x) A one percentage point change in the assumed discount rate would have the following effect:

	2013		2012	
	Increase in discount rate Rs' 000	Decrease in discount rate Rs' 000	Increase in discount rate Rs' 000	Decrease in discount rate Rs' 000
Effect on liabilities	(441)	520	(241)	284
Effect on current service cost	(17)	21	(13)	17

(xi) Expected contribution for next year
The Group is expected to contribute Rs150m including employee's contribution to its defined benefit pension plan in the next financial year.

(xii) Included in the plan assets is a property, valued at an open market value of Rs401m. The property is rented to the company by New Mauritius Hotels Group Superannuation Fund.

20. INVENTORIES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Food and beverages (cost)	73,661	85,010	67,396	79,935
Operating equipment (net realisable value)	96,159	121,015	84,437	106,974
Operating supplies and others (net realisable value)	53,017	49,487	49,530	44,793
Spare parts (cost)	51,893	48,707	29,604	29,885
Fabrics and garments (cost)	44,336	47,436	42,169	44,935
Stock of land for sale (cost) ((a))	3,825,782	3,106,831	1,141,975	1,072,579
Goods in transit (cost)	5,567	-	5,567	-
	4,150,415	3,458,486	1,420,678	1,379,101
(a) Stock of land for sale is made up of:				
Land for sale at Les Salines, Mauritius	1,141,975	1,072,579	1,141,975	1,072,579
Villas under construction in Marrakech, Morocco - to be sold	2,683,807	2,034,252	-	-
	3,825,782	3,106,831	1,141,975	1,072,579

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

(c) Included in stock of land for sale is an amount of Rs152m for the Group (2012: Rs.93.7m) and an amount of Rs65.6m for the Company (2012: Rs59.9) pertaining to borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation varied between between 7% to 8.5%, which is the effective rate of interest on the specific borrowings.

(d) Cost of inventories expensed amounts to Rs110.4m (2012: Rs107.4m).

21. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	812,374	763,255	552,286	518,292
Other receivables	1,695,295	1,206,884	159,011	184,630
Amounts due from associates (Note 30)	12,536	12,443	12,536	12,443
Amounts due from subsidiaries (Note 30)	-	-	6,458,290	3,803,278
	2,520,205	1,982,582	7,182,123	4,518,643

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 days' term.
At September 30, 2013, trade receivables at nominal value of Rs8m (2012: Rs10.5m) for the Group and Rs3.5m (2012: Rs5m) for the Company were impaired and fully provided for.

(a) Movement in the provision for impairment of trade receivables were as follows:	THE GROUP 2013	THE GROUP 2012	THE COMPANY 2013	THE COMPANY 2012
At October 1,	10,471	30,372	5,000	23,310
Utilised during the year	(7,558)	(26,314)	(5,000)	(23,310)
Charge for the year	5,173	6,413	3,500	5,000
At September 30,	8,086	10,471	3,500	5,000

(b) At September 30, the ageing analysis of trade receivables was 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						
2013	812,374	626,135	85,408	44,918	19,290	36,623
2012	763,255	565,631	119,926	37,528	11,887	28,283
COMPANY						
2013	552,286	355,037	115,955	34,332	16,506	30,456
2012	518,292	325,152	129,733	40,678	5,316	17,413

(c) Other receivables are unsecured and are neither past due nor impaired.

(d) For terms and conditions pertaining to related party receivables, refer to note 30.

NOTES TO THE FINANCIAL STATEMENTS
september 30, 2013

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	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
Cash in hand and at banks	849,316	680,696	84,007	144,079
Bank overdrafts (note 25)	(2,096,435)	(1,652,493)	(2,079,116)	(1,545,060)
	(1,247,119)	(971,797)	(1,995,109)	(1,400,981)

Cash at banks earn interest at floating rates based on daily bank deposit rates. The fair value of cash is Rs849m (2012: Rs681m) for the Group and Rs84m (2012: Rs144m) for the Company respectively.

(b) Non-cash transactions

There was no non-cash transaction due on renovations of Trou aux Biches and Dinarobin hotels during the year (2012: Rs25million) (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.

(c) There was no undrawn loan facilities at year end (2012: nil).

23. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2013 Rs'000	2012 Rs'000
Authorised		
500,000,000 Ordinary shares at no par value	5,000,000	5,000,000
Issued and fully paid		
161,423,536 Ordinary shares at no par value	1,724,361	1,724,361

24. OTHER COMPONENTS OF EQUITY

	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	20112 Rs'000
Nature and purpose of reserves				
Other reserves	624,583	1,435,343	-	-
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.				
Available-for-sale financial assets reserve	14,559	7,679	569	467
The fair value reserve is principally used to record the fair value adjustment relating to available-for-sale financial assets.				
Revaluation reserve	4,861,628	4,549,874	4,489,649	4,257,911
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.				
Foreign exchange difference reserves	(1,047,815)	(1,024,901)	-	-
These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries and loss or gain arising on cash flow hedges.				
Total other components of equity	4,452,955	4,967,995	4,490,218	4,258,378

25. BORROWINGS

	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
Current portion				
Bank overdrafts (note (a))	2,096,435	1,652,493	2,079,116	1,545,060
Term loans (note (b))	2,493,292	2,970,260	2,470,060	2,959,399
Obligations under finance leases (note (c))	117,814	50,858	98,096	28,693
Debentures (note (d))	279,314	-	279,314	-
	4,986,855	4,673,611	4,926,586	4,533,152
Non-current portion				
Term loans (note (b))	9,006,872	8,159,284	8,902,330	8,039,827
Obligations under finance leases (note (c))	163,591	104,009	139,485	81,541
Debentures (note (d))	942,491	-	942,491	-
	10,112,954	8,263,293	9,984,306	8,121,368
Total borrowings	15,099,809	12,936,904	14,910,892	12,654,520

(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 5.08% and 7.15% per annum.

(b) Term loans

Term loans can be analysed as follows:

	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
Current				
- Within one year	2,493,292	2,970,260	2,470,060	2,959,399
Non-current				
- After one year and before two years	2,023,862	1,722,540	2,000,630	1,700,820
- After two years and before five years	3,882,767	4,599,362	3,813,073	4,534,208
- After five years	3,100,243	1,837,382	3,088,627	1,804,799
	9,006,872	8,159,284	8,902,330	8,039,827
	11,500,164	11,129,544	11,372,390	10,999,226

Terms loans are denominated as follows:

			THE GROUP		THE COMPANY	
	Effective interest rate %	Maturity	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
Denominated in:						
Mauritian rupees	6.50% - 6.75%	On demand	171,879	540,879	171,879	540,879
Mauritian rupees	6.50% - 8.40%	2013-2023	8,483,231	8,002,196	8,483,231	8,002,196
Euro	EURO LIBOR +2.50%	On demand	987,840	1,273,920	987,840	1,273,920
Euro	EURO LIBOR + (2.50% to 5%)	2017-2021	1,799,590	1,312,549	1,671,816	1,182,231
Euro	EURIBOR +2.50%	2013	57,624	-	57,624	-
			11,500,164	11,129,544	11,372,390	10,999,226

The term loans are secured by fixed and floating charges over the Group's assets.

The term loans include a loan of Rs21.9m (2012: Rs23.9 m) repayable on demand to New Mauritius Hotels Group Superannuation Fund; loans totalling EUR1.7m (2012: EUR1.8M) to Ste Anne Resorts Limited and loans amounting to Rs750m (2012:Rs400m) to Beachcomber Limited - see note 30.

At the end of the financial year September 30, 2013, various loans were consolidated into a single new loan with capital moratorium of 2 years.

The Company is still in breach of its covenants with one bank resulting in a classification of the total loan payable of Rs1.1b as current liability. However, the bank has not signified its intention to recall back the entire loan in the short term. The Company will honour refund of the current portion of the loan as per its term of repayment and will amount to Rs0.5b.

25. BORROWINGS (cont'd)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
(c) Obligations under finance leases				
Minimum lease payments:				
- Within one year	138,117	62,899	115,887	37,984
- After one year and before two years	58,392	95,468	45,209	75,938
- After two years and before five years	130,891	18,523	117,264	13,127
	327,400	176,890	278,360	127,049
Less: Future finance charges on obligations under finance leases	(45,995)	(22,023)	(40,779)	(16,815)
Present value of obligations under finance leases	281,405	154,867	237,581	110,234
Present value analysed as follows:				
Current				
- Within one year	117,814	50,858	98,096	28,693
Non-current				
- After one year and before two years	46,849	87,356	35,086	69,834
- After two years and before five years	116,742	16,653	104,399	11,707
	163,591	104,009	139,485	81,541
	281,405	154,867	237,581	110,234

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

	THE GROUP		THE COMPANY	
(d) Debentures				
Term debentures can be analysed as follows:				
Current				
- Within one year	279,314	-	279,314	-
Non-current				
- After one year and before two years	469,001	-	469,001	-
- After two years and before five years	473,490	-	473,490	-
	942,491	-	942,491	-
	1,221,805	-	1,221,805	-

Debentures are denominated as follows:

			THE GROUP		THE COMPANY	
	Effective interest rate %	Maturity	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
Mauritian rupees	7.00%	22-Jul-16	250,746	-	250,746	-
Euro (Tranche 1)	4.50%	22-Jul-14	281,184	-	281,184	-
Euro (Tranche 2)	5.25%	22-Jul-15	468,681	-	468,681	-
Euro (Tranche 3)	6.00%	22-Jul-16	221,194	-	221,194	-
			1,221,805	-	1,221,805	-

The Company raised Rs1.2b in the form of secured multicurrency notes in private placement to complete works in the Royal Palm Marrakech and to part finance the planned renovation of the Royal Palm Hotel.

26. DEFERRED TAX LIABILITY

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

(a) THE GROUP

	Statement of financial position		Income statement		Statement of changes in equity	
	2013	2012	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities						
Accelerated capital allowances	1,109,560	871,853	237,707	70,134	-	-
Assets revaluation	775,959	717,779	-	-	58,180	(14,160)
Employee benefit asset	569	4,641	(4,072)	(337)	-	-
Exchange differences	(44,559)	(44,559)	-	-	-	-
	1,841,529	1,549,714				
Deferred income tax assets						
Losses available for offsetting against future taxable income	(380,761)	(133,854)	(246,907)	(123,459)	-	-
Exchange differences	3,594	3,594	-	-	-	-
	(377,167)	(130,260)				
Deferred tax liabilities	1,464,362	1,419,454				
Deferred income tax release (Note 11)			(13,272)	(53,662)		
Deferred income tax charged/(credited) directly to equity					58,180	(14,160)
(b) THE COMPANY						
Accelerated capital allowances	1,094,643	834,376	260,267	80,442	-	-
Assets revaluation	711,172	666,056	-	-	45,116	-
Losses available for offsetting against future taxable income	(321,274)	(62,671)	(258,603)	(62,671)	-	-
Provision	(4,736)	(15,071)	10,335	(15,071)	-	-
Employee benefit asset	1,842	4,882	(3,040)	(336)	-	-
Deferred tax liabilities	1,481,647	1,427,572	-	-	-	-
Deferred income tax release (Note 11)			8,959	2,364		
Deferred income tax charged directly to equity					45,116	-

27. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	1,097,702	742,812	104,320	86,234
Other payables	1,777,751	1,734,231	628,989	819,867
Dividends payable (Note 28)	161,424	-	161,424	-
Loan at call payable to subsidiaries (Note 30)	-	-	269,819	269,623
Amount due to subsidiaries (Note 30)	-	-	1,222,886	2,925,977
	3,036,877	2,477,043	2,387,438	4,101,701

(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 30.

28. DIVIDENDS PAID AND PROPOSED

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs'000	Rs'000
Final dividend payable - Rs1 per share (2012 - Nil)	161,424	-

29. COMMITMENTS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Capital Commitments				
Les Salines project	1,000,000	1,000,000	1,000,000	1,000,000
Marrakech Hotel and villa project (Morocco)	1,500,000	3,000,000	-	-
Royal Palm	400,000	-	400,000	-
	2,900,000	4,000,000	1,400,000	1,000,000

Les Salines project will consist of a property development of some 160 acres to be sold for residential purpose and the construction of a 18-hole golf course. The amount of Rs1.5 b represents the estimated costs to complete phase 1 of Marrakech project as at 30 September 2014. For recall, the project consists of the construction of some 92 villas for sale, a golf course and a five star hotel. The amount of Rs400m will be used for the renovation and upgrade of the Royal Palm in Mauritius, due in 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	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Within one year	89,934	88,323	77,546	77,546
After one year but not more than five years	361,207	354,686	310,184	310,184
More than five years	4,519,627	4,533,762	4,032,398	4,109,944
	4,970,768	4,976,771	4,420,128	4,497,674

30. RELATED PARTY DISCLOSURES

The following transactions have been entered into with related parties:

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
		Rs'000	Rs'000	Rs'000	Rs'000
(i) Included in revenue are:	**Nature of goods or services**				
Subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Hotel packages	-	-	688,799	673,610
Beachcomber Tours SARL	Hotel packages	-	-	630,822	623,117
Holiday Marketing (Pty) Ltd	Hotel packages	-	-	24,959	28,852
Beachcomber Tours Limited	Hotel packages	-	-	431,200	379,466
Ste Anne Resorts Limited	Management fees	-	-	11,069	12,259
Mautourco Ltd	Management fees	-	-	1,820	1,980
White Palm Ltd	Management fees	-	-	5,136	5,136
Beachcomber Hotel Marrakech S.A.	Promoter's fees	-	-	-	4,789
Domaine Palm Marrakech S.A.	Promoter's fees	-	-	4,792	1,942
White Palm Ltd	Rental income	-	-	310	310
		-	-	1,798,907	1,731,461
Associate:					
Parure Limitee	Space rental	1,474	1,474	1,474	1,474

30. RELATED PARTY DISCLOSURES (cont'd)

		THE GROUP		THE COMPANY	
		2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
(ii) Included in other expenses are:	Nature of goods or services				
Subsidiaries:					
Beachcomber Training Academy Limited	Training courses	-	-	4,558	4,814
Associate:					
Launderers (Hotels & Restaurants) Ltd	Laundry services	104,998	112,000	104,998	112,000
Other related parties:					
New Mauritius Hotels Superannuation Fund	Rent	24,000	24,000	24,000	24,000
(iii) Included in Finance costs are:					
Interest on call account with subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Interest on call a/c	-	-	14,228	14,006
Beachcomber Tours SARL	Interest on call a/c	-	-	1,913	1,514
		-	-	16,141	15,520
Included in Interest on finance lease:					
Beachcomber Limited		-	-	11,084	-
Included in interest on loans:					
Subsidiaries:					
Beachcomber Limited	Interest on loans	-	-	40,658	14,209
Ste Anne Resorts Limited	Interest on loans	-	-	3,116	3,566
		-	-	43,774	17,775
Other related party:					
New Mauritius Hotels Superannuation Fund	Interest on loan	1,282	1,922	1,282	1,922

	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
(iv) Included in the trade receivables balance are:				
Subsidiaries:				
Holiday Marketing (Pty) Ltd	-	-	4,579	7,398
Beachcomber Tours SARL	-	-	59,289	78,756
Beachcomber Tours Limited	-	-	23,980	28,828
Beachcomber Marketing (Pty) Ltd	-	-	60,839	45,248
White Palm Ltd	-	-	446	7,382
Mautourco Ltd	-	-	2,606	2,355
	-	-	151,739	169,967
(v) Year end balances receivables from associates:				
Associates:				
Societe Cajeva	12,536	12,443	12,536	12,443
	12,536	12,443	12,536	12,443

30. RELATED PARTY DISCLOSURES (cont'd)

	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
(vi) Year-end balances receivable from related parties:				
Subsidiaries:				
Ste Anne Resorts Limited	-	-	531,699	451,873
Beachcomber Gold Coast Limited	-	-	107,357	107,357
Kingfisher Ltd	-	-	2,344	2,342
Beachcomber Hotel Marrakech S.A.	-	-	21,150	30,483
Beachcomber Hotel S.A.	-	-	2,617,688	1,247,372
Domaine Palm Marrakech S.A.	-	-	3,097,320	1,882,477
New Mauritius Hotel - Italia Srl	-	-	32,543	32,543
Les Salines Development Ltd	-	-	10	10
Les Salines Golf and Resort Limited	-	-	31,016	29,429
Beachcomber Training Academy Limited	-	-	16,551	19,369
Mautourco Ltd	-	-	20	19
Trans-Maurice Car Rental Ltd	-	-	4	4
White Palm Ltd	-	-	588	-
	-	-	6,458,290	3,803,278
Other related party:				
Fondation Espoir et Développement	120	4,064	120	4,064
New Mauritius Hotels Superannuation Fund	5,982	3,000	5,982	3,000
	6,102	7,064	6,102	7,064
(vii) Included in the loan at call payable to subsidiaries balance are:				
Subsidiaries:				
Loan at call payable to Beachcomber Tours SARL	-	-	9,995	39,754
Loan at call payable to Beachcomber Marketing (Pty) Ltd	-	-	259,824	229,869
	-	-	269,819	269,623
(viii) Included in other payables balance are:				
Subsidiaries:				
Ste Anne Resorts Limited	-	-	-	11
Beachcomber Tours SARL	-	-	2,799	1,756
Beachcomber Marketing (Pty) Ltd	-	-	3,333	3,600
Holiday Marketing (Pty) Ltd	-	-	-	4
Beachcomber Tours Limited	-	-	598	100
Mautourco Ltd	-	-	1,055	6,740
White Palm Ltd	-	-	536	1,035
Beachcomber Training Academy Limited	-	-	126	-
	-	-	8,447	13,246
Associate:				
Launderers (Hotels & Restaurants) Ltd	11,161	12,801	11,161	12,801
Other related parties:				
Fondation Espoir et Developpement	26	-	26	-
Parure Limitee	4	-	4	-
	30	-	30	-

30. RELATED PARTY DISCLOSURES (cont'd)

	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
(ix) Year-end balances payable to related parties				
Subsidiaries:				
Grand Baie Hotel Limited	-	-	-	439,549
Société Immobilière et Touristique de Grand Baie	-	-	-	25,575
Royal Gardens Ltd	-	-	-	139,269
Société Royal Gardens	-	-	-	299,559
Maunex (Mauritius) Limited	-	-	-	447,515
Imperial Ltd	-	-	-	246,320
White Palm Ltd	-	-	-	6,514
Plaisance Catering Limited	-	-	-	100,947
Beachcomber Limited	-	-	1,222,886	1,185,957
Beachcomber Boutiques Limited	-	-	-	34,772
	-	-	1,222,886	2,925,977
(x) Interest bearing loans and borrowings from related parties included in "term loans":				
Loans payable to Beachcomber Limited	-	-	750,000	400,000
Loan payable to New Mauritius Hotels Superannuation Fund	21,879	23,879	21,879	23,879
Loans payable to Ste Anne Resorts Limited	-	-	69,172	72,984
	21,879	23,879	841,051	496,863
(xi) Borrowings from related parties included in "obligations under finance leases":				
Beachcomber Limited	-	-	127,393	-

- 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 EUR1.5m loan granted to Ste Anne Resorts Limited. For the financial year ended September 30, 2013, the Group has assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2012: nil). 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.

- 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 three loans of Rs150m (2012: Rs200m) , Rs200m (2012: Rs200m) and Rs 400m (2012: nil). The first two loans bear an interest rate of PLR+1% and the third loan bears an interest rate of PLR+1.25%.

Loan payable to New Mauritius Hotels Group Superannuation Fund bears a fixed interest rate of 6.5% p.a and is repayable on demand.

Loans payable to Ste Anne Resorts Limited comprises of two loans of EUR 0.306m (2012: EUR 0.333m) and EUR1.375m (2012: EUR1.5m). The loans bear an interest rate of Libor 1 month +3% and Libor 1 month +4% respectively.

- Finance lease facilities taken from related parties

During the year, the Company has benefited from leasing facilities from leasing companies through Beachcomber Limited regarding kitchen and gym equipments for a total amount of Rs 148.4m. The lease has been contracted between Beachcomber Limited and the lessor. The amount due by the Company to Beachcomber Limited amounts to Rs 127.3m. Interest is payable at a rate of 8.25% p.a, and the lease is payable within 4 to 5 years.

(xii) Compensation of key management personnel	THE GROUP		THE COMPANY	
	2013 Rs'000	2012 Rs'000	2013 Rs'000	2012 Rs'000
Short term employee benefits and termination settlements	163,230	130,991	124,042	89,566
Post-employment benefits	6,064	6,513	6,064	6,513
	169,294	137,504	130,106	96,079

31. 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 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	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	849,316	680,696	84,007	144,079
Available-for-sale financial assets	26,021	19,141	1,480	1,378
Trade and other receivables	1,778,655	1,540,183	7,050,112	4,350,938
Foreign exchange forward contracts	560	10,737	560	10,737
	2,654,552	2,250,757	7,136,159	4,507,132

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, 2013 and 2012. 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.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

a) Foreign currency risk (cont'd)

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):

	THE GROUP			THE COMPANY	
	Increase in rates	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
	%	Rs'000	Rs'000	Rs'000	Rs'000
2013					
Euros	5%	(207,808)	-	87,358	-
Pound Sterling	5%	5,876	-	2,812	-
Rands	5%	(8,436)	-	8	-
United States Dollars	5%	1,277	-	811	-
Australian Dollars	5%	489	-	386	-
Seychelles Rupees	5%	(2,031)	-	-	-
Moroccan Dirham	5%	11,498	-	-	-
Swiss Francs	5%	75	-	75	-
2012					
Euros	5%	(129,866)	-	25,402	-
Pound Sterling	5%	6,668	-	2,802	-
Rands	5%	(7,502)	-	187	-
United States Dollars	5%	945	-	684	-
Australian Dollars	5%	1,286	-	148	-
Seychelles Rupees	5%	(1,393)	-	-	-
Moroccan Dirham	5%	(5,965)	-	-	-
Swiss Francs	5%	84	-	84	-

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	
	2013	2012	2013	2012	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Euros	883,741	871,948	5,039,903	3,469,265	6,167,112	3,574,756	4,419,953	3,066,710
Pound Sterling	287,356	285,764	169,840	152,401	56,841	56,310	598	274
Rands	180,948	112,679	349,661	262,714	2,950	3,732	2,799	2
United States Dollars	37,357	18,909	11,813	-	28,117	18,909	11,907	5,231
Australian Dollars	34,804	26,309	25,027	596	7,729	2,957	-	-
Seychelles Rupees	68,230	37,712	108,843	65,575	2	-	-	-
Mauritian Rupees	429,608	408,938	11,458,983	10,857,502	871,908	848,789	12,708,416	13,684,003
Moroccan Dirhams	731,011	486,819	501,056	606,116	2	-	-	-
Swiss Francs	1,496	1,679	-	-	1,496	1,679	-	-
	2,654,551	2,250,757	17,665,126	15,414,169	7,136,157	4,507,132	17,143,673	16,756,220

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Net exposure	(15,010,575)	(13,163,412)	(10,007,516)	(12,249,088)

31. 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: Rs1% and EUR 0.25%.

		THE GROUP	THE COMPANY
	Increase in rates	Effect on profit before tax	Effect on profit before tax
	%	Rs'000	Rs'000
2013			
Interest-bearing loans and borrowings in Rs	1.00%	(83,087)	(83,087)
Interest-bearing loans and borrowings in EUR	0.25%	(5,403)	(5,083)
2012			
Interest-bearing loans and borrowings in Rs	1.00%	(76,072)	(76,072)
Interest-bearing loans and borrowings in EUR	0.25%	(6,466)	(6,140)

A decrease in the rates has an equal and opposite effect on profit before tax. In practice, actual results may differ from estimates and the difference could be material.

(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	Rs'000
2013						
Trade and other payables	-	2,542,407	-	-	-	2,542,407
Borrowings*	3,315,128	484,795	1,953,103	8,746,385	3,649,063	18,148,474
Other financial liabilities	-	11,813	-	-	-	11,813
	3,315,128	3,039,015	1,953,103	8,746,385	3,649,063	20,702,694
2012						
Trade and other payables	-	2,477,043	-	-	-	2,477,043
Borrowings*	3,467,292	322,046	1,363,087	8,015,726	1,965,263	15,133,414
Other financial liabilities	-	-	-	-	-	-
	3,467,292	2,799,089	1,363,087	8,015,726	1,965,263	17,610,457

*Borrowings include future interest costs.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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
2013						
Trade and other payables	-	2,220,968	-	-	-	2,220,968
Borrowings*	3,297,808	477,530	1,909,600	8,615,126	3,638,238	17,938,302
Other financial liabilities	-	11,813	-	-	-	11,813
	3,297,808	2,710,311	1,909,600	8,615,126	3,638,238	20,171,083
2012						
Trade and other payables	-	4,101,701	-	-	-	4,101,701
Borrowings*	3,359,859	315,716	1,330,005	7,893,929	1,931,685	14,831,194
Other financial liabilities	-	-	-	-	-	-
	3,359,859	4,417,417	1,330,005	7,893,929	1,931,685	18,932,895

*Borrowings include future interest costs.

(iii) Capital Management

The primary objectives of the Group, when managing capital, are 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, 2013 and September 30, 2012 were as follows:

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	18,148,474	15,133,414	17,938,301	14,831,194
Less interests costs included above	(3,048,663)	(2,196,510)	(3,027,410)	(2,176,674)
Less cash in hand and at bank	(849,316)	(680,696)	(84,007)	(144,079)
Net Debt	14,250,495	12,256,208	14,826,884	12,510,441
Equity	13,341,420	12,768,487	11,895,745	10,327,632
Net realised gains reserve	-	-	-	-
Total capital	13,341,420	12,768,487	11,895,745	10,327,632
Equity attributable to equity holders of the parent	13,341,420	12,768,487	11,895,745	10,327,632
Gearing Ratio	107%	96%	125%	121%

32. 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) prices in active markets for identical assets or liabilities,
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 September 2013, the Group held the following financial instruments carried at fair value in the statement of financial position:

	THE GROUP				THE COMPANY			
Assets measured at fair value	30 September 2013 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	30 September 2013 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	2,911	-	2,911	-	2,911	-	2,911	-
- Currency options	7,826	-	7,826	-	7,826	-	7,826	-
- Available-for-sale financial assets (Note 18)	15,011	15,011	-	-	14,432	1,432	-	-
	25,748	15,011	10,737	-	25,169	1,432	10,737	-

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.
During the reporting period ended 30 September 2013, there were no transfers between Level 1 and Level 2 fair value measurements.

As at 30 September 2012, the Group held the following financial instruments measured at fair value in the statement of financial position:

	THE GROUP				THE COMPANY			
Assets measured at fair value	30 September 2012 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	30 September 2012 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 22):								
- Foreign exchange forward contracts	3,077	-	3,077	-	3,077	-	3,077	-
- Currency options	12,826	-	12,826	-	12,826	-	12,826	-
- Available-for-sale financial assets (Note 18)	15,182	15,182	-	-	1,948	1,948	-	-
	31,085	15,182	15,903	-	17,851	1,948	15,903	-

33. OTHER FINANCIAL (LIABILITIES) / ASSETS

	THE GROUP AND THE COMPANY	
	2013	2012
	Rs'000	Rs'000
Other financial (liabilities)/assets at fair value through profit or loss:		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	560	2,911
Currency options	(11,813)	7,826
	(11,253)	10,737
Disclosed as follows:		
Current assets	560	10,737
Current liabilities	(11,813)	-
Total other financial (liabilities)/assets at fair value through profit or loss	(11,253)	10,737

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.

34. FAIR VALUES

The carrying amounts of financial assets and liabilities approximate their fair values.

Due to the short-term nature of financial assets and liabilities (available-for-sale financial assets, other financial assets, trade and other receivables, cash in hand and at banks, other financial liabilities and trade and other payables) recorded at amortised cost, it is assumed that the carrying amount of those instruments approximate their fair value.

For loans and borrowings, that are recorded at amortised cost, it is assumed that the carrying amount approximate their fair value as these bear interest at market rate.

35. WINDING-UP OF SUBSIDIARIES

On 30 Sepetmber 2013, the Group has wound up 8 of its subsidiaries namely, Grand Baie Hotel Limited, Royal Garden Limited, Maunex Limited, Imperial Limited, Plaisance Catering Limited, Beachcomber Boutiques Limited, Societe Immobiliere et Tourisque de Grand Baie and Societe Royal Garden.

Total amount invested directly by the Company or indirectly through its subsidiaries as at 30 September 2013 in these entities amounted to Rs.640.1m and Rs.412.3m respectively.
Summary of the financial position of the wound-up subsidiaries at the date of winding-up is summarised below.

	2013 Rs '000
Total assets	2,179,349
Total Liabilities	(59)
Net assets	2,179,290

A capital gain of Rs1.094b has been recognised in the separate financial statements of the Company following the winding-up of these subsidiaries; the gain represents the fair value gain of the assets recognised in the acocunts of the subsidiaries at the time of the transfer of the whole of the business as a going concern to the holding company.
As the disposal proceeds from the winding-up were equivalent to the net assets value of the subsidiaries, no gain or loss has been recognised in the Group financial statements.

36. COMPARATIVES

During the current year, management reassessed the classification and presentation of certain items and balances in the financial statements. Accordingly, comparative figures have been reclassified to confirm with the current year's presentation. There is neither any effect on the loss for the year in the comparatives statement of comprehensive income nor on the assets and liabilities in the comparative statement of financial position.

37. EVENTS AFTER THE REPORTING DATE

There have been no material events after the reporting date which require disclosure or adjustment to the financial statements for the year ended September 30, 2013.

38. 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 (pty) Ltd	Beachcomber Tours SARL	Beachcomber Tours Limited	Beachcomber Holidays Limited	Wild Africa Safari Ltd	Holiday Marketing (pty) 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.
Herbert Couacaud	•				•	•	•	•	•					•	•	•	•	•
Michel Daruty de Grandpré		•													•	•		
Jacques Doger de Spéville			•															
Robert Doger de Spéville	•		•	•	•	•	•		•							•		
Rodney Eather												•						
Mike Edwards									•	•	•							
Hector Espitalier-Noël	•				•	•												
Philippe Espitalier-Noël			•	•														
Alexandre Fayd'herbe			•	•														
Asraf Khodabux				•														
Jean-Hugues Maigrot															•	•		
Marcel Masson	•			•	•	•								•	•	•		
Francis Montocchio		•																
Terry Munro							•											
Bertrand Piat			•															
Jean-Louis Pismont		•																
Tiburce Plissonneau Duquesne		•																
Richard Robert			•															
Sheila Collet Serret													•					
Jacques Silvant		•																
Peter Taylor									•	•	•							
François Venin		•																

NOTICE OF ANNUAL MEETING

NEW MAURITIUS HOTELS LIMITED

Notice is hereby given that the Annual Meeting of the shareholders of New Mauritius Hotels Limited will be held at Labourdonnais Waterfront Hotel, Caudan, Port Louis on Friday, March 28, 2014 at 10.30 a.m for the following business:

AGENDA

1. To receive, consider and approve the Financial Statements for the year ended September 30, 2013 including the Annual Report and the Auditors' Report.

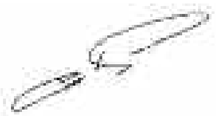
2. To reappoint, in accordance with Section 23.6 of the Company's constitution, Messrs Jean Pierre Montocchio and Marcel Masson, who are the two Directors due for retirement as Director of the Company.

3. To reappoint Messrs. Ernst & Young as auditors for the financial year ending September 30, 2014 and authorise the Board of Directors to fix their remuneration.

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, not less than twenty-four hours before the meeting.

By order of the Board
BEACHCOMBER LIMTIED
Secretary



(Per Francis MONTOCCHIO)
March 11, 2014

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 to be held at Labourdonnais Waterfront Hotel, Caudan, Port Louis on Friday, March 28, 2014 at 10.30 a.m and at any adjournment thereof.

Signed this .... day of .... 2014.

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 the year ended September 30, 2013 including the Annual Report and Auditors' report		
2. To reappoint, in accordance with Section 23.6 of the Company's constitution, Messrs Jean Pierre Montocchio and Marcel Masson, who are the two Directors due for retirement as Director of the Company		
3. To confirm, in accordance with Section 23.4 of the Company's Constitution, the appointment of Messrs Gilbert Espitalier Noel and Colin Taylor, nominated by the Board to replace Messrs Michel Pitot and Timothy Taylor respectively who had resigned.		
4. To reappoint Messrs Ernst & Young as auditors for the financial year ending September 30, 2014 and authorise the Board of Directors to fix their remuneration.		

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.