Annual Report
2009

New Mauritius Hotels Limited

Trou aux Biches Resort & Spa


Dinarobin Hotel Golf & Spa

Your Board of Directors is pleased to present the Annual report of New Mauritius Hotels Limited for the year ended September 30, 2009. This report was approved by the Board of Directors on December 15, 2009.

Contents

GROUP STRUCTURE
as at september 30, 2009

New Mauritius Hotels Limited

Hotel operations in Mauritius	General Managers
ROYAL PALM	Jacques SILVANT
DINAROBIN PARADIS	Jean Marc LAGESSE
TROU AUX BICHES	Michel DARUTY DE GRANDPRE
SHANDRANI LE VICTORIA	Jean-Louis PISMONT
LE CANONNIER LE MAURICIA	Francois VENIN

Airline catering

PLAISANCE CATERING	Frantz MERVEN

Hotel operations overseas

100%	SAINTE ANNE RESORTS Seychelles	Hervé DUBOSCQ
90%	BEACHCOMBER HOTEL S.A. Morocco	Xavier JOLIVET

Training

100%	BEACHCOMBER TRAINING ACADEMY LIMITED	Tiburce PLISSONNEAU DUQUESNE

Secretarial Services

100% BEACHCOMBER LIMITED

Tour Operating

100%	BEACHCOMBER TOURS SARL France	Carole PEYRE
100%	BEACHCOMBER TOURS LIMITED England	Michael EDWARDS
100%	NEW MAURITIUS HOTELS - ITALIA SRL Italy	Sheila COLLET SERRET
75%	HOLIDAY MARKETING (PTY) LTD Australia	Rod EATHER
51%	BEACHCOMBER MARKETING (PTY) South Africa	Terry MUNRO

BOARD OF DIRECTORS
as at september 30,2009

Non-Executive

Hector ESPITALIER-NOËL
Chairman
Member of the Corporate Governance Committee

Sunil BANYMANDHUB
Chairman of the Audit Committee

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

Michel PITOT
Member of the Corporate Governance Committee

Louis RIVALLAND
Member of the Audit Committee

David SAVY

Timothy TAYLOR

Executive

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

Robert DOGER DE SPÉVILLE
Commercial Director

Marcel MASSON
Finance Director
Member of the Corporate Governance Committee

Secretary

Beachcomber Limited
10, Robert Edward Hart Street, Curepipe, Mauritius.

Auditors

Ernst & Young
Level 20, Newton Tower, Port-Louis, Mauritius.

Bankers

The Mauritius Commercial Bank Limited

State Bank of Mauritius Limited

Barclays Bank PLC

The Hong Kong and Shanghai Banking Corporation Limited

The Afrasia Bank Limited

Standard Bank (Mauritius) Limited

Bank One Limited

Legal Adviser

Me. Guy RIVALLAND S.A.

Notary

Me. Jean-Hugues MAIGROT

Registered Office

10, Robert Edward Hart Street, Curepipe, Mauritius.
Tel: + (230) 601 3232 - Fax: + (230) 675 3240
E-mail: beachcomber@bchot.com

Website

www.beachcomber-hotels.com

KEY FIGURES
september 30, 2009

Income Statements	THE GROUP		
	2009	2008	2007
	Rs'm	Rs'm	Rs'm
Revenue	7,402	8,100	7,735
Profit before tax	1,368	2,130	2,343
Income tax expense	(158)	(240)	(344)
Profit for the year	1,210	1,890	1,999
Minority interests	(34)	(44)	(29)
Profit attributable to equity holders of the parent	1,176	1,846	1,970
Dividends	(646)	(969)	(969)
Retained profit for the year	530	877	1,001

Balance Sheets	2009	2008	2007
	Rs'm	Rs'm	Rs'm
Non-current assets	18,572	16,130	13,517
Current assets	3,293	3,054	2,447
Share capital	1,724	1,724	1,724
Reserves	4,383	4,006	4,120
Retained earnings	4,714	4,153	3,312
Equity attributable to equity holders of the parent	10,821	9,883	9,156
Minority interests	51	74	85
Total equity	10,872	9,957	9,241
Non-current liabilities	5,626	4,068	2,755
Current liabilities	5,367	5,159	3,968

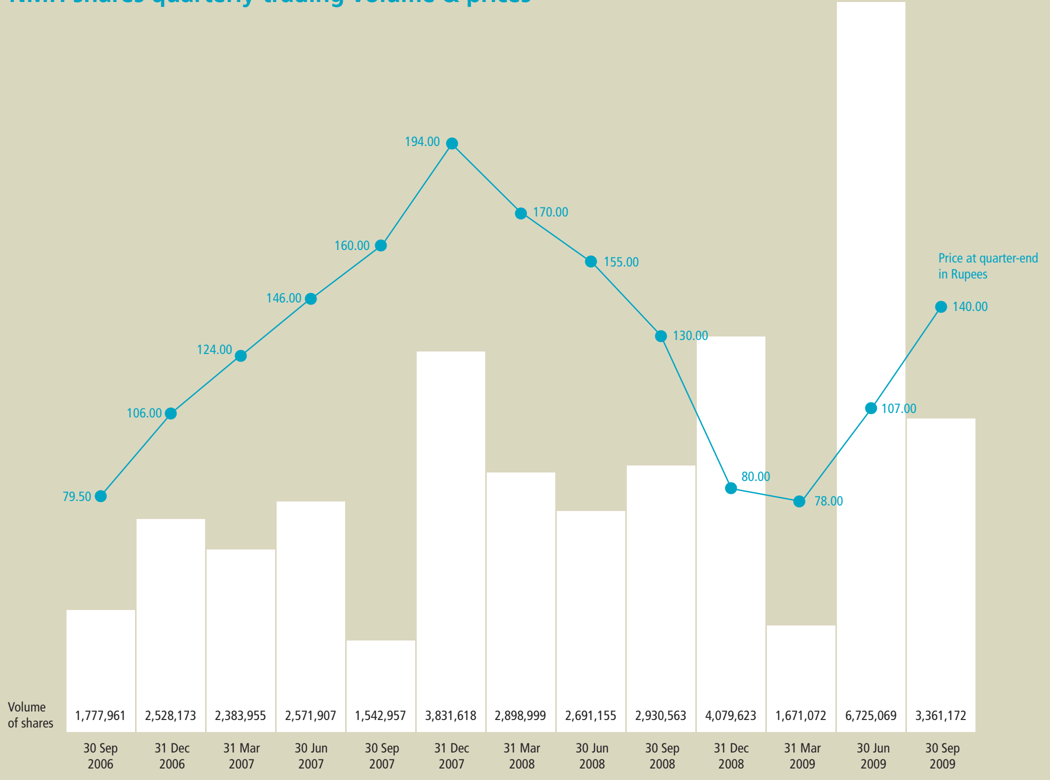
Key Financial ratios	2009	2008	2007
Number of rooms	1,744*	1,938	1,938
Number of guests	113,019	134,648	144,916
Occupancy (%)	70	77	79
RevPar (Rs)	9,588	9,674	9,469
Earnings per share (Rs)	7.28	11.43	12.20
Dividends per share (Rs)	4.00	6.00	6.00
Interest cover (x)	5.28	10.20	11.33
Dividend cover (x)	1.82	1.91	2.03
Dividend payout (%)	54.95	52.49	49.18
Net Asset value per share (Rs)	67.36	61.68	56.72
Return on equity (%)	11.13	18.98	21.62
Return on assets (%)	5.53	9.85	12.52
Gearing (%)	53	45	23

*Excludes Trou aux Biches hotel closed for reconstruction in January 2009.

SHAREHOLDING
as at september 30, 2009

Size of holding			Shareholders			Shares held		
					Cumulative			Cumulative
From		To	No.	%	%	No.	%	%
1	-	1,000	4,513	59.98	59.98	1,447,056	0.90	0.90
1,001	-	5,000	1,670	22.20	82.18	3,892,355	2.41	3.31
5,001	-	10,000	458	6.09	88.27	3,251,268	2.01	5.32
10,001	-	25,000	414	5.50	93.77	6,566,857	4.07	9.39
25,001	-	50,000	192	2.55	96.32	6,892,105	4.27	13.66
50,001	-	75,000	80	1.06	97.38	4,904,328	3.04	16.70
75,001	-	100,000	32	0.43	97.81	2,763,317	1.71	18.41
100,001	-	250,000	81	1.08	98.89	13,060,016	8.09	26.50
250,001	-	500,000	44	0.58	99.47	14,785,670	9.16	35.66
500,001	-	1,000,000	19	0.25	99.72	12,167,130	7.55	43.21
1,000,001	-	1,500,000	5	0.07	99.79	6,025,820	3.73	46.94
1,500,001	-	2,000,000	4	0.05	99.84	6,559,386	4.05	50.99
2,000,001	-	5,000,000	8	0.10	99.94	26,454,261	16.39	67.38
5,000,001	-	8,000,000	2	0.03	99.97	12,786,539	7.92	75.30
8,000,001		and above	2	0.03	100.00	39,867,428	24.70	100.00
			7,524			161,423,536		

NMH shares quarterly trading volume & prices



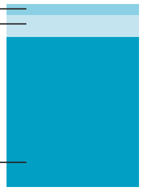
SEGMENTAL INFORMATION

for the year ended september 30, 2009

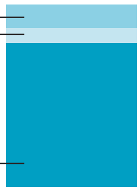
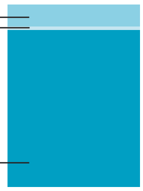
	Revenue		Results	
	2009 (Rsm)	2008 (Rsm)	2009 (Rsm)	2008 (Rsm)
Business:				
Airline catering	413	464	132	154
Tour operating	853	852	114	140
Hotel operations	6,136	6,784	1,529	2,042
	7,402	8,100	1,775	2,336
Geographical:				
Other countries	938	635	218	123
Europe	600	600	34	45
Mauritius	5,864	6,865	1,523	2,168
	7,402	8,100	1,775	2,336

Segmental Information

	Revenue	Results
	BUSINESS	BUSINESS
Airline catering	6%	8%
Tour operating	12%	6%
Hotel operations	82%	86%

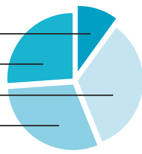
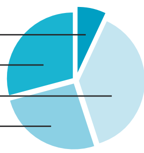



	GEOGRAPHICAL	GEOGRAPHICAL
Other countries	13%	12%
Europe	8%	2%
Mauritius	79%	86%

Value added statement

	Mauritius operations	Group operations
Bankers	9%	7%
Government	26%	26%
Shareholders	30%	29%
Employees	35%	38%

	Mauritius Operations		Group Operations	
	Rs'm	%	Rs'm	%
Revenue	5,877		7,402	
Value Added tax	802		860	
Gross revenue	6,679		8,262	
Payment to suppliers for material and services	(2,149)		(2,938)	
Value added by operations	4,530		5,324	
Investment and other income	7		39	
Total wealth created	4,537	100	5,363	100
Distributed as follows:				
Employees				
Salaries and wages	1,574	35	2,032	38
Government				
Value added tax	802		860	
Environment fees	45		45	
Solidarity levy	16		16	
Corporate tax	92		158	
Licences, leases and campement site tax	88		96	
Social security charges	136		188	
	1,179	26	1,363	26
Reinvested to maintain/develop operations				
Depreciation and amortisation	347		396	
Retained earnings	385		530	
	732	16	926	17
Providers of capital				
Dividends to shareholders	646	14	646	12
Interest on borrowings	406	9	396	7
	1,052	23	1,042	19
Total wealth distributed	4,537	100	5,363	100

CHAIRMAN'S ADDRESS

Dear Shareholder,

The financial turmoil, which affected the world economies as from September 2008, had a significant impact on our tourism industry. At national level, whilst arrivals fell by 7.6% during the period under review, receipts decreased by as much as 16.2% due to demand shifting towards cheaper accommodation and services and to heavy discounting by certain hotel operators. During the same period, 924 new beds came on the market, representing an increase of 4.3% in the industry's capacity.

In these difficult conditions, our Group continued to focus on quality of services to guests rather than embark in huge price cutting campaigns. Our commercial teams and tour operating units played a key role in helping the Group to maintain and even increase its share in certain markets.

Overall, the results achieved this year are considered most satisfactory given the adverse business environment in which we operated and the reduction in our room capacity with the closure of Trou aux Biches hotel for reconstruction as from January and Dinarobin hotel's renovation, from May, lasting four months.

In line with our policy of maintaining our hotel properties at a high standard, works were carried out on the public areas and the restaurants of the Dinarobin hotel to make them more functional and more welcoming. As regards the transformation brought to Ste Anne last year, I am pleased to report that the feedback received from guests and professionals of the trade is very positive.

Works at Trou aux Biches are progressing despite difficulties and delays in obtaining all clearances and should be completed in time for the next high season starting in November. At Marrakech, however, development has had to be slowed down and adjusted to market conditions but the objective to complete the first phase around August 2011 remains. For recall, that first phase comprises the Royal Palm Marrakech hotel with its 135 suites and villas, Domaine Palm Marrakech, the property development involving the construction of 75 villas for sale, one 18-hole golf course and a country club. At the time of writing, firm bookings have been received for 20 villas and strong interest expressed for some 30 more.

On the corporate social responsibility side, we have pursued our commitments through *Fondation Espoir et Développement* (FED) and paid increased attention to training, energy saving and eco-friendly schemes which are being further developed in the Trou aux Biches project.

With the coming into force of the *Finance Act 2009*, which includes provision for the setting up of a Corporate Social Responsibility Fund by every enterprise of the private sector, there are indications that the eligibility criteria for social projects as hitherto used by FED might have to be reviewed and aligned with the Government's guidelines on the matter. Although such guidelines are necessary to direct funds to projects that do respond to the real spirit behind social responsibility and to priority zones, yet we believe that a certain degree of flexibility is necessary, particularly regarding ongoing projects in respect of which commitments already exist.

A consensus is emerging amongst economists for a mild growth recovery in 2010 which should bring some relief to tourism activity worldwide. However, we are of opinion that the local tourism industry will stay under pressure as competitors continue to engage in heavy discounting. Furthermore, the absence of a clear growth oriented air access policy still remains a matter of concern. We are nonetheless cautiously optimistic that an upturn in bookings is forthcoming.

Mr. David Savy resigned as Director last December after seven years of loyal service. His professional obligations have become such that he cannot dispose of sufficient time to fulfill this function to the best of his competence. I wish to thank him for his invaluable support and contribution during his mandate. I also thank Mr. Jean Marc Lagesse who has agreed to fill the vacancy and be proposed for election at the AGM.

To conclude, I express my sincere appreciation to our Chief Executive Officer and all the personnel for their formidable effort to mitigate the impact of the economic crisis and produce these most satisfying results, to the members of the Board of Directors for their precious contribution and to the shareholders for their continued trust and confidence.

Hector Espitalier-Noël
CHAIRMAN
December 15, 2009

The Directors are pleased to present their Annual Report for the year ended September 30, 2009.

Consolidation and Accounting Standards

The audited Financial Statements for the year ended September 30, 2009 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 accounting standards and interpretations which came into application do not have material impact on the financial performance or position of the Group.

Revenues

For the year under review, the tourism industry was affected significantly by the international economic crisis with arrivals falling by 7.6% and receipts for the country declining by 16.2%. The discounted rates offered by certain hotel operators weighed heavily on the industry's profitability.

The Group's revenues declined by 8.6% to Rs 7.402 billion due mainly to lower occupancy, demand shifting to the lower end of the market and reduced room capacity. Occupancies for the year averaged 70%, which is seven percentage points less than last year. Trou Aux Biches hotel was closed for reconstruction from January and Dinarobin hotel was renovated during the May to September period.

Costs of operations

Expenses were controlled across operations while maintaining high value of services to guests. Total staff costs, of which part is included in closure costs, increased by only Rs 40 million mainly on account of lower pension cost and reduced performance and productivity bonus.

Depreciation and finance costs

Depreciation charge increased by Rs 65.8 million to Rs 393.6 million while finance costs amounting to Rs 412.1 million were 43% higher because of interest charges on additional borrowings taken to finance various investments such as Les Salines, Marrakech and the renovation of Sainte Anne.

Exceptional items

Positive exceptional items of Rs 125.5 million relate to fair value adjustment on undeveloped land as per IAS 40 - *Investment Property*.

Income Tax Expense

The effective tax rate after exceptional items was 11.6%. Income tax expense was Rs 158.5 million compared to Rs 240.4 million last year.

Earnings

Earnings attributable to NMH shareholders for the year amounted to Rs 1.176 billion, which is 36.3% less than the Rs 1.846 billion earned in the 2008 financial year. Earnings per share were Rs 7.28 compared to Rs 11.43 in 2008. Taking into account the adverse factors that prevailed, the earnings generated this year are considered satisfactory and are mainly attributable to the commitment of the personnel at large, the quality and reputation of the hotels and the strength of the Group's commercial structure.

Dividends

Total dividends declared were reduced this year to Rs 646 million i.e. Rs 4.00 per share against Rs 6.00 last year, which is in line with the Group's distribution policy.

Revaluation

Freehold land and buildings were revalued in September 2009 based on open market value and a net surplus of Rs 711 million was credited to Equity.

Trade and other receivables

Trade receivables increased as additional facilities had to be granted to our main partners who encountered cash flow problems in the current economic environment. These balances are, however, being monitored closely and should come down to previous levels in the short term.

Cash flow and capital expenditure

The net cash inflow of Rs 2,092 million generated from operating activities and additional borrowings of Rs 2,680 million were utilised essentially for investment and capital expenditure totalling Rs 2,427 million, dividend payments of Rs 807 million and loan repayments of Rs 911 million. Capital expenditure during the year consisted mainly of the works in progress at Trou aux Biches hotel (Rs 1,100 million), Royal Palm Marrakech hotel (Rs 500 million) and the renovation of Dinarobin hotel (Rs 175 million).

For the 2010 financial year, some Rs 4,500 million have been earmarked for capital expenditure to be incurred mainly on the Trou aux Biches and Royal Palm Marrakech projects. One third or Rs 1,500 million of that proposed capital expenditure will be financed internally.

Projects

The new Trou aux Biches hotel should be fully operational end 2010.

The Royal Palm Marrakech hotel development should be completed during the second half of 2011 whereas the property development has had to be rescheduled on account of the difficult conditions prevailing in the property market. Nonetheless, the objective of completing the first phase before the opening of the hotel is maintained.

Outlook

The economic upturn at international level seems to be on a sustainable course but remains slow and fragile. At industry level, visibility is reduced with the growing late booking phenomenon and the aggressive price cutting undertaken by competitors. It is, therefore, difficult to make reliable forecasts at this point in time.

However, should the present positive trend in bookings continue and the euro/rupee conversion rate improve, the level of profitability realised during the year under review could be maintained in financial year 2009/10.

Corporate Governance

The Board's primary objective is 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 total business performance.

Management of the business of the Company is conducted by the Chief Executive Officer as designated by the Board and by officers and employees to whom the management function is delegated by the Chief Executive Officer.

During the year ended September 30, 2009, there was no change in the composition of the Board which comprised seven non-executive Directors including the Chairman and three executive Directors including the Chief Executive Officer. This ratio of 7:3 will change to 6:4 during 2010 with the appointment of Mr. Jean Marc Lagesse as Executive Director.

Committees

The composition of the Corporate Governance and Audit Committees which carried out their tasks according to their attributions was also maintained.

The Corporate Governance Committee comprising three non-executive and two executive Directors reviewed the following main areas:

- potential conflict of interests 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 2010;
- appraisal of the Board's effectiveness. The Committee was satisfied that the number of Board meetings held during the year was adequate and that the Directors contributed constructively to the deliberations and decisions of the Board.

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 adequate 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 attendees were the Audit Committee members, the Internal and External Auditors, the corporate Risk Management Officer, the Finance Director and the Chief Accountant.

Internal Audit

The 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. In line with their extended field of actions the team visited the Group's foreign offices and subsidiaries in Paris, London and Seychelles.

All weaknesses identified are thoroughly investigated, formally discussed with top management and corrective measures recommended for implementation within a defined timeframe.

Quarterly 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. 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 practised 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 demand for hotel rooms as a result of such events have 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. The Group has in fact invested in CCTV camera surveillance system and is presently reorganising and strengthening its internal security team to offer a safer environment to its guests.

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.

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.

Frauds 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 frauds. These systems are regularly monitored and reviewed by the Internal Audit Team to ensure their continued efficiency and effectiveness.

The Group has recently 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 advisors 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 33 to the Financial Statements.

Directors attendance to Committee Meetings

Directors	Board	Corporate Governance	Audit
Hector Espitalier-Noël	6/6	2/2	n/a
Sunil Banymandhub	4/6	n/a	4/4
Herbert Couacaud	6/6	2/2	n/a
Robert Doger de Spéville	5/6	n/a	n/a
Marcel Masson	6/6	2/2	4/4 *
Jean-Pierre Montocchio	5/6	2/2	4/4
Michel Pitot	5/6	2/2	n/a
Louis Rivalland	6/6	n/a	4/4
David Savy	0/6	n/a	n/a
Timothy Taylor	6/6	n/a	n/a

* In attendance in the Audit Committee.

Statutory disclosures

Directors' emoluments and share interests

Emoluments paid by the Company for the year ended September 30, 2009 to:

	2009 Rs'000	2008 Rs'000
Executive Directors of the Company	41,811	46,914
Non-Executive Directors of the Company	2,868	2,737

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

Emoluments and benefits paid by subsidiaries for the year ended September 30, 2008 to:

	2009 Rs'000	2008 Rs'000
Executive Directors of:		
Beachcomber Tours Limited	23,245	22,940
Beachcomber Marketing (Pty) Ltd	18,953	12,672

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

	Direct %
Hector ESPITALIER-NOEL (CHAIRMAN)	0.01
Sunil BANYMANDHUB	-
Herbert COUACAUD C.M.G	7.05
Robert DOGER de SPEVILLE	0.27
Marcel MASSON	-
Jean-Pierre MONTOCCHIO	-
Michel PITOT	0.02
Louis RIVALLAND	0.01
David SAVY	-
Timothy TAYLOR	0.19

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

Substantial shareholders

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

	Effective %
Rogers & Co. Ltd	17.68

Contracts of significance

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

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.

Political donations are dealt with by the Board. For the year under review, such donations amounted to Rs 1,100,000 (2008: Rs 450,000).

Auditors

The fees paid to the auditors for audit and other services were:

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Lead Auditors				
Audit services	5,195	4,834	4,844	4,580
Other services	2,475	477	350	334
Total	7,670	5,311	5,194	4,914
(b) Overseas Auditors				
Audit services	3,121	2,962	-	-
Other services	595	639	-	-
Total	3,716	3,601	-	-

Directors' responsibilities statement

The Company's Directors were responsible for the preparation and fair presentation of the financial statements, comprising the Company's and Group's balance sheets at September 30 2009, and the income statements, the statements of changes in equity and cash flow statements 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' responsibility included designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that were reasonable in the circumstances.

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

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 15, 2009

SOCIAL RESPONSIBILITY

Fondation Espoir et Développement (FED)

Year 2009 marked the 10th anniversary of our Fondation Espoir et Développement (FED). For the second year running, NMH contribution to the fund amounted to Rs 20 million.

In his budget speech of May 2009, the Minister of Finance introduced a measure whereby all companies are to allocate 2% of their post tax profits for Corporate Social Responsibility (CSR) actions. This measure will not have a significant financial impact on NMH in the current year as its present contribution is close to 2% of its post-tax profits.

The CSR actions and the beneficiaries, as disclosed in a recently published guideline, are to be monitored by a National CSR Committee. FED has obtained its accreditation with the National CSR Committee and is in the process of reviewing its policy particularly with regard to associations and individuals to ensure that future donations fall within the scope of the published guidelines.

The priority sectors identified by FED remain education, health and disability, culture, sports and leisure and other socio-economic developments. The social projects initiated so far by FED are: Projet Employabilité Jeunes, Projet Artisanat, Projet Alpha and Projet Sports. These projects, which are more fully described below, fall within the areas of intervention prescribed by the National CSR Committee.

Projet Employabilité Jeunes

The Projet Employabilité Jeunes consists in training out-of school youths in competencies required for a successful professional and personal life. Out of the 330 youths recruited in August 2008, 20 opted for a technical training (hairdressing, child care) and 200 were placed in NMH hotels and in other enterprises. At the end of the program in June 2009, 75 beneficiaries were offered employment or further technical training in NMH hotels. 300 youths started the new programme in August 2009.

Projet Artisanat

The Projet Artisanat aims at helping artisans with difficult social backgrounds to improve the quality of their work and sell their products to hotels and tourists. FED has equipped two workshops, situated at Saint Paul and Trou aux Biches respectively, where the artisans can work together. The equipments for the Saint Paul's unit were financed by the Decentralised Cooperation Programme of the European Union following a project presented by FED.
Some 15 and 40 artisans have been recruited for the Saint Paul's and Trou aux Biches' workshop respectively. They are being trained to produce curtains, cushions and decorative products which may be used in NMH hotels.

Projet Alpha

The Projet Alpha aims at teaching illiterate adults to read and write through either computer software developed by FED or other conventional methods. In 2009, 30 persons benefited from this program. The pedagogical software is currently being redesigned to ensure that it becomes more user-friendly.

Projet Sport

During 2009, FED started a collaboration with "Ecoles de Foot de Curepipe", with, as main objective, the social integration of youths from vulnerable backgrounds. FED regards Sport as a formidable means to reach these youths and transmit its required qualities, namely, regularity, team spirit and willpower. FED helped in organising football tournaments and provided sports equipment.

Apart from initiating and financing its own projects, FED participates in the financing of certain NGO's recurring expenses and makes donations upon recommendations of its regional committees. In 2009, FED contributed some Rs 4 million to 75 associations and made 575 donations amounting to Rs 2.7 million.

Protection of the Environment, Energy Savings and Water Production

The Group conducts its operations in a manner committed to conservation of resources, prevention of pollution, and promotion of environmental responsibility.

It already uses various technical devices to protect the environment and reduce pressure on the country's scarce natural resources, namely:

- operation of waste water treatment plants, the purified product of which is used for irrigation purpose;
- recovery of heat from air conditioning chillers to produce hot water;
- solar panels for further production of hot water;.
- extensive use of energy saving light bulbs;
- variable speed drives on the chilled water circulation pumps;
- desalination plants to produce soft water.

The above measures have greatly contributed in reducing dependence on electricity, gas and water with significant cost savings.

The Group is about to embark on an ambitious project for the management and treatment of all solid waste generated by its various operating units. At present, all such waste is carted away to existing landfill sites.

The project will consist in treating most of the waste where they are produced, through appropriate composting units and to use the product thereof as a natural organic medium and fertilizer for its gardens and nurseries, a step further in our eco-friendly commitments.

2009 novelties

Dinarobin, the new icon of tropical elegance

Eight years after its opening, Dinarobin, one of Beachcomber's flagship properties, has encountered extensive renovation works spread over four months.

- Building of pools of 75 m² in five of the six crescents of Suites at Dinarobin
- Building of one additional restaurant specialised in Italian food
- Revamping of restaurants and main bar
- Revamping of common areas
- Brand new Sports Centre, which was also relocated next to the tennis courts
- Restoration of the Spa by Clarins' entrance
- Redecoration and creation of decks at the *"Club at Dinarobin"*

www.dinarobin-hotel.com

Paradis, La Ravanne : a new twist on an authentic Mauritian restaurant

A string of thatched pavillons provide the setting for *La Ravanne* restaurant, a traditional Mauritian restaurant. The restaurant has upgraded its facilities significantly but has kept its authentic atmosphere. Weather permitting, guests embark on authentic pirogues for a smooth and romantic boat ride from the hotel close inshore to *La Ravanne*.

www.paradis-hotel.com

Sainte Anne

The Takamaka Beach Bar promotes island lifestyle

Building on the success of L'Océane and Le Robinson restaurants, the Takamaka Beach Bar was created opposite the beach of Anse Tortues, bringing the total number of restaurants on the island to five. The new restaurant serves light meals and treats guests to a fabulous beachfront location with views of Sainte Anne's Marine Park and islands.

www.sainteanne-resort.com

new projects

Trou aux Biches

Reopening scheduled on November 2010

- Closed since January 15, 2009, the Trou aux Biches is currently being rebuilt from the ground up. When it reopens, it will be the first eco-friendly resort in Mauritius.
- It will provide the best in luxury while retaining the unique features that have made its reputation as "the most authentic hotel in Mauritius". The new layout will consist in individual pavillons and villas spread amidst a wide tropical park.

www.trouauxbiches-resort.com

Royal Palm Marrakech

one of the finest hotels in Marrakech

- The Royal Palm is currently taking shape between Marrakech and the Atlas mountains. Three sample villas have already been completed and are open for visits. The grand opening of the resort is scheduled for July 2011.
- As announced, the project of Royal Palm in Morocco is two fold. On the one hand is the construction of a luxury hotel and on the other hand, an up-market real estate development which will be commercialized under the Domaine Royal Palm brand.

www.domaineroyalpalm.com

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 15, 2009

Calendar 2010

Publication of Abridged 1st Quarter Results	February
Annual General Meeting	March
Declaration of Interim Dividend	March
Publication of Abridged Semi-annual Results	May
Publication of Abridged 3rd Quarter Results	August
Declaration of Final Dividend	September
Publication of Abridged Annual Results	December

Report on the Financial Statements

We have audited the financial statements of New Mauritius Hotels Limited (the "Company") and its subsidiaries (together referred as the "Group") on pages 22 to 64 which comprise the balance sheets as at September 30, 2009 and the income statements, 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 Mauritian Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 22 to 64 give a true and fair view of the financial positions of the Company and the Group as at September 30, 2009 and of their financial performances and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

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 Mauritian 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 Company and the Group other than in our capacity as auditors, tax advisors and dealings with the Company and the Group 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 and the Group as far as it appears from our examination of those records.

ERNST & YOUNG
Port Louis, Mauritius

PATRICK NG TSEUNG, A.C.A.

December 15, 2009

INCOME STATEMENTS

for the year ended september 30, 2009

	Notes	THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000 (Restated)	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000
Revenue	4	7,401,852	8,099,921	5,877,191	6,885,933
Cost of inventories expensed		(937,760)	(1,049,014)	(862,443)	(1,010,424)
Staff costs	5	(2,082,868)	(2,147,830)	(1,571,958)	(1,712,668)
Depreciation of property, plant and equipment	13	(393,645)	(327,800)	(347,480)	(292,994)
Amortisation of intangible assets	15	(1,943)	(2,088)	-	-
Loss on disposal of property, plant and equipment		(1,326)	(5,262)	(3,227)	(4,886)
Other expenses	6	(2,208,816)	(2,231,641)	(1,530,170)	(1,702,372)
Finance revenue	7	38,631	43,225	6,548	5,607
Finance costs	8	(412,083)	(288,575)	(406,339)	(300,091)
Share of results of associated companies	17	(7,169)	(33,641)	-	-
Closure costs	9	(151,831)	(47,896)	(151,831)	-
Exceptional items	10	125,460	121,074	111,720	85,114
Profit before tax		1,368,502	2,130,473	1,122,011	1,953,219
Income tax expense	11	(158,463)	(240,360)	(91,520)	(126,922)
Profit for the year		1,210,039	1,890,113	1,030,491	1,826,297
Attributable to:					
Equity holders of the parent		1,175,788	1,845,820	1,030,491	1,826,297
Minority interests		34,251	44,293	-	-
		1,210,039	1,890,113	1,030,491	1,826,297
Basic earnings per share (Rs)	12	7.28	11.43		

BALANCE SHEETS

as at september 30, 2009

	Notes	THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	14,534,134	12,358,065	12,461,789	10,700,240
Investment properties	14	1,915,000	1,789,540	1,705,300	1,593,580
Intangible assets	15	1,696,735	1,633,225	1,227,126	1,148,626
Investment in subsidiary companies	16	-	-	2,532,847	2,530,756
Investment in associated companies	17	335,665	290,693	191,873	105,168
Available-for-sale financial assets	18	42,076	23,067	1,986	2,147
Employee benefit assets	19	48,228	35,843	49,162	37,075
		18,571,838	16,130,433	18,170,083	16,117,592
Current assets					
Inventories	20	326,338	327,193	272,007	275,036
Trade and other receivables	21	2,200,980	2,007,902	1,987,602	1,621,749
Cash in hand and at bank	22	765,512	718,963	89,153	216,516
		3,292,830	3,054,058	2,348,762	2,113,301
Total assets		21,864,668	19,184,491	20,518,845	18,230,893
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital	23	1,724,361	1,724,361	1,724,361	1,724,361
Reserves	24	4,382,504	4,006,070	3,654,200	3,048,581
Retained earnings		4,714,389	4,153,226	3,152,941	2,732,891
		10,821,254	9,883,657	8,531,502	7,505,833
Minority interests		51,345	73,698	-	-
Total equity		10,872,599	9,957,355	8,531,502	7,505,833
Non-current liabilities					
Borrowings	25	4,171,621	2,773,048	3,990,120	2,614,276
Deferred tax liability	26	1,454,034	1,295,197	1,381,721	1,268,250
		5,625,655	4,068,245	5,371,841	3,882,526
Current liabilities					
Trade and other payables	27	3,011,843	2,462,719	4,292,800	4,307,956
Borrowings	25	2,288,404	2,431,422	2,270,399	2,305,455
Income tax payable	11	66,167	264,750	52,303	229,123
		5,366,414	5,158,891	6,615,502	6,842,534
Total liabilities		10,992,069	9,227,136	11,987,343	10,725,060
Total equity and liabilities		21,864,668	19,184,491	20,518,845	18,230,893

Approved by the Board of Directors on December 15, 2009 and signed on its behalf by:

Hector Espitalier-Noel
Chairman

Herbert Couacaud C.M.G.
Chief Executive Officer

STATEMENTS OF CHANGES IN EQUITY

for the year ended september 30, 2009

THE GROUP	Attributable to equity holders of the parent Company							Minority Interests	Total equity
	Stated Capital	Other Reserve*	Fair value Reserves*	Revaluation Reserves*	Foreign Exchange Difference Reserves*	Retained Earnings	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at October 1, 2007	1,724,361	1,443,455	-	2,938,687	(262,274)	3,311,553	9,155,782	84,647	9,240,429
Depreciation transfer for buildings	-	-	-	(42,474)	-	42,474	-	-	-
Tax effect of depreciation transfer for buildings	-	-	-	6,371	-	(6,371)	-	-	-
Deferred tax on revaluation reserves of subsidiary company	-	-	-	18,695	-	-	18,695	-	18,695
Net movement on cash flow hedges	-	-	-	-	(7,614)	-	(7,614)	-	(7,614)
Fair value gain on available-for-sale financial assets	-	-	1,236	-	-	-	1,236	-	1,236
Acquisition of subsidiary company	-	-	-	-	-	-	-	8,160	8,160
Change in reserves of associated companies	-	-	10,389	106,022	-	(71,709)	44,702	-	44,702
Currency translation differences	-	-	-	-	(206,423)	-	(206,423)	(9,852)	(216,275)
Total income and expense for the year recognised directly in equity	-	-	11,625	88,614	(214,037)	(35,606)	(149,404)	(1,692)	(151,096)
Profit for the year	-	-	-	-	-	1,845,820	1,845,820	44,293	1,890,113
Total recognised income and expense for the year	-	-	11,625	88,614	(214,037)	1,810,214	1,696,416	42,601	1,739,017
Dividends (Note 28)	-	-	-	-	-	(968,541)	(968,541)	-	(968,541)
Dividends of subsidiary companies	-	-	-	-	-	-	-	(53,550)	(53,550)
Balance at September 30, 2008	1,724,361	1,443,455	11,625	3,027,301	(476,311)	4,153,226	9,883,657	73,698	9,957,355
Balance at October 1, 2008	1,724,361	1,443,455	11,625	3,027,301	(476,311)	4,153,226	9,883,657	73,698	9,957,355
Revaluation of land and buildings	-	-	-	839,356	-	-	839,356	-	839,356
Tax effect of revaluation of buildings	-	-	-	(128,177)	-	-	(128,177)	-	(128,177)
Depreciation transfer for buildings	-	-	-	(42,528)	-	42,528	-	-	-
Tax effect of depreciation transfer for buildings	-	-	-	6,379	-	(6,379)	-	-	-
Net movement on cash flow hedges	-	-	-	-	(33,020)	-	(33,020)	-	(33,020)
Fair value gain on available-for-sale financial assets	-	-	19,009	-	-	-	19,009	-	19,009
Change in reserves of associated companies	-	-	(13,363)	-	(11,009)	(5,077)	(29,449)	-	(29,449)
Currency translation differences	-	-	-	-	(260,213)	-	(260,213)	7,042	(253,171)
Total income and expense for the year recognised directly in equity	-	-	5,646	675,030	(304,242)	31,072	407,506	7,042	414,548
Profit for the year	-	-	-	-	-	1,175,785	1,175,785	34,251	1,210,036
Total recognised income and expense for the year	-	-	5,646	675,030	(304,242)	1,206,857	1,583,291	41,293	1,624,584
Dividends (Note 28)	-	-	-	-	-	(645,694)	(645,694)	-	(645,694)
Dividends of subsidiary companies	-	-	-	-	-	-	-	(63,646)	(63,646)
Balance at September 30, 2009	1,724,361	1,443,455	17,271	3,702,331	(780,553)	4,714,389	10,821,254	51,345	10,872,599

* Refer to Note 24 for nature and purpose of reserves.

THE COMPANY	Attributable to equity holders of the parent Company					
	Stated Capital	Fair value Reserves*	Revaluation Reserves*	Foreign Exchange Difference Reserves*	Retained Earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at October 1, 2007	1,724,361	-	3,078,793	(6,275)	1,843,687	6,640,566
Depreciation transfer for buildings	-	-	(36,998)	-	36,998	-
Tax effect of depreciation transfer for buildings	-	-	5,550	-	(5,550)	-
Fair value gain on available-for-sale financial assets	-	1,236	-	-	-	1,236
Net movement on cash flow hedges	-	-	-	6,275	-	6,275
Total income and expense for the year recognised directly in equity	-	1,236	(31,448)	6,275	31,448	7,511
Profit for the year	-	-	-	-	1,826,297	1,826,297
Total recognised income and expense for the year	-	1,236	(31,448)	6,275	1,857,745	1,833,808
Dividends (Note 28)	-	-	-	-	(968,541)	(968,541)
Balance at September 30, 2008	1,724,361	1,236	3,047,345	-	2,732,891	7,505,833
Balance at October 1, 2008	1,724,361	1,236	3,047,345	-	2,732,891	7,505,833
Revaluation of land and buildings	-	-	732,802	-	-	732,802
Tax effect of revaluation of buildings	-	-	(91,769)	-	-	(91,769)
Depreciation transfer for buildings	-	-	(41,474)	-	41,474	-
Tax effect of depreciation transfer for buildings	-	-	6,221	-	(6,221)	-
Fair value loss on available-for-sale financial assets	-	(161)	-	-	-	(161)
Total income and expense for the year recognised directly in equity	-	(161)	605,780	-	35,253	640,872
Profit for the year	-	-	-	-	1,030,491	1,030,491
Total recognised income and expense for the year	-	(161)	605,780	-	1,065,744	1,671,363
Dividends (Note 28)	-	-	-	-	(645,694)	(645,694)
Balance at September 30, 2009	1,724,361	1,075	3,653,125	-	3,152,941	8,531,502

* Refer to Note 24 for nature and purpose of reserves.

STATEMENTS OF CASH FLOWS

for the year ended september 30, 2009

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Operating activities				
Profit before tax	1,368,502	2,130,473	1,122,011	1,953,219
Adjustments to reconcile profit before tax to net cash flows				
Non-cash:				
Depreciation on property, plant and equipment	393,645	527,800	347,480	492,994
Amortisation of intangible assets	1,943	2,088	-	-
Loss on disposal of property, plant and equipment	1,326	5,262	3,227	4,886
Fair value gain on investment properties	(125,460)	(385,182)	(111,720)	(349,222)
Foreign exchange loss/(gain) on translation of monetary assets	38,982	(15,356)	-	(31,140)
Dividend income	(5,531)	(3,470)	(5,531)	(3,470)
Interest income	(33,100)	(39,755)	(1,017)	(2,137)
Interest expense	412,083	281,110	406,339	292,626
Share of loss of associated companies	7,169	33,641	-	-
Decrease in employee benefit liability	(12,324)	(108,775)	(12,087)	(106,746)
Working capital adjustments:				
(Increase)/decrease in inventories	(7,678)	(50,405)	3,030	(36,446)
Increase in trade and other receivables	(44,618)	(961,344)	(357,742)	(445,046)
Increase/(decrease) in trade and other payables	423,669	664,055	85,333	(3,600)
Income tax paid	(326,669)	(166,670)	(246,638)	(63,747)
Net cash flows from operating activities	2,091,939	1,913,472	1,232,685	1,702,171
Investing activities				
Purchase of property, plant and equipment	(1,965,304)	(1,291,099)	(1,384,539)	(847,519)
Purchase of investment properties	(375,000)	(483,856)	(375,000)	(483,856)
Proceeds from sale of property, plant and equipment	12,700	13,143	7,456	8,518
Acquisition of subsidiary company, net of cash acquired	-	(365,150)	(2,091)	(365,150)
Subscription of shares in subsidiary companies	-	-	-	(308,053)
Acquisition of shares in subsidiary companies	-	(98,364)	-	-
Subscription of shares in associated companies	(86,700)	(26,809)	(86,700)	(26,809)
Purchase of available-for-sale financial assets	-	(693)	-	(651)
Dividend received	5,531	3,470	5,531	3,470
Interest received	33,100	39,755	1,017	2,137
Net cash flows used in investing activities	(2,375,673)	(2,209,603)	(1,834,326)	(2,017,913)
Financing activities				
Proceeds from borrowings	2,680,000	2,196,794	2,680,000	2,196,794
Repayment of term loans	(910,648)	(1,026,929)	(855,001)	(933,607)
Repayment of finance lease liabilities	(11,335)	(41,481)	(10,766)	(36,053)
Interest paid	(396,333)	(281,110)	(390,589)	(292,626)
Dividends paid to equity holders of the parent	(807,118)	(968,541)	(807,118)	(968,541)
Dividends paid to minority shareholders	(63,646)	(53,550)	-	-
Net cash flows from/(used in) financing activities	490,920	(174,817)	616,526	(34,033)
Net increase/(decrease) in cash and cash equivalents	207,186	(470,948)	14,885	(349,775)
Cash and cash equivalents at October 1,	(461,428)	145,624	(935,433)	(585,658)
Net foreign exchange difference	9,568	(136,104)	-	-
Cash and cash equivalents at September 30, (Note 22)	(244,674)	(461,428)	(920,548)	(935,433)

1 CORPORATE INFORMATION

On December 15, 2009, the Board of Directors has authorised for issue the consolidated financial statements of New Mauritius Hotels Limited for the year ended September 30, 2009. New Mauritius Hotels Limited is a public company incorporated in Mauritius and is listed on The Stock Exchange of Mauritius. Its registered office is situated at 10, Robert Edward Hart Street, Curepipe, Mauritius.
The principal activities of the Group consist of hotels operations, tour operating and the provision of airline catering.

2 ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis as modified by the revaluation of land and buildings, investment properties and available-for-sale investments which are stated at their fair values as disclosed in the accounting policies hereafter. The consolidated financial statements are presented in 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 and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

Basis of consolidation
The consolidated financial statements comprise the financial statements of New Mauritius Hotels Limited and its subsidiaries as at September 30 each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies.

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.

All intra-group balances, transactions, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets is recognised in goodwill.

2.2 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:
- IFRIC 11/IFRS 2 - Group and Treasury Share Transactions
- IFRIC 12 - Service Concession Arrangements
- IFRIC 13 - Customer Loyalty Programmes
- IFRIC 14 IAS 19: The limit on a defined benefit asset, minimum funding requirements and their interaction
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IAS 39/IFRS 7 - Reclassification of Financial Assets

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including in some cases revisions to accounting policies where applicable.

The principal effects of these changes are as follows:
IFRIC 11/IFRS 2 - Group and Treasury Share Transactions (effective for financial years beginning on or after 1 January 2008)
The Group has adopted IFRIC Interpretation 11 insofar as it applies to consolidated financial statements. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. The Group amended its accounting policy accordingly. The Group has not issued instruments caught by this interpretation.

IFRIC 12 – Service Concession Arrangements (issued in November 2006 - effective for financial years beginning on or after 1 January 2008)
IFRIC 12 was issued in November 2006. This interpretation applies to service concession operators and explains how to

2 ACCOUNTING POLICIES (cont'd)

account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is a service concession operator and, therefore, this interpretation has no impact on the Group.

IFRIC 13 - Customer Loyalty Programmes (issued in June 2007 - (effective for financial years beginning on or after 1 July 2008)
This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. This interpretation does not have any impact on the Group and the Company's financial statements, as the Group and the Company have no customer loyalty programmes.

IFRIC 14 IAS 19: The limit on a defined benefit asset, minimum funding requirements and their interaction (effective for periods beginning on or after 1 January 2008)
IFRIC Interpretation 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group amended its accounting policy accordingly.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective for financial years beginning on or after 1 October 2008)
The Interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment.

IAS 39/IFRS 7 - Reclassification of Financial Assets (October 2008 Amendments - effective for financial years beginning on or after 1 July 2008)
These amendments allow reclassifications of certain financial instruments held-for-trading to held-to-maturity, loans and receivables or available-for-sale categories. The amendments also allow the transfer of certain instruments from available-for-sale to loans and receivables. The Group did not make use of these amendments to reclassify any of its financial instruments between the effective date of these amendments which is July 1, 2008 and June 30, 2009.

2.3 Accounting Standards and Interpretations Not Yet Effective

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective. The Group intends to comply with the standards and interpretations from their effective dates:

New and revised IFRS and IFRICs	Effective on or after
IFRS 1 (Revised 2008) First-time Adoption of International Financial Reporting Standards	1 July 2009
IFRS 3 (Revised) Business Combinations	1 July 2009
IFRS 8 Operating Segments	1 January 2009
IAS 1 (Revised 2007) Presentation of Financial Statements	1 January 2009
IAS 23 (Revised) Borrowing Costs	1 January 2009
IFRIC 15 Agreements for the Construction of Real Estate	1 January 2009
IFRIC 17 Distributions of Non-Cash Assets to Owners	1 July 2009
IFRIC 18 Transfers of Assets from Customers	1 July 2009
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
IAS 1 Presentation of Financial Statements (as revised in 2007)	1 January 2009
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2009
IAS 10 Events after the Reporting Period	1 January 2009
IAS 16 Property, Plant and Equipment	1 January 2009
IAS 18 Revenue	1 January 2009
IAS 19 Employee Benefits	1 January 2009
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2009
IAS 23 Borrowing Costs (as revised in 2007)	1 January 2009
IAS 27 Consolidated and Separate Financial Statements (as amended in January 2008)	1 January 2009
IAS 28 Investments in Associates	1 January 2009
IAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2009

2 ACCOUNTING POLICIES (cont'd)

Amendments of May 2008	Effective on or after
IAS 31 Interests in Joint Ventures	1 January 2009
IAS 34 Interim Financial Reporting	1 January 2009
IAS 36 Impairment of Assets	1 January 2009
IAS 38 Intangible Assets	1 January 2009
IAS 40 Investment Property	1 January 2009
IAS 41 Agriculture	1 January 2009
IFRS 2 Share-based Payment	1 July 2009
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
IFRS 8 Operating Segments	1 January 2010
IAS 1 Presentation of Financial Statements	1 January 2010
IAS 7 Statement of Cash Flows	1 January 2010
IAS 17 Leases	1 January 2010
IAS 18 Revenue	1 April 2009
IAS 36 Impairment of Assets	1 January 2010
IAS 38 Intangible Assets	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement	1 January 2010
IFRIC 9 Reassessment of Embedded Derivatives	1 July 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 July 2009

The Group expects that adoption of the pronouncements listed above will have no impact on the Group's financial statements in the period of initial application but additional disclosures will be required where applicable.

2.4 Significant Accounting Judgements And Estimates

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Functional currency

The choice of the functional currency of the Company 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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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.

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 income statement. The Group engaged an independent valuation specialist to determine fair value based on prevailing market data. Further details in respect of the investment properties are contained in Note 14.

Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine any impairment of goodwill, are further explained in Note 15.

Employee benefit assets

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Further details about the principal actuarial assumptions used are given in Note 19.

Property, Plant and Equipment: Estimations of the Useful Lives and Residual Value of the Assets

The depreciation charge calculation requires an estimation of the economic useful life of the property, plant and equipment of the Group analysed by component as well as their residual values. In estimating residual values, the Group has assessed the value of the buildings at today's rates assuming the buildings are in the condition in which they are expected to be at the end of their useful lives. Other items of property, plant and equipment are depreciated using the norms applicable in the industry. The carrying amount of property, plant and equipment is disclosed in Note 13.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

The consolidated financial statements are presented in Mauritian Rupee, which is the Company's functional and presentation 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. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement with the exception of differences on foreign currency borrowings considered as cash flow hedges. 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 was determined.

Where the functional currency of the subsidiaries at the reporting date is not the presentation currency of the Company (the Mauritian Rupee), the assets and liabilities of these subsidiaries are translated into Mauritian Rupee at the rate of exchange ruling at the balance sheet date and, their income statements are translated at average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at closing rate.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and/or 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 income statement 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 revalued at least every two years.

Any revaluation surplus is credited to the revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in income statement, in which case the increase is recognised in income statement. A revaluation deficit is recognised in income statement, 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:

Buildings	35 years
Plant and equipment	6 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

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 income statement in the year the asset is derecognised.
The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 balance sheet date. Gains and losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

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 the income statement 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 subsidiary companies

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 the income statement.

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. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition irrespective of the extent of any minority interest.

Investments in associated companies

Associated companies are entities in which the Company or the Group has significant influence but which are neither a subsidiary company nor a joint venture of the Company or the Group.

Financial statements of the Company

Investments in associated companies 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 the income statement.

Consolidated financial statements

The Group's investments in associated companies are accounted for using the equity method of accounting. The investment in associated companies is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associated companies. Goodwill relating to an associated company is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the share of the results of the operations of the associated companies. Where there has been a change recognised directly in the equity of the associated companies, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associated companies are eliminated to the extent of the interest in the associated companies.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the financial statements of associated companies, used in applying the equity method, are prepared as of reporting date that is different from that of the Group, the difference is no greater than three months. Where necessary, adjustments are made to bring the accounting policies of the associated companies in line with those of the Group.

After the application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss of the Group's investment in its associated companies. The Group determines at each balance sheet date whether there is any objective evidence that the investment in associated companies is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associateand its carrying value and recognises the amount in the income statement.

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 the income statement.

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 the income statement.

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 the income statement 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 the income statement 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 which ranges from 20 to 99 years.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 the income statement 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 the income statement 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.

Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified 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 and short term deposits, trade and other receivables, quoted and unquoted equity investments.

Subsequent measurement

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

- Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method. Gain and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- Available-for-sale financial assets
Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories. After initial measurement, available-for-sale financial investments are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

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 interest-bearing loans and borrowings, directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, bank overdraft, interest-bearing loans and borrowings.

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

- Interest- bearing loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet 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 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 balance sheet 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.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses at each balance sheet 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 the income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 the income statement, 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 assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost of acquisition (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to income statement. Reversals in respect of equity instruments classified as available-for-sale financial assets are not recognised in the income statement.

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 where:

- 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 transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

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

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

Financial liabilities

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

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

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash in hand and at bank, net of outstanding bank overdrafts.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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

Hedge accounting

A hedging relationship exists where:

- at the inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is highly effective throughout the reporting period; and
- for hedges of a forecasted transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

Where there is a hedging relationship between a hedge instrument and a related item being hedged, the hedging instrument is measured at fair value. The treatment of any resultant gains and losses is set out below.

Where a financial instrument hedges the exposure to variability in the cash flows of anticipated transactions or firm commitments, the effective part of any gain or loss on remeasurement of the hedging instrument is recognised directly in equity. The ineffective part of any gain or loss is recognised in the income statements.

The cumulative gain or loss recognised in equity is transferred to the income statements at the same time that the hedged transaction affects net profit or loss and included in the same line item as the hedged transaction.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss recognised in equity remains in equity and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is recognised in the income statement immediately.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

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.

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 benefits 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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 defined 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 balance sheet date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- 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 balance sheet.

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

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.

Group as a lessee
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 the income statement 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.

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:

- *Revenue from hotel operations*
  Revenue is recognised upon consumption and acceptance by customers.
- *Revenue from airline 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.
- *Revenue from tour operating*
  Commissions are recognised on completion of the services performed.
- *Interest income*
  As it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- *Dividend income*
  When the shareholder's right to receive payment is established.

Segmental reporting

In accordance with IAS 14 - Segmental information, the Group presents segmental information using business segments as its primary reporting format and geographical segments as its secondary reporting format. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group.

The Group is composed of three business segments namely hotel operations, tour operating and airline catering. Each business segment provides products and services that are subject to risks and returns that are different from those of other business segments. The hotel operations are carried out in Mauritius, Seychelles and Morocco (under construction), tour operating activities in France, United Kingdom, Italy, South Africa and Australia, and airline catering in Mauritius.

4. SEGMENTAL REPORTING

	Hotel operations Rs'000	Tour operating Rs'000	Airline catering Rs'000	Other Rs'000	Total Rs'000
Primary reporting - Business segments					
For the year ended September 30, 2009					
Sales to external customers	6,135,721	853,092	413,039	-	7,401,852
Segment results before finance revenue and finance costs	1,529,157	114,579	131,758	-	1,775,494
Finance revenue					38,631
Finance costs					(412,083)
Share of results of associated companies					(7,169)
Closure costs					(151,831)
Exceptional items					125,460
Profit before tax					1,368,502
Income tax expense					(158,463)
Profit for the year					1,210,039
Segment assets	19,766,805	1,293,010	469,188		21,529,003
Share of net assets of associated companies				335,665	335,665
Total assets					21,864,668
Segment liabilities	9,542,605	1,416,255	33,209	-	10,992,069
Other segment information:					
Capital expenditure	1,986,247	68,779	13,339	-	2,068,365
Depreciation of property, plant and equipment	367,410	13,657	12,578	-	393,645
Amortisation of intangible assets	1,943	-	-	-	1,943
Primary reporting - Business segments					
For the year ended September 30, 2008					
Sales to external customers	6,784,004	851,956	463,961	-	8,099,921
Segment results before finance revenue and finance costs	2,042,334	140,010	153,942	-	2,336,286
Finance revenue					43,225
Finance costs					(288,575)
Share of results of associated companies					(33,641)
Closure costs					(47,896)
Exceptional items					121,074
Profit before tax					2,130,473
Income tax expense					(240,360)
Profit for the year					1,890,113
Segment assets	17,347,696	1,122,366	423,736	-	18,893,798
Share of net assets of associated companies				290,693	290,693
Total assets					19,184,491
Segment liabilities	7,877,958	1,312,231	36,947		9,227,136
Other segment information:					
Capital expenditure	1,199,885	9,137	82,200	-	1,291,222
Depreciation of property, plant and equipment	301,509	12,565	13,726	-	327,800
Accelerated depreciation of Trou aux Biches hotel	200,000	-	-	-	200,000
Amortisation of intangible assets	2,088	-	-	-	2,088

4. SEGMENTAL REPORTING (cont'd)

	Mauritius Rs'000	Europe Rs'000	Other countries Rs'000	Total Rs'000
Secondary reporting - Geographical segments				
For the year ended September 30, 2009				
Segment revenue	5,863,961	599,879	938,012	7,401,852
Segment assets	17,829,311	1,199,578	2,835,779	21,864,668
Capital expenditure	1,919,418	63,548	85,399	2,068,365
Secondary reporting - Geographical segments				
For the year ended September 30, 2008				
Segment revenue	6,864,965	599,936	635,020	8,099,921
Segment assets	15,807,879	1,051,606	2,325,006	19,184,491
Capital expenditure	847,892	4,157	439,173	1,291,222

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	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Wages, salaries, fees and bonuses	1,553,721	1,684,196	1,168,793	1,338,103
Social security costs	187,550	128,460	136,479	89,647
Employee benefits and related expenses	341,597	335,174	266,686	284,918
	2,082,868	2,147,830	1,571,958	1,712,668

6. OTHER EXPENSES

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Operating supplies and cleaning expenses	286,255	327,974	262,540	311,800
Repairs and maintenance	155,303	165,670	126,595	133,116
Utility costs	380,097	355,081	302,951	316,247
Marketing expenses	725,892	807,627	431,387	514,578
Guest entertainment	75,185	81,994	71,995	80,375
Administrative expenses	347,220	258,006	120,421	149,860
Operating lease rentals	95,766	41,361	87,582	31,445
Licences, patents, insurance and taxes	143,098	193,928	126,699	164,951
	2,208,816	2,231,641	1,530,170	1,702,372

7. FINANCE REVENUE

	THE GROUP		THE COMPANY	
	2009 Rs'000	2008 Rs'000	2009 Rs'000	2008 Rs'000
Investment income: Quoted	4	4	4	4
Unquoted	5,527	3,466	5,527	3,466
Interest income	33,100	39,755	1,017	2,137
	38,631	43,225	6,548	5,607

8. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Bank overdrafts	46,927	36,682	41,287	33,549
Loans	348,950	240,115	335,506	214,505
Finance leases	607	4,313	526	3,930
Exchange loss on realisation of cash flow hedges	15,599	7,465	-	7,465
Interest on call account with subsidiary (Note 32)	-	-	29,020	40,642
	412,083	288,575	406,339	300,091

9. CLOSURE COSTS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Costs incurred during closure of Trou aux Biches Hotel				
Staff costs	105,357	-	105,357	-
Other expenses	10,218	-	10,218	-
Costs incurred during closure of Dinarobin Hotel				
Staff costs	31,480	-	31,480	-
Other expenses	4,776	-	4,776	-
Costs incurred during closure of Ste Anne Hotel				
Staff costs	-	32,214	-	-
Other expenses	-	15,682	-	-
	151,831	47,896	151,831	-

10. EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Fair value gain on investment properties (Note 14)	125,460	385,182	111,720	349,222
Depreciation of Trou aux Biches hotel building (Note 13)	-	(200,000)	-	(200,000)
Provision for already expired land lease rentals	-	(64,108)	-	(64,108)
	125,460	121,074	111,720	85,114

11. INCOME TAX

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
The major components of income tax expense for the years ended September 30, 2009 and 2008 are:				
Income statements				
Income tax on the adjusted profit for the year at 15% to 30% (2008: 15% to 30%)	(119,712)	(204,011)	(64,569)	(145,366)
(Under)/over provision of income tax in previous year	(3,593)	(42,988)	(5,249)	12,414
Deferred taxation (charge)/release (Note 26)	(35,158)	6,639	(21,702)	6,030
Income tax expense reported in income statements	(158,463)	(240,360)	(91,520)	(126,922)
Balance sheets				
At October 1,	(264,750)	(190,702)	(229,123)	(159,918)
Over/(under) provision of income tax in previous year	(3,593)	(42,988)	(5,249)	12,414
Income tax on the adjusted profit for the year at 15% to 30% (2008: 15% to 30%)	(119,712)	(204,011)	(64,569)	(145,366)
Exchange differences	(4,781)	6,281	-	-
Less: Payment during the year	326,669	166,670	246,638	63,747
Income tax liability on balance sheets	(66,167)	(264,750)	(52,303)	(229,123)
A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian's tax rate for the years ended September 30, 2009 and 2008 is as follows:				
Profit before tax	1,368,502	2,130,473	1,122,011	1,953,219
Tax calculated at a tax rate of 15% (2008: 15%)	(205,275)	(319,571)	(168,302)	(292,983)
Expenses not deductible for tax purposes	(10,219)	(10,464)	(10,832)	(10,448)
Expenses qualifying for double deduction	64,513	60,095	64,513	60,095
Rate differential	(10,504)	(14,763)	-	-
Alternative minimum tax	(7,659)	-	(7,659)	-
Consolidation adjustment	(19,998)	(23,223)	-	-
(Under)/overprovision in deferred tax in previous year	(17,210)	64,911	(17,210)	64,911
(Under)/overprovision of tax in previous year	(2,467)	(56,698)	-	(1,403)
(Under)/overprovision of tax in current year	(5,087)	1,053	(5,243)	-
Fair value gain on investment properties not subject to tax	54,444	57,777	52,383	52,383
Income not subject to tax	999	523	830	523
Tax charge	(158,463)	(240,360)	(91,520)	(126,922)

12. BASIC EARNINGS PER SHARE

	THE GROUP	
	2009	2008
	Rs'000	Rs'000
Profit for the year attributable to equity holders of the parent	1,175,788	1,845,820
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 equity holders of the parent by the number of ordinary shares in issue during the year.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Other Fixed Assets	Motor Vehicles	Work in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP						
Cost and valuation						
At October 1, 2007	616,253	10,136,742	2,400,732	206,491	157,885	13,518,103
Additions	55,867	396,368	359,040	44,814	435,133	1,291,222
Transfer to Investment properties (Note 14)	(42,000)	-	-	-	-	(42,000)
Transfer	-	343,675	-	-	(343,675)	-
Reclassification	-	-	42,168	(42,168)	-	-
Disposals	-	-	(82,490)	(32,539)	-	(115,029)
Exchange differences	(6,120)	(221,357)	(27,056)	(4,232)	(263)	(259,028)
At September 30, 2008	624,000	10,655,428	2,692,394	172,366	249,080	14,393,268
Depreciation						
At October 1, 2007	-	124,923	1,405,944	94,646	-	1,625,513
Charge for the year	-	63,230	242,693	21,877	-	327,800
Depreciation of Trou aux Biches hotel buildings	-	200,000	-	-	-	200,000
Reclassification	-	-	31,177	(31,177)	-	-
Disposals	-	-	(74,485)	(22,139)	-	(96,624)
Exchange differences	-	(1,639)	(17,251)	(2,596)	-	(21,486)
At September 30, 2008	-	386,514	1,588,078	60,611	-	2,035,203
Net Book Values						
At September 30, 2008	624,000	10,268,914	1,104,316	111,755	249,080	12,358,065
At September 30, 2007	616,253	10,011,819	994,788	111,845	157,885	11,892,590
Cost and valuation						
At October 1, 2008	624,000	10,655,428	2,692,394	172,366	249,080	14,393,268
Additions	-	220,990	267,395	14,583	1,565,397	2,068,365
Transfer	-	28,442	4,245	-	(32,687)	-
Transfer to leasehold rights (Note 15)	(78,500)	-	-	-	-	(78,500)
Disposals	-	(3,004)	(107,761)	(11,421)	-	(122,186)
Revaluation	126,025	611,322	-	-	-	737,347
Exchange differences	(5,580)	(231,931)	(19,100)	777	-	(255,834)
At September 30, 2009	665,945	11,281,247	2,837,173	176,305	1,781,790	16,742,460
Depreciation						
At October 1, 2008	-	386,514	1,588,078	60,611	-	2,035,203
Charge for the year	229	67,421	298,384	27,611	-	393,645
Disposals	-	(329)	(96,352)	(8,061)	-	(104,742)
Revaluation	-	(109,491)	-	-	-	(109,491)
Exchange differences	-	(1,417)	(4,909)	37	-	(6,289)
At September 30, 2009	229	342,698	1,785,201	80,198	-	2,208,326
Net Book Values						
At September 30, 2009	665,716	10,938,549	1,051,972	96,107	1,781,790	14,534,134

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

	Freehold Land	Buildings	Other Fixed Assets	Motor Vehicles	Work in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY						
Cost and valuation						
At October 1, 2007	557,075	8,785,663	2,377,732	147,669	157,885	12,026,024
Additions	55,867	119,556	259,334	39,975	372,910	847,642
Transfer to Investment properties (Note 14)	(42,000)	-	-	-	-	(42,000)
Transfer	-	343,675	-	-	(343,675)	-
Reclassification	-	-	36,007	(36,007)	-	-
Disposals	-	-	(82,025)	(8,188)	-	(90,213)
At September 30, 2008	570,942	9,248,894	2,591,048	143,449	187,120	12,741,453
Depreciation and impairment						
At October 1, 2007	-	119,238	1,449,186	56,604	-	1,625,028
Charge for the year	-	55,786	220,023	17,185	-	292,994
Depreciation of Trou aux Biches hotel buildings	-	200,000	-	-	-	200,000
Reclassification	-	-	27,234	(27,234)	-	-
Disposals	-	-	(74,219)	(2,590)	-	(76,809)
At September 30, 2008	-	375,024	1,622,224	43,965	-	2,041,213
Net Book Values						
At September 30, 2008	570,942	8,873,870	968,824	99,484	187,120	10,700,240
At September 30, 2007	557,075	8,666,425	928,546	91,065	157,885	10,400,996
Cost and valuation						
At October 1, 2008	570,942	9,248,894	2,591,048	143,449	187,120	12,741,453
Additions	-	172,749	196,757	13,447	1,076,633	1,459,586
Transfer	-	28,443	4,245	-	(32,688)	-
Transfer to leasehold rights (Note 15)	(78,500)	-	-	-	-	(78,500)
Disposals	-	-	(100,615)	(6,563)	-	(107,178)
Revaluation	121,008	523,260	-	-	-	644,268
At September 30, 2009	613,450	9,973,346	2,691,435	150,333	1,231,065	14,659,629
Depreciation and impairment						
At October 1, 2008	-	375,024	1,622,224	43,965	-	2,041,213
Charge for the year	-	61,144	262,048	24,288	-	347,480
Disposals	-	-	(92,732)	(3,718)	-	(96,450)
Revaluation	-	(94,403)	-	-	-	(94,403)
At September 30, 2009	-	341,765	1,791,540	64,535	-	2,197,840
Net Book Values						
At September 30, 2009	613,450	9,631,580	899,895	85,798	1,231,065	12,461,789

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

(a) Transfer of Property, plant and equipment as investment properties

The transfer relates to the carrying value of freehold land now held for future property development (Note 14).

(b) Transfer of freehold land to leasehold rights

The transfer arises following exchange of land with the Government for the road diversion for the Trou aux Biches project (Note 15). The cost of the leasehold rights obtained is the carrying amount of the freehold land given up.

(c) Revaluation of freehold land and buildings

The freehold land and buildings of the Group and the Company have been revalued on September 30, 2009 by Mr. Noor Dilmohamed, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer, based on open market value.

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

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Cost	7,749,821	7,330,630	6,884,757	6,683,565
Accumulated depreciation	(606,682)	(582,304)	(500,395)	(480,724)
Net carrying amount	7,143,138	6,748,326	6,384,362	6,202,841

(e) Borrowing costs

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Interest costs incurred during reconstruction of Trou aux Biches Hotel and renovation of Dinarobin hotel capitalised in Property, plant and equipment	55,301	4,082	55,301	4,082

Bank loans carrying interest rate at 8.125% have been used as financing for the two above projects.

(f) Assets held under finance leases

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
The carrying amount of Property, plant and equipment held under finance leases was:				
Plant and equipment included in Other fixed assets				
Cost	5,424	106,935	5,424	106,935
Accumulated depreciation	(4,445)	(93,723)	(4,445)	(93,723)
Net book values	979	13,212	979	13,212
Motor vehicles				
Cost	-	3,022	-	454
Accumulated depreciation	-	(2,188)	-	(454)
Net book values	-	834	-	-

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

14. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1, 2008	1,789,540	-	1,593,580	-
Additions	-	1,202,358	-	1,202,358
Acquisitions of subsidiary company (Note 29)	-	160,000	-	-
Transfer from Property, plant and equipment (Note 13)	-	42,000	-	42,000
Net gain from fair value adjustment (Note 10)	125,460	385,182	111,720	349,222
At September 30, 2009	1,915,000	1,789,540	1,705,300	1,593,580

The investment properties consist of freehold land acquired at place called 'Les Salines Pilot' in Black River, Mauritius.

The land is being held for a future property development project.

The investment properties were revalued on September 30, 2009 by Mr Noor Dilmohamed, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer, based upon the open market value.

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
The amounts recognised in the income statements were as follows in respect of :				
(a) Rental income from investment properties	-	-	-	-
(b) Direct operating expenses arising from the investment properties:				
- that generated rental income during the year	-	-	-	-
- that did not generate rental income during the year	1,095	1,270	-	-

15. INTANGIBLE ASSETS

	Goodwill arising on acquisition Rs'000	Leasehold Rights Rs'000	Total Rs'000
(a) THE GROUP			
Cost			
At October 1, 2007	1,239,555	118,317	1,357,872
Exchange differences	-	(20,248)	(20,248)
Acquisition of subsidiary company (Note 29)	-	231,314	231,314
Acquisition of minority interests (Note 29)	72,296	-	72,296
At September 30, 2008	1,311,851	329,383	1,641,234
Amortisation			
At October 1, 2007	-	7,057	7,057
Exchange differences	-	(1,136)	(1,136)
Amortisation charge	-	2,088	2,088
At September 30, 2008	-	8,009	8,009
Net book values			
At September 30, 2008	1,311,851	321,374	1,633,225
At September 30, 2007	1,239,555	111,260	1,350,815
Cost			
At October 1, 2008	1,311,851	329,383	1,641,234
Transfer from freehold land (Note 13(b))	-	78,500	78,500
Exchange differences	-	(14,372)	(14,372)
At September 30, 2009	1,311,851	393,511	1,705,362
Amortisation			
At October 1, 2008	-	8,009	8,009
Amortisation charge	-	1,943	1,943
Exchange differences	-	(1,326)	(1,326)
At September 30, 2009	-	8,626	8,626
Net book values			
At September 30, 2009	1,311,851	384,884	1,696,735

Goodwill

The additions in goodwill last year arose following the acquisition of the remaining minority interest in Beachcomber Tours Limited.

Leasehold rights

The leasehold rights acquired through the acquisition of the subsidiary company (Les Salines Development Limited) represents interest owned in 'Pas Geometriques' at Les Salines Pilot in Black River, Mauritius. The leasehold rights have been valued at the date of acquisition by Societe D'Hotman de Speville, land surveyor, based upon open market value.

	Goodwill arising on acquisition Rs'000	Leasehold Rights Rs'000	Total Rs'000
(b) THE COMPANY			
Cost and net book values			
At October 1, 2008	1,148,626	-	1,148,626
Transfer from freehold land (Note 13(b))	-	78,500	78,500
At September 30, 2009	1,148,626	78,500	1,227,126

The goodwill paid on acquisition of local subsidiaries has been recognised in the Company following the transfer of activities of the relative cash-generating units into the books of the Company on October 1, 2004.

15. INTANGIBLE ASSETS (cint'd)

(c) Impairment testing of Goodwill

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

	Allocation of goodwill	
	2009	2008
	Rs'000	Rs'000
Cash-generating units		
Tour operating cash-generating units		
Beachcomber Limited and its tour operating subsidiaries	818,221	818,221
Hotels operations cash-generating units		
Beachcomber Boutiques Limited (Hotel boutiques)	4,101	4,101
Grand Baie Hotel Limited (Royal Palm hotel)	168,685	168,685
Maunex (Mauritius) Limited (Le Canonnier hotel)	98,885	98,885
Airline catering cash-generating unit		
Plaisance Catering Limited (Plaisance catering unit)	58,734	58,734
The Company	1,148,626	1,148,626
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
The Group	1,311,851	1,311,851

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.

The recoverable amount of each unit has been determined based on value in use calculation. This method uses approved cash flow budgets for the next year and extrapolated cash flow forecasts for four subsequent years. In preparing the financial budgets and financial forecasts, management has taken into consideration the impact of the global economic downturn on demand.

The key assumptions used for preparing cash flow forecasts are based on management's past experience in the industry, the ability of each unit to maintain its market share and the impact of the global economic downturn.

The discount rate used is based on the weighted average cost of capital ranging from 13.04% to 16.33%.

16. INVESTMENT IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2009	2008
	Rs'000	Rs'000
(a) Cost (Unquoted)		
At October 1,	2,530,756	1,357,643
Subscription of shares	-	308,053
Additions	2,091	865,060
At September 30,	2,532,847	2,530,756

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

(b) List of Subsidiaries

	Main business activity	Country of incorporation	% holding 2009 %	2008 %
Name of Corporation				
Grand Baie Hotel Limited	Dormant	Mauritius	100	100
Royal Gardens Ltd	Dormant	Mauritius	100	100
Maunex (Mauritius) Limited	Dormant	Mauritius	100	100
Imperial Ltd	Dormant	Mauritius	100	100
Plaisance Catering Limited	Dormant	Mauritius	100	100
Beachcomber Boutiques Limited	Dormant	Mauritius	100	100
Société Immobilière et Touristique de Grand Baie	Dormant	Mauritius	100	100
Société Royal Gardens	Dormant	Mauritius	100	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 Resort Limited	Real estate	Mauritius	100	100
Ste Anne Resorts Limited	Hotel operations	Seychelles	100	100
Beachcomber Gold Coast 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
Wild Africa Safari Ltd	Dormant	England	100	100
Beachcomber Holidays Limited	Dormant	England	100	-
Beachcomber Hotel Marrakech S.A.	Investment	Morocco	90	90
Beachcomber Hotel S.A.	Hotel operations	Morocco	90	-
New Mauritius Hotels - Italia Srl	Tour operating	Italy	100	-

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.

17. INVESTMENT IN ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	290,693	252,824	105,168	78,359
Subscription of shares	86,705	26,808	86,705	26,809
Changes in reserves of associated companies	(29,449)	44,702	-	-
Dividends from associated companies	(5,115)	-	-	-
Share of results of associated companies	(7,169)	(33,641)	-	-
At September 30,	335,665	290,693	191,873	105,168

Summarised financial information of associated companies on an aggregated basis:

	THE GROUP	
	2009	2008
	Rs'000	Rs'000
Total assets	5,260,523	3,582,536
Total liabilities	(3,336,276)	(1,684,645)
Net assets	1,924,247	1,897,891
Revenue	1,523,148	1,031,332
Profit for the year	54,069	47,826
Share of results of associated companies	(7,169)	(33,641)

Investment in associated companies consist of investments in unquoted shares.

List of associated companies

	Year-end	Class of shares	Percentage held	
			2009	2008
Name of Corporation			%	%
South West Tourism Development Co Ltd	September 30,	Ordinary shares	31	31
Launderers (Hotels & Restaurants) Ltd	June 30,	Ordinary shares	50	50
Parure Limitée	June 30,	Ordinary shares	27	27
Domaine Palm Marrakech S.A.	December 31,	Ordinary shares	50	50
Societe Cajeva	June 30,	Parts	50	-

All the companies listed above are unquoted and are incorporated in the Republic of Mauritius except for Domaine Palm Marrakech S.A., which is incorporated in Morocco. The Group has assessed that no material adjustment will arise should the same reporting date of September 30, be used for all associated companies.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	23,067	21,138	2,147	260
Additions	-	693	-	651
Fair value gain/(loss)	19,009	1,236	(161)	1,236
At September 30,	42,076	23,067	1,986	2,147
Analysed into:				
Quoted	37,530	18,329	138	119
Unquoted	4,546	4,738	1,848	2,028
	42,076	23,067	1,986	2,147

Available-for-sale financial assets consist of investments in ordinary shares.

Unquoted shares are stated at cost as no reliable measure of fair value was available at the reporting date.

19. EMPLOYEE BENEFIT ASSETS

(a) The Group participates in the New Mauritius Hotels Group Superannuation Fund, a multi-employer pension plan registered under the Employees Superannuation Fund Act, the assets of which are held independently. The pension plan is 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	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
(b) The amounts recognised in the Balance Sheets are as follows:				
Defined benefit obligation	1,898,663	1,737,995	1,877,386	1,728,357
Fair value of plan assets	(1,777,950)	(1,682,298)	(1,758,026)	(1,673,371)
	120,713	55,697	119,360	54,986
Unrecognised actuarial loss	(168,941)	(91,540)	(168,522)	(92,061)
Benefit asset	(48,228)	(35,843)	(49,162)	(37,075)
(c) The amounts recognised in the Income Statements are as follows:				
Current service costs	65,864	54,565	65,370	54,111
Scheme expenses	3,918	8,838	3,874	8,789
Interest cost on benefit obligation	176,532	154,876	175,480	154,033
Expected return on plan assets	(179,013)	(188,375)	(177,979)	(187,357)
Net actuarial gain recognised in the year	-	(12,888)	-	(12,818)
Net benefit expense	67,301	17,016	66,745	16,758
The actual return on the plan assets was Rs 405 million for the current financial year.				
(d) Movement in the asset recognised in the Balance sheets:				
At October 1,	(35,843)	73,558	(37,075)	69,671
Total expense as above	67,301	17,016	66,745	16,758
Contributions paid	(79,686)	(126,417)	(78,832)	(123,504)
At September 30,	(48,228)	(35,843)	(49,162)	(37,075)
(e) Changes in the present value of the defined benefit obligation are as follows:				
At October 1,	1,737,995	1,433,958	1,728,357	1,424,217
Current service costs	65,864	54,565	65,370	54,111
Interest costs	176,532	154,876	175,480	154,033
Employee's contribution	26,766	24,624	26,442	24,406
Actuarial (gains)/losses	(50,184)	130,055	(60,197)	131,291
Benefits paid	(58,310)	(60,083)	(58,066)	(59,701)
At September 30,	1,898,663	1,737,995	1,877,386	1,728,357

19. EMPLOYEE BENEFIT ASSETS (cont'd)

(f) Changes in the fair value of plan assets are as follows:

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
At October 1,	1,682,298	1,752,889	1,673,371	1,743,664
Expected return	179,013	188,375	177,979	187,357
Contribution by employer	79,686	126,417	78,694	123,504
Scheme expenses	(3,917)	(8,839)	(3,873)	(8,789)
Employee's contribution	26,766	24,624	26,442	24,406
Actuarial losses	(128,128)	(341,085)	(136,659)	(337,070)
Benefits paid	(57,768)	(60,083)	(57,928)	(59,701)
At September 30,	1,777,950	1,682,298	1,758,026	1,673,371

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

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
Local equities	44	54	44	54
Overseas bond and equities	29	36	29	36
Fixed interest	21	4	21	4
Property and other	6	6	6	6
	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.

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

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
Discount rate	10.00	10.00	10.00	10.00
Rate of return on assets	10.50	10.50	10.50	10.50
Future salary increase	8.00	8.00	8.00	8.00
Future pension increase	0.00	0.00	0.00	0.00

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

	THE GROUP				THE COMPANY			
	2009	2008	2007	2006	2009	2008	2007	2006
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Defined benefit obligation	(1,898,663)	(1,737,995)	(1,433,958)	(1,321,554)	(1,877,386)	(1,728,357)	(1,424,217)	(1,315,554)
Plan assets	1,777,950	1,682,298	1,752,889	1,252,425	1,758,026	1,673,371	1,743,664	1,246,732
(Deficit)/Surplus	(120,713)	(55,697)	318,931	(69,129)	(119,360)	(54,986)	319,447	(68,822)
Experience adjustments on plan liabilities	50,184	(130,229)	68,050	(138,088)	51,197	(129,319)	67,692	(137,460)
Experience adjustments on plan assets	123,072	(340,905)	268,793	211,326	114,541	(339,035)	267,378	210,365

20. INVENTORIES

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Food and beverages (cost)	91,345	79,715	78,450	71,329
Operating supplies and small equipment (net realisable value)	145,562	154,281	128,240	132,868
Spare parts (net realisable value)	52,461	51,562	35,878	32,117
Fabrics and garments (cost)	36,970	41,635	29,439	38,722
	326,338	327,193	272,007	275,036

Inventories are included in assets given as collaterals for bank borrowings.

21. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	1,090,280	1,102,875	757,928	754,729
Other receivables	988,552	803,847	208,712	123,373
Amounts due from associated companies	122,148	101,180	122,148	101,180
Amounts due from subsidiary companies	-	-	898,814	642,467
	2,200,980	2,007,902	1,987,602	1,621,749
Nominal value of trade receivables impaired and fully provided for	27,150	7,525	24,939	5,314
Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 days' term.				
(a) Movement in the provision for impairment of trade receivables were as follows:				
At October 1,	7,525	555	5,314	200
Charge for the year	19,625	6,970	19,625	5,114
At September 30,	27,150	7,525	24,939	5,314
(b) At September 30, the ageing analysis of trade receivables is as follows:				
Neither past due nor impaired	713,978	826,138	435,090	468,319
Past due but not impaired:				
- > 30 days	202,143	167,885	166,785	170,914
- > 30 - 60 days	65,605	37,115	61,117	50,216
- > 61 - 90 days	24,516	23,328	22,352	21,706
- > 90 days	84,038	48,409	72,584	43,574
	1,090,280	1,102,875	757,928	754,729

(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 32.

22. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
(a) For the purposes of the statements of cash flows, the cash and cash equivalents comprise the following:				
Cash in hand and at bank	765,512	718,963	89,153	216,516
Bank overdrafts	(1,010,186)	(1,180,391)	(1,009,701)	(1,151,949)
	(244,674)	(461,428)	(920,548)	(935,433)

Cash at bank earns interest at floating rates based on daily bank deposit rates.
The fair value of cash is Rs 766m (2008: Rs 719m) for the Group and Rs 89m (2008: Rs 217m) for the Company respectively.

(b) Non-cash transactions
The principal non-cash transaction consists of amount due on renovations of Trou aux Biches and Dinarobin hotels totalling Rs 80 million (the Group and the Company). This amount has been excluded from 'purchase of property, plant and equipment' disclosed under investing activities for the purpose of Statement of cash flows.

23. ISSUED CAPITAL

	THE GROUP AND THE COMPANY	
	2009	2008
	Rs'000	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. RESERVES

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Nature and purpose of reserves				
Other reserve	1,443,455	1,443,455	-	-
This reserve is principally used to record the fair value adjustment relating to shares issued by the Company to acquire all minority interest in local subsidiaries in the financial year 2003.				
Fair value reserves	17,271	11,625	1,075	1,236
The fair value reserves are principally used to record the fair value adjustment relating to available-for-sale financial assets.				
Revaluation reserves	3,702,331	3,027,301	3,653,125	3,047,345
The revaluation reserves are principally used to record changes in fair value of freehold land and buildings following revaluation exercises performed by an independent surveyor. They are also used to record impairment losses to the extent that such losses relate to increases on the same asset previously recognised in revaluation reserves.				
Foreign exchange difference reserves	(780,553)	(476,311)	-	-

These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries and loss or gain arising on cash flow hedges.

25. BORROWINGS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Current portion				
Bank overdrafts - note (a)	1,010,186	1,180,391	1,009,701	1,151,949
Term loans - note (b)	1,277,550	1,240,153	1,260,030	1,143,199
Obligations under finance leases - note (c)	668	10,878	668	10,307
	2,288,404	2,431,422	2,270,399	2,305,455
Non-current portion				
Term loans - note (b)	4,171,481	2,771,785	3,989,980	2,613,013
Obligations under finance leases - note (c)	140	1,263	140	1,263
	4,171,621	2,773,048	3,990,120	2,614,276
Total borrowings	6,460,025	5,204,470	6,260,519	4,919,731

(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 7.90% and 8.125% per annum.

(b) Term loans

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
Term loans can be analysed as follows:				
Current				
- Within one year	1,277,550	1,240,153	1,260,030	1,143,199
Non-current				
- After one year and before two years	822,023	780,983	821,996	690,840
- After two years and before five years	2,531,188	1,590,802	2,385,988	1,522,173
- After five years	818,270	400,000	781,996	400,000
	4,171,481	2,771,785	3,989,980	2,613,013
	5,449,031	4,011,938	5,250,010	3,756,212
Terms loans are denominated as follows:				
Denominated in:				
Mauritian rupees				
- Effective interest rate 7.65% - 8.25% - maturity 2009-2016	5,019,260	3,553,512	5,019,260	3,553,512
Seychelles rupees				
- Effective interest rate 3.00% - maturity 2010	17,520	49,560	-	-
US Dollars				
- Effective interest rate LIBOR + 2.75% - maturity 2011	181,501	206,166	-	-
Euro				
- Effective interest rate EURIBOR + 0.65% - maturity 2010	230,750	202,700	230,750	202,700
	5,449,031	4,011,938	5,250,010	3,756,212

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

25. BORROWINGS (cont'd)

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
(c) Obligations under finance leases				
Minimum lease payments:				
- Within one year	700	11,327	700	10,756
- After one year and before two years	129	1,265	129	1,265
- After two years and before five years	32	146	32	146
	861	12,738	861	12,167
Less: Future finance charges on obligations under finance leases	(53)	(597)	(53)	(597)
Present value of obligations under finance leases	808	12,141	808	11,570
Present value analysed as follows:				
Current				
- Within one year	668	10,878	668	10,307
Non-current				
- After one year and before two years	123	1,123	123	1,123
- After two years and before five years	17	140	17	140
	140	1,263	140	1,263
	808	12,141	808	11,570

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

26. DEFERRED TAX LIABILITY

(a) THE GROUP

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

	Balance sheet		Income statement		Statement of changes in equity	
	2009	2008	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liability						
Accelerated capital allowances	906,283	879,901	20,668	(38,921)		
Assets revaluation	621,204	505,429			128,177	(18,695)
Employee benefit asset	6,963	5,437	2,200	5,437		
Exchange differences	(5,495)	(25,508)			20,013	3,620
	1,528,955	1,365,259				
Deferred income tax assets						
Employee benefit liability	-	-	-	11,034		
Tax losses carried forward	(76,633)	(87,046)	12,290	15,811		
Exchange differences	1,712	16,984			(15,273)	(12,554)
	(74,921)	(70,062)				
Deferred tax liabilities net	1,454,034	1,295,197				
Deferred income tax charge/(release) (Note 11)			35,158	(6,639)		
Deferred income tax charged directly to equity					132,917	(27,629)

26. DEFERED TAX LIABILITY (cont'd)

(b) THE COMPANY

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

	Balance sheet		Income statement		Statement of changes in equity	
	2009	2008	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liability						
Accelerated capital allowances	804,657	784,768	19,889	(22,042)		
Assets revaluation	569,690	477,921			91,769	-
Employee benefit asset	7,374	5,561	1,813	5,561		
	1,381,721	1,268,250				
Deferred income tax assets						
Employee benefit liability	-	-	-	10,451		
	-	-				
Deferred tax liabilities net	1,381,721	1,268,250				
Deferred income tax charge/(release) (Note 11)			21,702	(6,030)		
Deferred income tax charged directly to equity					91,769	-

27. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	892,730	866,693	83,106	84,586
Other payables	1,796,266	1,111,224	787,135	185,599
Dividends proposed	322,847	484,271	322,847	484,271
Loan at call payable to subsidiary company	-	-	340,868	421,191
Amount due to subsidiary companies	-	-	2,758,844	3,131,778
Amount due to associated companies	-	531	-	531
	3,011,843	2,462,719	4,292,800	4,307,956

(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 32.

28. DIVIDENDS PAID AND PROPOSED

	THE GROUP AND THE COMPANY	
	2009	2008
	Rs'000	Rs'000
Interim dividend paid - Rs 2.00 per share (2008 - Rs 3.00)	322,847	484,270
Final dividend proposed - Rs 2.00 per share (2008 - Rs 3.00)	322,847	484,271
	645,694	968,541

29. BUSINESS COMBINATIONS AND ACQUISITION OF MINORITY INTERESTS

(a) Acquisitions in 2008

Acquisition of Les Salines Development Limited

On July 25, 2008, the Company acquired 100% of the voting shares in Les Salines Development Limited, a company holding 100% shares in Les Salines Golf and Resort Limited. Les Salines Golf and Resort Limited is the owner of 6.8 hectares of freehold land and holder of an industrial lease over 5.8 hectares of 'pas geometriques'. The freehold land is situated at 'Les Salines Pilot' in Black River, Mauritius.

The fair value of the identifiable assets and liabilities of Les Salines Development Limited as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Fair value recognised on acquisition Rs'000	Previous carrying value Rs'000
Investment properties	160,000	50,000
Intangible assets	231,314	25,396
Trade and other receivables	4,000	-
	395,314	75,396
Trade and other payables	(30,164)	(30,164)
Net assets	365,150	45,232
Share of net assets acquired, consideration satisfied by cash	365,150	
Cash outflow on acquisition		
Net cash acquired with the subsidiary company		-
Cash paid		(365,150)
Net cash outflow		(365,150)

No development has been undertaken on the property acquired since the date of acquisition.

Acquisition of minority interests in Beachcomber Tours Limited

On June 30, 2008, the Group acquired the remaining 20% shares of Beachcomber Tours Limited taking its ownership to 100%. The fair value of identifiable assets at the date of acquisition were:

	95,848
Trade and other receivables	19,686
Cash and cash equivalents	325,290
	440,824
Trade and other payables	(310,483)
Net assets	130,341
Share of net assets acquired	26,068
Goodwill arising on acquisition (Note 15)	72,296
Consideration, satisfied by cash	98,364
Cash outflow on acquisition	
Net cash acquired with the subsidiary company	-
Cash paid	(98,364)
Net cash outflow	(98,364)

30. COMMITMENTS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Capital Commitments				
Trou aux Biches hotel project	2,500,000	3,000,000	3,000,000	3,000,000
Royal Palm Marrakech project (Morocco)	2,000,000	2,500,000	-	-
	4,500,000	5,500,000	3,000,000	3,000,000
Operating lease commitments				
The Group has various land leases on which the hotel buildings are constructed. Future minimum rentals payable under operating leases as September 30, are as follows:				
Within one year	92,896	94,501	84,019	79,501
After one year but not more than five years	409,244	341,504	373,736	296,504
More than five years	6,004,709	1,545,953	5,352,062	270,953
	6,506,849	1,981,958	5,809,817	646,958

Note: The Group has signed an option on 28 September 2009 with the Ministry of Land and Housing to enter in a lease period of 60 years for most of its land leases in Mauritius following offers made by the Ministry.

31. CONTINGENT LIABILITY

The Central Electricity Board lodged a claim of Rs 33 million against Shandrani Hotel for alledged electricity supplies undercharged by them. The Directors consider the likelihood of such claim materialising as being remote. Hence, no provision has been made in the financial statements accordingly.

32. RELATED PARTY DISCLOSURES

The following transactions have been entered into with related parties:		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	Nature of goods or services	Rs'000	Rs'000	Rs'000	Rs'000
(i) Expenses					
Subsidiary companies:					
Beachcomber Marketing (Pty) Ltd	Interest on call a/c	-	-	29,020	40,642
Grand Baie Hotel Limited	Rent	-	-	-	-
Royal Gardens Ltd	Rent	-	-	-	87
Maunex (Mauritius) Limited	Rent	-	-	-	-
Imperial Ltd	Rent	-	-	6	90
Plaisance Catering Limited	Rent	-	-	-	139
Beachcomber Limited	Rent	-	-	4,422	7,346
Beachcomber Boutiques Limited	Rent	-	-	-	35
Beachcomber Training Academy Limited	Training courses	-	-	5,686	9,204
		-	-	39,134	57,543
Associated companies:					
Launderers (Hotels & Restaurants) Ltd	Laundry services	96,929	109,709	96,929	109,709
(ii) Revenue					
Subsidiary companies:					
Beachcomber Marketing (Pty) Ltd	Hotel packages	-	-	229,141	720,315
Beachcomber Tours SARL	Hotel packages	-	-	409,567	438,069
Holiday Marketing (Pty) Ltd	Hotel packages	-	-	24,072	36,558
Beachcomber Tours Limited	Hotel packages	-	-	190,312	573,106
Ste Anne Resorts Limited	Management fees	-	-	20,564	20,129
		-	-	873,656	1,788,177
Associated companies:					
Parure Limitee	Space rental	1,266	1,412	1,266	1,412

32. RELATED PARTY DISCLOSURES (cont'd)

The following transactions have been entered into with related parties:		THE GROUP 2009 Rs'000	THE GROUP 2008 Rs'000	THE COMPANY 2009 Rs'000	THE COMPANY 2008 Rs'000
(iii) Year-end balances receivable/(payable) to related parties					
Subsidiary companies:					
Beachcomber Tours SARL	Note (a)	-	-	94,638	70,553
Holiday Marketing (Pty) Ltd	Note (a)	-	-	3,257	3,757
Beachcomber Tours Limited	Note (a)	-	-	104,582	56,781
Beachcomber Marketing (Pty) Ltd		-	-	(397,924)	(421,191)
Ste Anne Resorts Limited		-	-	616,159	444,227
Beachcomber Gold Coast Limited		-	-	25,351	-
Kingfisher Ltd		-	-	2,335	(2,332)
Beachcomber Hotel Marrakech S.A.		-	-	229,201	189,201
New Mauritius Hotels - Italia Srl		-	-	32,543	-
Les Salines Development Ltd		-	-	3	-
Les Salines Golf and Resort Limited		-	-	9,252	-
Grand Baie Hotels Limited		-	-	(440,314)	(440,376)
Société Immobilière et Touristique de Grand Baie		-	-	(25,575)	(25,575)
Royal Gardens Ltd		-	-	(139,360)	(139,434)
Société Royal Gardens		-	-	(299,559)	(299,559)
Maunex (Mauritius) Limited		-	-	(447,600)	(451,753)
Imperial Ltd		-	-	(247,188)	(247,384)
Plaisance Catering Limited		-	-	(100,966)	(101,065)
Beachcomber Limited		-	-	(1,023,610)	(952,619)
Beachcomber Boutiques Limited		-	-	(34,571)	(34,617)
Beachcomber Training Academy Limited		-	-	10,950	(6,706)
		-	-	(2,028,396)	(2,358,092)
Associated companies					
Parure Limitee		74	241	74	241
Societe Cajeva		11,821	-	11,821	-
Launderers (Hotels & Restaurants) Ltd		(8,068)	(7,820)	(8,068)	(7,820)
Domaine Palm Marrakech S.A.		122,148	101,180	122,148	101,180
		125,975	93,601	125,975	93,601

(a) Amount owed by these related parties are included in Trade receivables.
(b) Purchases of services from related parties were carried out on commercial terms and conditions and at normal market prices.

(iv) Compensation of key management personnel

The Group considers only the executive directors as its key management personnel as defined by IAS 24 - Related Party Disclosures. Their emoluments are disclosed in the Annual report.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal liabilities comprise of bank loans and 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 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

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group trades only with recognised, creditworthy third parties. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history. Advance payments are requested where necessary until positive credit rating is established. The Group has also insurance covers to reduce the financial losses in case of default by customers.

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

(ii) Foreign currency risk

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 hedging activities including forward currency contracts.

The following table demonstrates the sensitivity to a reasonable possible change in the Euro, US Dollar and Pound Sterling 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):

	Increase/ decrease in rates %	Effect on profit before tax Rs'000	Effect on equity Rs'000
2009			
Euros	5%	35,482	-
United States Dollars	5%	(7,973)	-
Pound Sterling	5%	7,299	-
Rands	5%	(15,941)	-
Australian Dollars	5%	216	-
Seychelles Rupees	5%	(1,743)	-
Moroccan Dirham	5%	(10,367)	-
2008			
Euros	5%	12,038	-
United States Dollars	5%	(6,367)	-
Pound Sterling	5%	5,191	-
Rands	5%	(11,380)	-
Australian Dollars	5%	417	-
Seychelles Rupees	5%	1,903	-
Moroccan Dirham	5%	23,531	-

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

(ii) Foreign currency risk (cont'd)

Currency profile

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

	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2009	2008	2009	2008
	Rs'000	Rs'000	Rs'000	Rs'000
Euros	1,341,035	941,173	862,139	700,418
Pound Sterling	435,597	373,178	289,609	269,353
Rands	52,368	77,729	371,180	305,322
United States Dollars	26,787	78,825	186,237	206,166
Australian Dollars	32,178	36,690	27,863	28,341
Seychelles Rupees	28,926	221,007	63,788	182,944
Mauritian Rupees	492,608	517,096	6,906,727	5,964,100
Moroccan Dirhams	556,992	481,167	764,325	10,545
	2,966,491	2,726,865	9,471,868	7,667,189

(iii) Interest rate risk

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.

	Increase/ decrease in rates %	Effect on profit before tax Rs'000
2009		
Interest-bearing loans and borrowings in MUR	1.00%	60,290
Interest-bearing loans and borrowings in USD	0.25%	454
Interest-bearing loans and borrowings in EUR	0.25%	-
Interest-bearing loans and borrowings in SCR	1.00%	180
2008		
Interest-bearing loans and borrowings in MUR	1.00%	25,630
Interest-bearing loans and borrowings in USD	0.25%	712
Interest-bearing loans and borrowings in EUR	0.25%	617
Interest-bearing loans and borrowings in SCR	1.00%	553

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

(iv) 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.

	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
2009						
Trade and other payables	-	3,011,843	-	-	-	3,011,843
Interest-bearing loans and borrowings	1,340,186	375,981	577,891	4,468,480	821,402	7,583,940
	1,340,186	3,387,824	577,891	4,468,480	821,402	10,595,783
2008						
Trade and other payables	-	2,462,719	-	-	-	2,462,719
Interest-bearing loans and borrowings	1,180,391	-	1,581,544	3,041,416	464,500	6,267,851
	1,180,391	2,462,719	1,581,544	3,041,416	464,500	8,730,570

(v) Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group's policy is to keep the gearing ratio around 50%. 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 balance sheet. The gearing ratios at September 30, 2009 and September 30, 2008 were as follows:

	2009	2008
	Rs'000	Rs'000
Interest bearing loans and borrowings	7,583,940	6,267,851
Less interests costs included above	(1,123,915)	(1,063,381)
Less cash in hand and at bank	(765,512)	(718,963)
Net Debt	5,694,513	4,485,507
Equity attributable to equity holders of the parent	10,821,254	9,883,657
Gearing Ratio	53%	45%

34. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of the Group's financial assets and liabilities approximate their fair values.

35. PARTICULARS OF DIRECTORATE IN SUBSIDIARIES

HOTEL OPERATIONS

STE ANNE RESORTS LIMITED
DIRECTORS : Herbert Couacaud, Michel Daruty de Grandpré, Robert Doger de Spéville, Jean-Marc Lagesse, Jean-Hugues Maigrot, Marcel Masson

BEACHCOMBER HOTEL S.A.
DIRECTORS : Robert Azoulay, Herbert Couacaud

TOUR OPERATING SUBSIDIARIES

BEACHCOMBER MARKETING (PTY) LTD
DIRECTORS : Herbert Couacaud, Robert Doger de Spéville, Terry Munro

BEACHCOMBER TOURS SARL
DIRECTOR : Herbert Couacaud

HOLIDAY MARKETING (PTY) LTD
DIRECTOR : Rodney Eather

BEACHCOMBER TOURS LIMITED
DIRECTORS : Herbert Couacaud, Robert Doger de Spéville, Mike Edwards, Peter Taylor

NEW MAURITIUS HOTELS - ITALIA SRL
DIRECTOR : Sheila Collet Serret

HOTEL TRAINING

BEACHCOMBER TRAINING ACADEMY LIMITED
DIRECTORS : Michel Daruty de Grandpré, Jean-Marc Lagesse, Francis Montocchio, Jean-Louis Pismont, Tiburce Plissonneau Duquesne, Jacques Silvant, François Venin

SECRETARIAL

BEACHCOMBER LIMITED
DIRECTORS : Herbert Couacaud, Robert Doger de Spéville, Hector Espitalier-Noël, Marcel Masson, Timothy Taylor

INVESTMENT

KINGFISHER LTD
DIRECTORS : Herbert Couacaud, Marcel Masson, Michel Pitot, Timothy Taylor

LES SALINES DEVELOPMENT LTD
DIRECTORS : Herbert Couacaud, Robert Doger de Spéville, Hector Espitalier-Noël, Marcel Masson

BEACHCOMBER HOTEL MARRAKECH S.A.
DIRECTORS : Robert Azoulay, Herbert Couacaud

REAL ESTATE

LES SALINES GOLF AND RESORT LIMITED
DIRECTORS : Herbert Couacaud, Robert Doger de Spéville, Hector Espitalier-Noël, Marcel Masson

DORMANT

GRAND BAIE HOTEL LIMITED
DIRECTORS : Sunil Banymandhub, Herbert Couacaud, Robert Doger de Spéville, Hector Espitalier-Noël, Maurice Espitalier-Noël, Marcel Masson, Michel Pitot, Louis Rivalland, Timothy Taylor

ROYAL GARDENS LTD
DIRECTORS : Herbert Couacaud, Robert Doger de Spéville, Hector Espitalier-Noël, Marcel Masson, Michel Pitot, Derek Taylor, Timothy Taylor

MAUNEX (MAURITIUS) LIMITED
DIRECTORS : Jean-Paul Adam, Robert de Froberville, Jean-Hugues Maigrot, Michel Pitot, Derek Taylor, Timothy Taylor

IMPERIAL LTD
DIRECTORS : Herbert Couacaud, Michel Daruty de Grandpré, Robert Doger de Spéville, Maurice Espitalier-Noël, Marcel Masson, Soopaya Parianen, Michel Pitot, Timothy Taylor

PLAISANCE CATERING LIMITED
DIRECTORS : Herbert Couacaud, René Laviolette, Marcel Masson, Frantz Merven, Francis Montocchio, Michel Pitot

BEACHCOMBER BOUTIQUES LIMITED
DIRECTORS : Herbert Couacaud, Robert Doger de Spéville, Odile de Commarmond, Annabelle Dupont, Marcel Masson, Francis Montocchio

BEACHCOMBER GOLD COAST LIMITED
DIRECTORS : Herbert Couacaud, Michel Daruty de Grandpré, Robert Doger de Spéville, Jean-Marc Lagesse, Jean-Hugues Maigrot, Marcel Masson

WILD AFRICA SAFARI LTD
DIRECTORS : Mike Edwards, Peter Taylor

BEACHCOMBER HOLIDAYS LIMITED
DIRECTORS : Mike Edwards, Peter Taylor

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 26, 2010 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, 2009 including the Annual Report and the Auditors' Report.

2 To reappoint as Director of the Company until the next Annual Meeting Mr. Michel Pitot who is over the age of 70 and who is one of the two Directors due for retirement in accordance with section 138 (6) of the Companies Act 2001 and section 23.6 of the Company's constitution respectively.

3 To reappoint Mr. Marcel Masson who is the other Director due for retirement as Director of the Company in accordance with section 23.6 of the Company's constitution.

4 To reappoint Mr. Jean Marc Daniel Lagesse, nominated by the Board to replace Mr. David Savy who had resigned, in accordance with section 23.4 of the Company's constitution.

5 To reappoint Messrs. Ernst & Young as auditors for the financial year ending September 30, 2010 and authorise the Board of Directors to fix their remuneration.

6 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, 10, Robert Edward Hart Street, Curepipe, not less than twenty four hours before the meeting.

By order of the Board
BEACHCOMBER LIMITED
Secretary

(Per Francis MONTOCCHIO)
March 08, 2010

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

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 26, 2010 at 10.30 a.m and at any adjournment thereof.

Signed this ....day of ....2010.
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, 2009 including the Annual Report and Auditors' report.		
2 To reappoint as Director of the Company until the next Annual Meeting Mr. Michel Pitot who is over the age of 70 and who is one of the two Directors due for retirement in accordance with section 138 (6) of the Companies Act 2001 and section 23.6 of the Company's constitution respectively.		
3 To reappoint Mr. Marcel Masson who is the other Director due for retirement as Director of the Company in accordance with section 23.6 of the Company's constitution.		
4 To reappoint Mr. Jean Marc Daniel Lagesse, nominated by the Board to replace Mr. David Savy who had resigned, in accordance with section 23.4 of the Company's constitution.		
5 To reappoint Messrs Ernst & Young as auditors for the financial year ending September 30, 2010 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 to act as proxy.
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, the latter 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.