



Annual
report

2014

new mauritius hotels limited



Your Board of Directors is pleased to present the Annual Report of New Mauritius Hotels Limited for the year ended September 30, 2014.
This Report was approved by the Board of Directors on December 16, 2014.

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CHAIRMAN'S ADDRESS

Dear Shareholder,

The highlights of the year under review have been the soft opening of the Royal Palm Marrakech Hotel on the 26th of December 2013, the closing of the Royal Palm Mauritius Hotel for renovation in May 2014 and the transfer of title to 21 villas buyers in Marrakech out of the 55 sold.

The two hotels referred to above are now fully completed and operational. The sale of villas in Marrakech is continuing, even though at a slower pace following the warning issued by the French Government after the assassination of a French citizen in a neighbouring country. Even though a communiqué excluding specifically Morocco from the zones earmarked as dangerous was subsequently issued, the tourism industry was nonetheless severely impacted by such warning and also by the Ebola threat. The situation has not returned to normal but the increase in tourist arrivals in December 2014 is viewed with satisfaction and may be a sign of forthcoming recovery.

I am happy to report that the feedbacks on both hotels are excellent. Positive results are already being recorded at the Royal Palm Mauritius hotel whereas some more time will be required to reap the rewards of our investment in Marrakech.

In Mauritius, tourist arrivals increased by 4.1% to 1,024,339 during this financial year with the Chinese market accounting for 70% of that growth. In spite of having, to-date, only a small share of that particular market and the Royal Palm Mauritius being closed for five months, the Group's overall market share increased slightly due to the good performance of the other NMH hotels. They improved their occupancy rates by almost 10% in average, their RevPar by 5% and their operating profit sufficiently to compensate the shortfall arising from the closure of the Royal Palm Mauritius hotel.

The Group's results are not entirely comparable to last year's in that they comprise the operating results of the Royal Palm Marrakech hotel, the closure cost of the Royal Palm Mauritius hotel and the profits arising from the sale of villas. They are explained in more detail in the Directors' Report. However, I am pleased to report that they were positive with Revenue, EBITDA and profit for the year increasing on that of the preceding year.

It is, however, unfortunate that we have not been able to repatriate funds from Marrakech as planned this year due to the rescheduling of inflows from the sale of villas and the delay in obtaining banking and other expected facilities from Moroccan institutions. This impacted on our cash flow and financial charges locally bringing the Board to consider alternative source of funds to meet our commitments and maintain our quality of service. A capital restructuring scheme will be submitted to the shareholders and to the Authorities concerned for consideration and approval. Our main bankers will also be asked to reschedule the repayment of existing loans. These should, on one hand, bring a better matching between the return on long term projects and their financing and, on the other hand, allow us to work serenely, carry out a reasonable capital expenditure program and renew with our dividend policy.

I am confident that the issues generally regarded as sensitive for the tourism industry, namely, air access, imbalance between tourist arrivals and room capacity, promotional campaigns, upgrading of the Mauritius destination and restoration of its image, strongly stated in the program of the newly elected Government will be addressed promptly.

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



Hector ESPITALIER-NOËL
CHAIRMAN

December 16, 2014

KEY FIGURES

september 30, 2014

Statements of profit or loss

	THE GROUP		
	2014 Rs'm	2013 Rs'm Restated*	2012 Rs'm Restated*
Revenue	8,793	7,819	8,110
EBITDA	1,807	1,660	1,819
Profit before tax	489	438	629
Income tax (expense)/credit	12	(26)	8
Profit for the year	501	412	637
Non-controlling interests	(43)	(34)	(29)
Profit attributable to owners of the parent	458	378	608
Dividends	(161)	(161)	-
Retained profit for the year	297	217	608

Statements of financial position

	2014	2013	2012
	Rs'm	Rs'm Restated*	Rs'm Restated*
Non-current assets**	27,994	25,500	23,509
Current assets	7,752	7,567	6,182
Share capital	1,724	1,724	1,724
Retained earnings	6,858	6,500	5,710
Other reserves	4,610	4,453	4,968
Shareholders funds	13,192	12,677	12,402
Non-controlling interests	74	69	59
Total equity	13,266	12,746	12,461
Non-current liabilities	11,570	12,286	10,079
Current liabilities	10,910	8,036	7,151

Key financial ratios

	2014	2013	2012
		Restated*	Restated*
Number of room keys available as at 30.09	2,063	2,079	2,077
Room nights available	763,656	758,165	757,177
Number of guests nights	1,053,670	973,543	1,013,411
Occupancy (%)	67	61	64
RevPar (Rs)	8,552	8,207	8,617
Earnings per share (Rs)	2.84	2.34	3.77
Dividends per share (Rs)	1.00	1.00	-
Interest cover (x)	2.62	2.72	3.06
Dividend cover (x)	2.84	2.34	-
Dividend payout (%)	35.21	42.74	-
Net Asset value per share (Rs)**	82.18	78.96	77.19
Return on equity (%)	3.78	3.23	5.11
Return on assets (%)	1.40	1.25	2.15
Gearing (%)**	118	112	98

* Certain amounts here do not correspond to the 2013 financial statement and reflect adjustments made, refer to note 2.2.

** Excluding leasehold land with an estimated market value of Rs 7 billion at September 30, 2014.

SEGMENTAL INFORMATION

for the year ended september 30, 2014

	THE GROUP			
	Revenue		EBITDA	
	2014 Rs'm	2013 Rs'm Restated*	2014 Rs'm	2013 Rs'm Restated*
Business:				
Hotel operations	6,531	6,223	1,499	1510
Tour operating	1,345	1,354	1	151
Flight and inland catering	229	242	9	(1)
Property	688	-	298	-
	8,793	7,819	1,807	1660
Geographical:				
Mauritius	6,729	6,562	1,579	1552
Morocco	806	-	141	-
Europe	656	665	26	38
Other countries	602	592	61	70
	8,793	7,819	1,807	1660

Business

	Revenue	EBITDA
Flight and inland catering	3%	1%
Property	8%	16%
Tour operating	15%	0%
Hotel operations	74%	83%

Geographical

	Revenue	EBITDA
Europe	7%	1%
Other countries	7%	4%
Morocco	9%	8%
Mauritius	77%	87%

* Certain amounts here do not correspond to the 2013 financial statements and reflect adjustments made, refer to note 2.2.

VALUE ADDED STATEMENT

for the year ended september 30, 2014

	The Company		The Group	
	Rs'm	%	Rs'm	%
Revenue	6,287		8,793	
Value added tax	904		1,107	
Total revenue	7,191		9,900	
Payment to suppliers for material and services	(2,721)		(3,678)	
Value added by operations	4,470		6,222	
Investment and other income	14		35	
Total wealth created	4,484	100	6,257	100
Distributed as follows:				
Employees				
Staff costs	1,986	44	2,660	43
Government				
Value added tax	904		1,107	
Environment fees	49		49	
Corporate tax	(7)		(13)	
Licences, leases and campement site tax	131		177	
Social security charges	125		263	
	1,202	27	1,583	25
Reinvested to maintain/develop operations				
Depreciation and amortisation	436		568	
Retained earnings	18		341	
	454	10	909	14
Providers of capital				
Dividends to shareholders	161	4	161	3
Interest on borrowings	681	15	944	15
	842	19	1,105	18
Total wealth distributed	4,484	100	6,257	100

	The Company	The Group
Bankers	15	15
Shareholders	14	17
Government	27	25
Employees	44	43
	100	100

ANNUAL REPORT

The Directors are pleased to present their Annual Report for the year ended September 30, 2014.

CONSOLIDATION AND FINANCIAL REPORTING STANDARDS

The audited Financial Statements for the year ended September 30, 2014 have been prepared in accordance with International Financial Reporting Standards. Except for the adoption of amendments brought to IAS 19 Employee Benefits, there has been no other change in the accounting policies and methods that were adopted in the last Financial Statements. New accounting standards and interpretations, which came into application, did not have any material impact on the financial performance or position of the Group.

COMMENTS ON RESULTS

Revenue

Revenue increased by 12% on last year to Rs8.7bn, including an amount of Rs688m from the proceeds of sale of villas in Marrakech. The shortfall arising from the closure of the Royal Palm Mauritius for renovation works from May to October 2014 was compensated by the partial opening of the Royal Palm Marrakech hotel in December 2013 whilst the other NMH hotels in Mauritius performed well increasing their RevPar by 5% and their occupancy by 10% comparing favourably with the increase of 4.1% in tourist arrivals at national level.

In spite of the net operating loss of some Rs190m incurred in Marrakech, the Group's EBITDA for the year increased by 8.9% to Rs1.8bn.

Depreciation and finance costs

The depreciation charge for the year includes an impairment loss of Rs40m recognised on the land at Les Salines treated as fixed assets.

Finance revenue comprises interest income of Rs22m, realised gain on forward currency contracts of Rs32m and exchange gain of Rs144m on the retranslation of loans in foreign currencies.

Finance costs consist mainly of a fair value loss of Rs41m on derivatives and Rs646m of interest costs which increased by 10% on the previous year.

Other income

Other income represents mainly the fair value gain of Rs251m on 10 hectares of land originally earmarked for future hotel developments in Marrakech now treated as investment property.

Income tax

On the basis that tax losses accruing on Royal Palm Marrakech Hotel will reverse against future profits, a deferred tax credit of

some Rs82m has been recognized. This has resulted in a net tax credit of Rs13m after the offsetting of tax charges of Rs69m for the other subsidiaries.

Earnings

Earnings per share increased from Rs2.29 last year to Rs2.84 this year.

Dividends

A dividend of Rs1.00 per share was declared in March 2014 and paid in May 2014.

Cash flow and capital expenditure

Capital expenditure of Rs1.539bn for the year relates mainly to the Marrakech project and the renovation of the Royal Palm Mauritius.

Total assets at year end increased from Rs32.987bn to Rs35.708bn and net borrowings from Rs14.250bn to Rs15.716bn. Net asset value per share thus rose from Rs78.95 to Rs81.94.

For recall, non-current assets do not reckon any value for leasehold land.

Inventories

Inventories include Rs2.096bn of cost of villas for sale under development at Marrakech.

PROJECTS

Marrakech

The hotel in Marrakech was partially opened on December 26, 2013 and became fully operational in November 2014. The tourism industry in Morocco and in surrounding countries was seriously impacted by the unfortunate event that occurred in Algeria last September and by the Ebola threat. The Royal Palm Marrakech is thus taking longer to reach the desired level of occupancy. Enhanced attention will be focused on its promotion.

At the time of writing, there are signs that the sale of villas which had slowed down since the sad event referred to above will pick up during 2015. The Domaine Royal Palm remains a prime residential estate development in Marrakech. Some 62 units are expected to be sold by the end of March 2015, 72 by the end of the financial year and the whole of the 93 units of phase 1 by the end of March 2016.

Royal Palm Mauritius

The renovation of the Royal Palm Mauritius hotel was completed as scheduled in October 2014. The feedback is excellent and improved results are already being obtained.



OUTLOOK

The results for the first quarter will be lower than those of the previous year on account of combined effect of (a) the renovation of Royal Palm Mauritius extending in October, (b) the unfavourable exchange rates of the Euro and the Rand and (c) the temporary drop in tourists' arrivals in Marrakech.

Should the Euro stop depreciating and tourist arrivals back to normal in Marrakech, this trend could start to reverse during the second quarter with the bookings in hand and the expected transfer of titles in respect of villas in Marrakech.

CAPITAL RESTRUCTURING

The Company has invested heavily in three main projects during the past year and has yet to reap the expected returns thereon. The first one, the new TAB hotel which became fully operational in November 2011 is improving its performance year on year whereas the development at Les Salines cannot start because of the pending Court case. Regarding the Moroccan project, as mentioned above, the hotel is now in operation and the sale of villas still in progress. The delay in obtaining foreign banking facilities and the Moroccan Government's contribution to infrastructural works, in addition to the slowing down in the sale of villas, have necessitated the consideration of a capital restructuring and a rescheduling of redemption terms of existing loans to ease up cash flow management and provide

the application of appropriate capital expenditure and dividend programs.

Appropriate related resolutions will be submitted to the Board for consideration and approval in February 2015.

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 16, 2014

CORPORATE GOVERNANCE REPORT

Group structure as at september 30, 2014

NEW MAURITIUS HOTELS LIMITED

<u>HOTEL OPERATIONS IN MAURITIUS</u>	<u>GENERAL MANAGERS</u>
ROYAL PALM	Jacques SILVANT
DINAROBIN HOTEL GOLF & SPA PARADIS HOTEL & GOLF CLUB	Jean-Louis PISMONT
SHANDRANI RESORT & SPA LE VICTORIA	Lothar GROSS
TROU AUX BICHES RESORT & SPA	Michel DARUTY DE GRANDPRE
LE CANONNIER LE MAURICIA	François VENIN
<u>FLIGHT AND INLAND CATERING</u>	
PLAISANCE CATERING	Olivier NAIRAC
<u>OVERSEAS OPERATIONS</u>	
▶ 100% SAINT ANNE RESORT LIMITED Seychelles	Norbert COUVREUR
▶ 100% BEACHCOMBER HOTEL S.A Morocco	Xavier JOLIVET
▶ 100% DOMAINE PALM MARRAKECH S.A Morocco	Laurent E. PIAT
<u>TRAINING</u>	
▶ 100% BEACHCOMBER TRAINING ACADEMY LIMITED	Iqbal BADULLA
<u>SECRETARIAL SERVICES</u>	
▶ 100% BEACHCOMBER LIMITED	
<u>TOUR OPERATING</u>	
▶ 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
▶ 51% WHITE PALM LTD	Asraf KHODABUX
▶ 51% MAUTOURCO LTD	Richard ROBERT
▶ 51% TRANSMURICE CAR RENTAL LTD	Richard ROBERT

CORPORATE GOVERNANCE REPORT

Shareholding as at september 30, 2014

Size of holding		Shareholders			Shares held		
From	To	No.	%	Cumulative %	No.	%	Cumulative %
1	1,000	4,408	60.65	60.65	1,405,013	0.87	0.87
1,001	5,000	1,610	22.15	82.80	3,727,093	2.31	3.18
5,001	10,000	464	6.38	89.18	3,287,188	2.04	5.22
10,001	25,000	386	5.31	94.49	5,995,027	3.71	8.93
25,001	50,000	151	2.07	96.56	5,271,826	3.26	12.19
50,001	75,000	66	0.91	97.47	4,031,276	2.50	14.69
75,001	100,000	36	0.51	97.98	3,145,590	1.95	16.64
100,001	250,000	66	0.91	98.89	10,147,786	6.29	22.93
250,001	500,000	43	0.59	99.48	14,591,426	9.04	31.97
500,001	1,000,000	16	0.22	99.70	11,733,004	7.27	39.24
1,000,001	1,500,000	5	0.07	99.77	6,107,525	3.78	43.02
1,500,001	2,000,000	4	0.06	99.83	6,576,048	4.07	47.09
2,000,001	2,500,000	1	0.01	99.84	2,161,310	1.34	48.43
2,500,001	5,000,000	7	0.09	99.93	25,744,682	15.95	64.38
5,000,001	8,000,000	3	0.04	99.97	17,631,314	10.92	75.30
8,000,001	and above	2	0.03	100.00	39,867,428	24.70	100.00
	Total	7,268			161,423,536		

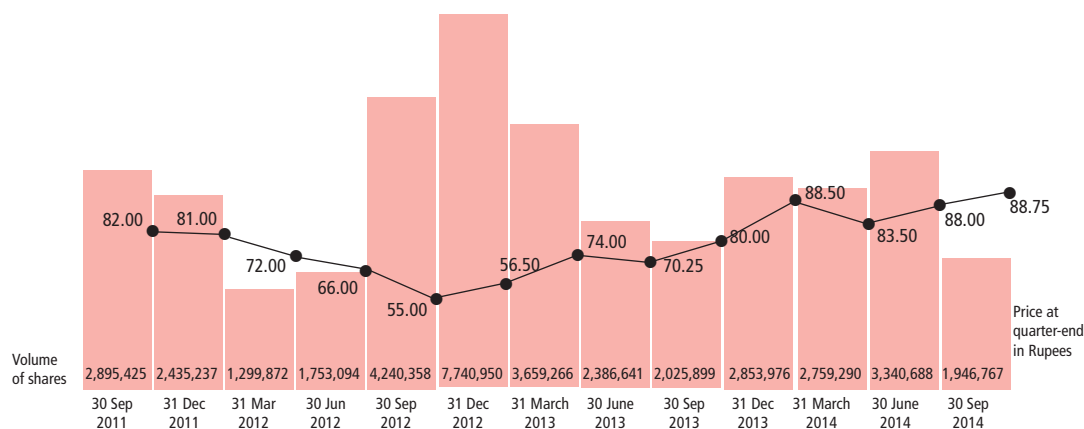
Summary by shareholder category

Category	No. of shareholders	No. of shares	%
INDIVIDUAL	6,807	48,966,130	30.33
INSURANCE COMPANIES	33	11,208,510	6.94
INVESTMENT COMPANIES & TRUSTS	181	34,573,191	21.42
OTHER CORPORATE BODIES	133	36,599,626	22.68
PENSION & PROVIDENT FUNDS	114	30,076,079	18.63
Total	7,268	161,423,536	100.00

Calendar 2015

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

NMH shares quarterly trading volume & prices



CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Hector ESPITALIER-NOËL

Chairman
Member of the Corporate Governance Committee

Jean Pierre MONTOCCHIO

Chairman of the Corporate Governance Committee
Member of the Audit Committee

Gilbert ESPITALIER-NOËL

Member of the Corporate Governance Committee

INDEPENDENT DIRECTORS

Sunil BANYMANDHUB

Chairman of the Audit Committee

Louis RIVALLAND

Member of the Audit Committee

Colin TAYLOR

Member of the Audit and Corporate Governance Committee

EXECUTIVE DIRECTORS

Herbert COUACAUD C.M.G.

Chief Executive Officer (CEO)
Member of the Corporate Governance Committee

Marcel MASSON

Finance Director
Member of the Corporate Governance Committee

Robert DOGER DE SPÉVILLE

Commercial Director

Jacques SILVANT

General Manager Royal Palm Hotel

SECRETARY

BEACHCOMBER LIMITED

Beachcomber House
Botanical Garden Street,
Curepipe, Mauritius.

AUDITORS

ERNST & YOUNG

NexTeracom Tower,
Ebene, Mauritius.

BANKERS

The Mauritius Commercial Bank Limited
State Bank of Mauritius Limited
The Hong Kong and Shanghai Banking Corporation Limited
Banque des Mascareignes Limitée
Bramer Bank
Afrasia Bank Limited
Barclays Bank PLC
Bank One Limited
Habib Bank Ltd

LEGAL ADVISERS

LOCAL

Me Maxime SAUZIER
Me Yves HEIN
Me Michael KING FAT

INTERNATIONAL

Me Jean François COLIN

NOTARY

Me. Jean-Hugues MAIGROT
Me. Didier MAIGROT

REGISTERED OFFICE

Beachcomber House
Botanical Garden Street, Curepipe, Mauritius.
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E-mail: beachcomber@bchot.com

WEBSITE

www.beachcomber-hotels.com

DIRECTORATE

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

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

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

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

Two Members of the Board of Directors retire every year and are eligible for re-election. At the Company's AGM in March 2014, shareholders re-elected Messrs Jean Pierre Montocchio and Marcel Masson as members of the Board of Directors.

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

An appraisal of the Board and of its members is carried out once a year with the aim of evaluating the Board's effectiveness and improving its workings. The result of this exercise, in the form of a series of assertions to which are awarded a rating on a scale of 1 to 5 by individual Directors, is reported to the Board. The most recent appraisal was carried out in October 2013 and was reported to the Board in November 2013. The Board also encourages its members to keep on enhancing their knowledge and competencies through personal development programmes offered by local institutions and/or their professional bodies.

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

NON-EXECUTIVE

Hector ESPITALIER-NOEL

He has been the Chairman of the Company since his appointment as director in 1997. Member of the Institute of Chartered Accountants in England and Wales, he worked for Coopers and Lybrand in London and De Chazal du Mée. He is the Chief Executive Officer of Espitalier Noel Group.

Other directorship in listed companies: ENL Commercial Ltd, ENL Land Ltd and Rogers & Co. Ltd

Jean-Pierre MONTOCCHIO

Notary public. Appointed in 2004, he is the Chairman of the Corporate Governance Committee. He has participated in the National Committee on Corporate Governance. Other directorship in listed companies:

Caudan Development Ltd, Fincorp Investment Ltd, MCB Group Ltd, Promotion and Development Ltd, Rogers & Co. Ltd, ENL Land Ltd and Les Moulins de la Concorde Ltée.

Gilbert ESPITALIER NOEL

He is the Chief Executive Officer of ENL Property Limited. He holds a BSc (Hons) from Louisiana State University and a BSc from the University of Cape Town as well as an MBA from INSEAD. He was appointed Director in February 2013. He has been the president of various private sector institutions including the Joint Economic Council, the Mauritius Chamber of Commerce and Industry and the Mauritius Sugar Producers Association.

Other directorship in listed companies: ENL Limited, ENL Land Ltd, ENL Commercial Limited, ENL Investment Limited, Rogers & Co. Ltd and Livestock Feed Limited.

INDEPENDENT NON-EXECUTIVE

Louis RIVALLAND

He holds a Bachelor's degree in Actuarial Science and Statistics, and is a Fellow of the Institute of Actuaries of United Kingdom and a Fellow of the Actuarial Society of South Africa. He was appointed Director in March 2002. He is currently the Group Chief Executive of Swan Insurance Co Ltd and The Anglo-Mauritius Assurance Society Limited.

He is a past President of the Joint Economic Council, a Board member of the Mauritius Revenue Authority and member of the Financial Services Consultative Council. Other directorship in listed companies: Belle Mare Holding Limited, ENL Commercial Limited, ENL Land Ltd, Ireland Blyth Limited, Swan Insurance Company Limited and The Mauritius Development Investment Trust Company Limited.

Sunil BANYMANDHUB

Appointed in April 2004, he is the Chairman of the Audit Committee.

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

CORPORATE GOVERNANCE REPORT

Colin TAYLOR

He has a Bsc (Hons) in Engineering and Business Studies and an MSC in Management. He was appointed Director in February 2013. He joined the Rogers Group in the Automotive Division in 1987. He was appointed Manager of the Taylor Smith Engineering Division in 1991 and was promoted to Managing Director three years later. He was appointed Executive Director of the Rogers Group Engineering Cluster in 1999 and has been CEO of Taylor Smith Group since 2004. He also holds the post of Honorary Consul for Sweden in Mauritius. He is also a director of Taylor Smith Investment Ltd. Other directorship in listed companies: CIM Co Ltd.

EXECUTIVE

Herbert COUACAUD

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

Robert DOGER DE SPEVILLE

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

Marcel MASSON

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

Jacques SILVANT

He holds a Degree in Hospitality and Management, France. He was appointed Director in February 2013. He joined the Company in 2001 and is currently the General Manager of the Royal Palm Hotel. Other directorship in listed companies: None
At the AGM to be held on March 31, 2015, the Board of Directors will recommend Messrs Gilbert Espitalier Noel and Jacques Silvant for re-election to the Board as provided by Section 23.6.2 of the Company's Constitution.

Directors' attendance to committee meetings

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

Statement of remuneration philosophy

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

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

Those concerning Directors, including Executive Directors, are dealt with by the Corporate Governance Committee.

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

Directors' emoluments and share interests

Emoluments paid by the Company for the year ended

September 30, 2014:

Executive	2014 Rs'000	2013 Rs'000
COUACAUD Herbert	13,304	12,953
DOGER de SPEVILLE Robert	10,618	10,008
MASSON Marcel	11,989	14,110
SILVANT Jacques	8,081	8,527
LAGESSE Jean Marc (From Oct. 2012 to Dec. 2012)	-	3,160
TOTAL	43,992	48,758
Non Executive	2014 Rs'000	2013 Rs'000
BANYMANDHUB Sunil	420	420
ESPITALIER-NOEL Gilbert	420	280
ESPITALIER-NOEL Hector	480	480
MONTOCCHIO Jean Pierre	420	420
RIVALLAND Louis	420	420
TAYLOR Colin	420	200
TOTAL	2,580	2,220

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

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

	2014 Rs'000	2013 Rs'000
Executive Directors of:		
Beachcomber Tours Limited	24,463	24,417
Beachcomber Marketing (Pty) Ltd	15,943	14,771

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

	Direct %	Indirect %
Hector ESPITALIER-NOEL (Chairman)	-	0.91
Sunil BANYMANDHUB	0.01	0.01
Herbert COUACAUD C.M.G	7.05	-
Robert DOGER de SPEVILLE	-	-
Gilbert ESPITALIER-NOEL	-	0.88
Marcel MASSON	-	-
Jean-Pierre MONTOCCHIO	-	0.07
Louis RIVALLAND	0.03	-
Jacques SILVANT	-	-
Colin TAYLOR	-	-

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

Dealings in shares of the Company

Each year, several closed periods are imposed during which senior employees and Directors are prohibited from trading in the Company's shares. The following closed periods have been identified and fixed for year ending September 30, 2015:

- from 17 November 2014 to 16 December 2014
- from 14 January 2015 to 13 February 2015
- from 1 March 2015 to 31 March 2015
- from 16 April 2015 to 15 May 2015
- from 14 July 2015 to 13 August 2015
- from 30 August 2015 to 29 September 2015

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

Directors	Number of shares purchased / (sold)
Marcel MASSON	(212,000)
Louis RIVALLAND	3,000

The Directors have followed the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the SEM Listing Rules.

The Company secretary keeps an Interests Register in accordance with the Companies Act 2001 and an Insiders Register pursuant to Securities Act 2005, and these registers are updated regularly according to information furnished by Directors and other Insiders.

Substantial shareholders

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

	Effective %
Rogers & Co. Ltd	17.65

CONTRACTS OF SIGNIFICANCE

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

COMMUNICATION

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

COMMITTEES

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

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

- potential conflicts of interest where individuals hold positions of directors in companies in the same line of business. It was noted that the Directors were in full compliance with regard to the disclosure of their interests;
- various matters relating to the remuneration of high-ranking officers falling outside the general salary structure applicable to the Company's personnel;
- the establishment of the closed trading dates for securities transactions by the Company's officers, including Directors;
- the establishment of a calendar for Board meetings in 2015;
- appraisal of the Board's effectiveness. The Committee was satisfied that the number of Board meetings held during the year and the information submitted were adequate and that the Directors contributed constructively to the deliberations and decisions of the Board.

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

The Company Secretary acts as secretary for the Committee.

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

CORPORATE GOVERNANCE REPORT

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

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

Role and function of the Company Secretary

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

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

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

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

PROFILE OF SENIOR MANAGEMENT TEAM MEMBERS

HOTEL OPERATIONS IN MAURITIUS

Michel DARUTY de GRANDPRE

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

Lothar GROSS

Graduated from Hotels and Restaurants Management in Germany, he also holds a post graduate degree in Business Economics from Berlin Hotel Management School. Before joining the Group in February 2009 as Manager of the Victoria

Hotel, he worked in different other hotels in Mauritius and Maldives. He is now General Manager of the Le Victoria and Le Shandrani.

Jean Louis PISMONT

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

Francois VENIN

Worked overseas for Club Méditerranée and arrived in Mauritius in 1992 to manage Le Canonier. He joined the Group when NMH acquired that hotel in 1997. He is currently the General Manager of Le Mauricia and Le Canonier hotels since 2002.

FLIGHT AND INLAND CATERING

Olivier NAIRAC

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

HOTEL AND PROPERTY OPERATIONS OVERSEAS

Xavier JOLIVET

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

Laurent PIAT

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

TRAINING

Iqbal BADULLA

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

TOUR OPERATING AND SALES OFFICES

Irene BLANCO

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

Sheila COLLET SERRET

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

Rod EATHER

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

Michael EDWARDS

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

Terry MUNRO

Qualified as a chartered accountant in 1975. Joined Beachcomber Marketing (Pty) Ltd as managing director in 1986 and has been in this role ever since.

Carole PEYRE

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

Rémi SABARROS

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

Elisabeth SULZENBACHER

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

Asraf KHODABUX

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

Richard ROBERT

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

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

INTERNAL AUDIT

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

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

Risk management

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

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

Whereas the responsibility for setting risk management strategy remains with the Board, the role of the Audit Committee encompasses the monitoring of the risk management process with a view to assessing and assuring its quality, integrity and reliability.

The list below shows the risks that could materially affect the Group's business, revenues and operating profits and the strategies employed by management to reduce these risks to a minimum.

Reputation

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

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

Events that impact international travel

The hotels' occupancy levels and the tariffs practiced by the Group could be adversely impacted by events that discourage international travel. Factors such

CORPORATE GOVERNANCE REPORT

as epidemics (e.g. H1N1 Ebola), threatened acts of terrorism, natural disasters and continued effect of worldwide financial crisis could result in reduced worldwide travel. A decrease in the demand for hotel rooms as a result of such events has an adverse impact on the Group's operations and financial results.

The Group formulates plans which are reviewed and adjusted to maximise its market share. Cost and expenditure are reviewed and rationalised but not at the expense of security, safety and service quality. Contingencies and business continuity plans are being revisited, formalised and updated accordingly.

Market and Competition

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

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

Personnel and Quality Service

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

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

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

Technology and Information Systems

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

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

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

Fraud and Other Irregularities

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

Litigation and Insurance Cover

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

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

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

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

FINANCIAL

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

CODE OF ETHICAL CONDUCT

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

FUNDAMENTAL PRINCIPLES

NMH and its subsidiaries commit to the following fundamental principles:

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

COVERAGE AND SCOPE

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

1. Performing their activities in conformity with the highest level of ethical conduct and follow the Company's policies and rules, stimulating and guiding their colleagues in that respect;
2. Maintaining a positive, honorable, loyal, honest professional attitude of mutual respect, trust and collaboration with other colleagues at work, shareholders and investors;
3. Preserving the Company's assets, including its image and reputation, facilities, equipment and materials, using them only for their intended purposes;
4. Defending the Company's interests in matters they are participating in, according to predefined criteria;
5. Being diligent, responsible and respectful in relations with authorities, clients, competitors, suppliers, members of the communities and all other individuals, companies and organizations with which the company relates in the exercise of its regular activities, always seeking to preserve the company's good reputation, image and relations;
6. Avoiding situations in which their own interests may come into conflict with the company's interests, and when this is not possible, refrain from representing NMH in the issue under consideration, communicating the fact immediately to their immediate superior;
7. Assuring that the communications and information are provided exclusively by authorised employees, and that they are in compliance with NMH's policies, controls and procedures and with the applicable legislation;
8. Refraining from establishing commercial relations with companies that knowingly do not follow ethical standards compatible with those followed by the company;
9. Preserving the secrecy of the Company's confidential and strategic information to which they have access, even if they no longer have any bonds with the company, as well as act with due caution in relation to privileged information; and
10. Being committed to preserving the environment and obeying the environmental legislation, acting with social responsibility and respect towards human dignity.

The following conducts are intolerable and subject to disciplinary penalties:

1. Taking advantage of their position aimed at obtaining conveniences or any other form of illegitimate personal benefit, or for third parties they relate with;
2. Discrimination based on ethnic background, sexual preference, religious belief, union affiliation, political conviction, ideology, social class, special handicap condition, marital status or age;
3. Harassment of any nature, including moral or sexual, provoking discomfort to others;
4. Allowing or promoting political, religious or commercial propaganda in the company's quarters;
5. Preferential or privileged treatment towards any client or supplier that disagrees with the company's policies approved by the Board;

6. Offering payment or any other sort of personal benefit to any authority or server from the public administration, directly or indirectly, in exchange for advantages;
7. Establishing contact with the company's competitors, violating the applicable competition laws; and
8. Distorting the figures or accounting characterization of items that may reflect on the company's management reports or financial statements.

Environment and social responsibility

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

NMH did not have any obligation to pay CSR contribution due to tax losses arising in the preceding year. However, the Company decided to maintain its support to its solidarity fund (FED) with a voluntary contribution of Rs 5.8 million.

Dividend policy

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

Donations

The Company has maintained its policy of channeling all requests for social assistance through its solidarity fund, Fondation Espoir et Développement (FED), created in March 1999. During the year, the Company contributed Rs 5.8m (2013: Rs 10.1m) to the fund.

Political donations are dealt with by the Board. For the year under review, no political donation has been made (2013: Rs 300,000).

External Auditors

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

THE GROUP		THE COMPANY	
2014	2013	2014	2013
Rs'000	Rs'000	Rs'000	Rs'000
(a) Lead Auditors			
Audit services	7,250	6,180	6,340
Tax services	693	516	480
Total	7,943	6,696	6,820
(b) Secondary Auditors			
Audit services	3,809	-	-
Tax services	178	-	-
Total	3,987	-	-

CORPORATE GOVERNANCE REPORT

MATERIAL CLAUSES OF THE COMPANY'S CONSTITUTION

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

RELATED PARTY TRANSACTIONS

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The Company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's and Group's statements of financial position 30 September 2014, and the statements of profit or loss, statements of other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and Companies Act 2001. The Directors are also responsible to ensure that adequate records have been maintained.

The Directors' responsibility included designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that were reasonable in the circumstances.

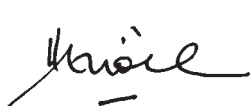
The Directors have made an assessment of the Company as a going concern and have every reason to believe it will continue to operate for the foreseeable future.

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

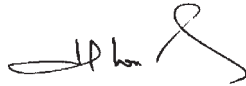
STATEMENT OF COMPLIANCE

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

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



Hector ESPITALIER-NOËL
CHAIRMAN



Herbert COUACAUD c.m.g.
CHIEF EXECUTIVE OFFICER

December 16, 2014



ENVIRONMENTAL & SOCIAL RESPONSIBILITY

Sustainability has been at the forefront in 2014 with continued efforts being done to incorporate extensive sustainable features and actions in operation and development.

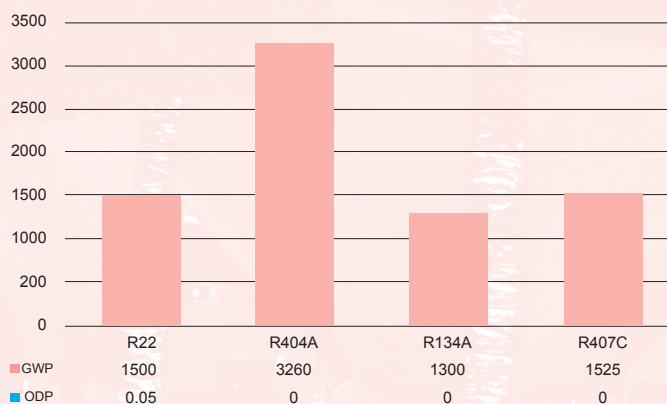
PROJECTS COMPLETED IN 2014

- The Royal Palm Hotel went through a complete refurbishment loaded with sustainable features as follows:
 - 100% LED lighting in rooms and common areas leading to an estimated 70% decrease in lighting loads
 - Installation of a Rooms Energy Management System (REMS) ensuring another 30% energy saving in the Heating, Ventilation and Air Conditioning (HVAC) system of rooms. The REMS is based on motion detection sensors in the rooms coupled with intelligent thermostats and door switches. The whole system is interfaced to the reservation system of the hotel to ensure that the rooms' climate is always tuned to the rental condition.
 - Installation of high efficiency air conditioning hydronic terminals fitted with electronic fan motors and modulating two way valves. These units are not only highly efficient in terms of energy but also very silent owing to the novel electronic motors.
 - Installation of water quality controllers in all the pools of the hotel with continuous monitoring of several parameters such as Redox, Chlorine and pH. The end result of this system is a drastic reduction in chlorine consumption, removal of chlorine peaks, quasi elimination of chlorine shock dosing and huge improvement in bathing quality.
 - Upgrading of the existing solar hot water system with the addition of a further 20 m² of panels bringing the total installed surface area to 200 m² and leading to an even further reduced dependency on fossil fuels for hot water production.
 - Laying of a special, high reflectivity, waterproofing membrane on the roof leading to an estimated 32% decrease in the peak cooling load for the rooms.
 - As part of the internal decoration design, a gypsum false ceiling was integrated in each room and bathroom. Apart from bringing a huge plus on the look of the rooms, these false ceilings account for a 13% decrease in the internal annual cooling demand.
 - Installation of a decentralised energy management system controlling peak load in the kitchens and the plant room to reduce KVA demand overshooting.
- Replacement of 2 air conditioning water chillers at Dinarobin Hotel. These chillers were 13 years old and were operating at very low efficiencies due to outdated technology. The new chillers, which have been installed at the end of 2014, are state of the art machines with net EER's (EN14511) of 3.10. This should contribute very positively to lower the electrical consumption of the hotel.
- Replacement of an air conditioning chiller at Le Canonier. The new chiller is of the air cooled type as compared to the old one which was water cooled and which relied on a cooling tower for its cooling. While cooling towers ensure precise heat rejection, they consume a lot of water and chemicals and require constant follow up. Owing to the water stress prevailing in the country and to non usage of chemicals, the choice of the air cooled chiller has been privileged.

- Retrofit of several hotel central cold room systems from R22 refrigerant to R404A refrigerant. R22 is a fluorinated HCFC refrigerant which is being phased out throughout the world due to its global warming potential (GWP) and ozone depleting potential (ODP).

The phase out schedule for HCFC's as promulgated by the Ministry of Environment is as follows:

- Phasing out of HCFCs in Mauritius through a reduced import in 2013 to the average level of 2009-2010 and then applying a gradual reduction on import until complete phase out in 2030;
- Banning the import of appliances and equipment containing HCFCs, as from 1st January 2013, since alternatives such as hydrocarbons, ammonia and carbon dioxide are already available on the local market.

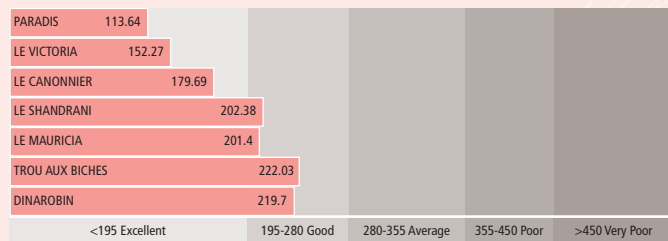


The choice of R404A has been a function of its refrigerating properties which cover the same wide range as for R22 even though its GWP is far higher. In the local regulations, ODP criteria are much more stringent than GWP. These modifications will be continued until 2016 when the full retrofit is expected to be completed, hence be compliant to the local regulations pertaining to usage of ozone depleting refrigerants in the hotels.

A comprehensive waste reduction and recycling program has been started at Dinarobin and Paradis. One of the key items of the programme, and which is also in operation at Le Shandrani, is the in situ shredding of green waste leading to a 70% reduction in the number of green waste trips to landfills. In situ composting is starting this year on the Le Morne peninsula with the objective of reducing the dependency on synthetic fertilisers on the golf course.

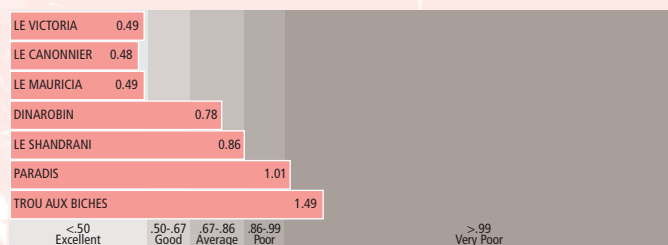
The electricity and water usage in terms of built surface area per local hotel are published below. The results are compared with international benchmarks from the Hotel Energy Solutions for Resort Hotels and International Hotels Environmental Initiative for electricity and water usage respectively.

ELECTRICITY USAGE (kWh / m² / year)*



It is very pleasant to note from the above that all our hotels are within or just above Excellent category which is a continuity from last year's indices.

WATER USAGE (m³ / GN / year)*



There has been a marked improvement year on year with 2 hotels in the Excellent segment and 1 in the Good segment. However, there is still plenty of room for improvement at Trou aux Biches and Paradis for varying reasons. Trou aux Biches results cannot be much better taking into account of the water usage of some 100 pools on the property.

- 104 rooms will be refurbished at Le Paradis and will incorporate energy reduction actions including an EMS, energy efficient air conditioning and a full LED lighting complement. Novel techniques such as insulating gypsum false ceilings and high reflectivity roof waterproofing which have been tested successfully at Royal Palm will also be implemented.
- To complement energy intensity benchmarking index that was developed in house, a comprehensive carbon footprint mapping the Group's hotels and operations will be conducted in 2015.
- Complete review of the ageing refrigeration system at Plaisance Catering Unit.
- Continue the program of replacement of air conditioning water chillers started in 2013 at Le Paradis.
- Preliminary talks have started with a local expert to assist for the centralisation of waste recycling efforts. Wastes involved will include kitchen used oil, PET, PTFE, paper, metals and more ambitiously kitchen waste as a whole.

The second phase of the loans and grants for sustainability projects from the AFD is presently active. The main projects described above will be submitted for consideration for eligibility for green loans and grants.

* Royal Palm excluded due to renovation works.

CORPORATE SOCIAL RESPONSIBILITY Funding

During the year under review, the Company contributed voluntarily an amount of Rs 2.5m, which together with the contributions of Rs 0.7m from non-group companies, enabled FED to pursue its projects, namely, Projet Employabilité Jeunes (PEJ) and Projet Artisanat. However, with the decrease in FED's budget, financial supports to Non-Government Organisations (NGOs) had to be streamed down. Total CSR charge for the year, including administrative expenses amounted to Rs 5.8m

PROJET EMPLOYABILITÉ JEUNES (PEJ)

This project aims at integrating youths who have not completed normal schooling into mainstream employment through a mix of work-oriented life skills training and placements in companies, mainly in Beachcomber Hotels. Results of this programme have proved to be very satisfactory: some 1600 youths have benefitted since the start of the project in 2004, and more than half of them have found permanent employment. In 2014, 115 youths completed the program and a new batch of 190 youths, including 10 sponsored by non-Beachcomber hotels, started the course for 2014-2015.

PROJET ARTISANAT

This project, which is run jointly by FED and Fondation Médiine Horizons, aims at providing technical skills to some 50 small artisans to produce quality local handicraft and to facilitate selling of the products through hotels and other tourist markets. During 2014, a total of Rs 4.7m has been recorded as sales (2013: Rs 4.0m).

REGIONAL COMMITTEES

Employees of the Company, having an interest in social matters, are invited to form part of regional committees. There is continued strong interaction between these regional committees and their immediate neighbourhood including local NGOs. The regional committees give recommendations for local projects such as sponsorships to primary schools, sports events, donations in kind to deprived families and also contribute actively to the implementation of FED projects.

The main highlights in 2014 were (1) the organisation of IT workshops for some 90 youths in the south west region with the financial support of a group of hotel clients and (2) the part financing of an employability insertion programme for 15 students in their last year of schooling.

ROYAL PALM MAURITIUS





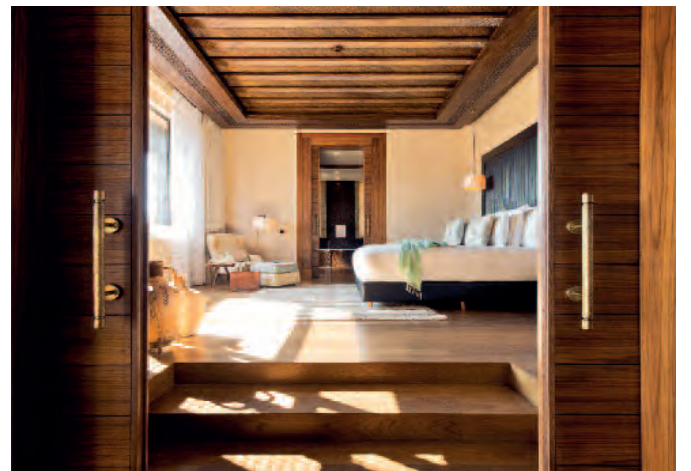












SECRETARY'S CERTIFICATE

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 16, 2014



INDEPENDENT AUDITORS' REPORT

To the members of NEW MAURITIUS HOTELS LIMITED

Report on the Financial Statements

We have audited the financial statements of New Mauritius Hotels Limited (the "Company") and its subsidiaries (the "Group") on pages 32 to 89 which comprise the statements of financial position as at September 30, 2014 and the statements of profit or loss and, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 32 to 89 give a true and fair view of the financial position of the Group and the Company as at September 30, 2014 and of their financial performance and cash flows for the year then ended in accordance

with International Financial Reporting Standards and comply with the Companies Act 2001 and Financial Reporting Act 2004.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacities as auditors, tax advisors, and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

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

Financial Reporting Act 2004

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

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

ERNST & YOUNG
Ebene, Mauritius

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

December 16, 2014

STATEMENTS OF PROFIT OR LOSS

for the year ended september 30, 2014

	Notes	THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs.'000	Restated* Rs.'000	Rs.'000	Restated* Rs.'000
Revenue	4	8,793,343	7,818,863	6,287,238	6,110,903
Direct costs		(1,899,652)	(1,271,747)	(997,637)	(960,681)
Staff costs	5	(2,924,188)	(2,626,690)	(2,111,309)	(2,004,484)
Other expenses	6	(2,638,115)	(2,439,378)	(1,822,084)	(1,760,927)
Depreciation and impairment of property, plant and equipment	13	(563,282)	(505,244)	(434,080)	(434,807)
Amortisation of intangible assets	15	(4,594)	(3,952)	(2,343)	(2,342)
Profit/(loss) on disposal of property, plant and equipment		2,127	9,433	(8,128)	(719)
Finance revenue	7	211,651	15,849	191,022	3,664
Finance costs	8	(688,640)	(609,491)	(938,616)	(639,118)
Other income	10	260,476	112,348	9,000	89,903
Gain on liquidation of subsidiaries	36	-	-	-	1,093,624
Share of results of associates	17	1,423	41,039	-	-
Pre-operational expenses	9	(61,697)	(103,195)	-	-
Profit before tax		488,852	437,835	173,063	1,495,016
Income tax credit/ (expense)	11	12,782	(25,820)	6,839	(21,188)
Profit for the year		501,634	412,015	179,902	1,473,828
Profit attributable to:					
Owners of the parent		458,494	377,727	179,902	1,473,828
Non-controlling interests		43,140	34,288	-	-
		501,634	412,015	179,902	1,473,828
Basic and diluted earnings per share (Rs.)	12	2.84	2.34		

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended september 30, 2014

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs.'000	Restated* Rs.'000	Rs.'000	Restated* Rs.'000
Profit for the year	501,634	412,015	179,902	1,473,828
Other comprehensive (loss)/income:				
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(416,973)	(33,289)	-	-
(Loss)/ gain on available-for-sale financial assets	(681)	6,880	370	102
(Loss)/ gain on cash flow hedges	(7,624)	7,361	-	-
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	(425,278)	(19,048)	370	102
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement of retirement benefit obligations	28,068	(323,414)	26,277	(313,867)
Tax effect on gains on retirement benefit obligations	(4,210)	48,512	(3,942)	47,080
Gains on revaluation of property	623,973	407,202	(11,024)	312,467
Tax effect on gains on property revaluation	(402)	(58,180)	2,462	(45,116)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	647,429	74,120	13,773	564
Other comprehensive income for the year, net of tax	222,151	55,072	14,143	666
Total comprehensive income for the year	723,785	467,087	194,045	1,474,494
Total comprehensive income attributable to:				
Owners of the parent	676,523	435,813	194,045	1,474,494
Non-controlling interests	47,262	31,274	-	-
	723,785	467,087	194,045	1,474,494

* Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to note 2.2.

STATEMENTS OF FINANCIAL POSITION

as at september 30, 2014

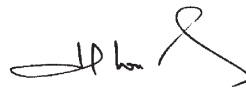
Notes	THE GROUP			THE COMPANY			
	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000	
ASSETS							
Non-current assets		Restated*	Restated*		Restated*	Restated*	
Property, plant and equipment	13	24,826,796	22,681,483	20,839,342	17,958,601	17,961,409	17,838,268
Investment properties	14	786,900	480,900	378,330	195,125	195,125	115,000
Intangible assets	15	1,697,550	1,707,528	1,706,910	1,218,924	1,221,267	1,223,609
Investment in subsidiaries	16	-	-	-	7,798,406	2,542,247	3,181,875
Investment in associates	17	526,863	524,683	509,585	19,062	19,062	19,062
Available-for-sale financial assets	18	25,340	26,021	19,141	1,850	1,480	1,378
Deferred tax asset	26	130,261	79,835	55,891	-	-	-
		27,993,710	25,500,450	23,509,199	27,191,968	21,940,590	22,379,192
Current assets							
Inventories	20	3,882,196	4,150,415	3,458,486	1,501,377	1,420,694	1,379,102
Trade and other receivables	21	3,032,387	2,520,205	1,982,582	3,223,822	7,182,123	4,518,643
Other financial assets	34	20,257	560	10,737	20,257	560	10,737
Income tax prepaid	11	15,737	46,348	49,414	12,382	47,297	47,129
Cash in hand and at banks	22	801,277	849,316	680,696	58,084	84,007	144,079
		7,751,854	7,566,844	6,181,915	4,815,922	8,734,681	6,099,690
Total assets		35,745,564	33,067,294	29,691,114	32,007,890	30,675,271	28,478,882
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Stated capital	23	1,724,361	1,724,361	1,724,361	1,724,361	1,724,361	1,724,361
Retained earnings		6,857,400	6,499,379	5,709,950	5,129,194	5,055,912	3,974,682
Other components of equity	24	4,610,033	4,452,955	4,967,995	4,449,557	4,490,218	4,258,378
		13,191,794	12,676,695	12,402,306	11,303,112	11,270,491	9,957,421
Non-controlling interests		74,257	68,915	58,662	-	-	-
Total equity		13,266,051	12,745,610	12,460,968	11,303,112	11,270,491	9,957,421
Non-current liabilities							
Borrowings	25	9,430,966	10,112,954	8,263,293	8,926,574	9,984,306	8,121,368
Deferred tax liability	26	1,419,966	1,432,529	1,410,725	1,360,174	1,371,330	1,362,242
Employee benefit liability	19	718,752	740,656	405,474	702,700	723,307	402,998
Total non-current liabilities		11,569,684	12,286,139	10,079,492	10,989,448	12,078,943	9,886,608
Current liabilities							
Trade and other payables	27	3,779,879	3,036,877	2,477,043	2,875,407	2,387,438	4,101,701
Borrowings	25	7,086,795	4,986,855	4,673,611	6,799,414	4,926,586	4,533,152
Other financial liabilities	34	40,509	11,813	-	40,509	11,813	-
Income tax payable	11	2,646	-	-	-	-	-
Total current liabilities		10,909,829	8,035,545	7,150,654	9,715,330	7,325,837	8,634,853
Total liabilities		22,479,513	20,321,684	17,230,146	20,704,778	19,404,780	18,521,461
Total equity and liabilities		35,745,564	33,067,294	29,691,114	32,007,890	30,675,271	28,478,882

*Certain amounts shown here do not correspond to the 2013 and 2012 financial statements and reflect adjustments made, refer to Note 2.2.

Approved by the Board of Directors on December 16, 2014 and signed on its behalf by:



Hector ESPITALIER-NOËL
Chairman



Herbert COUACAUD C.M.G.
Chief Executive Officer

STATEMENTS OF CHANGES IN EQUITY

for the year ended september 30, 2014

THE GROUP

	Attributable to owners of the parent								
	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for-sale Financial Assets Reserve	Revaluation Reserve	Other Reserves	Total	Non-controlling Interests	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at October 1, 2012	1,724,361	6,076,131	(1,024,901)	7,679	4,549,874	1,435,343	12,768,487	58,662	12,827,149
Changes in accounting policies (Note 2.2)	-	(366,181)	-	-	-	-	(366,181)	-	(366,181)
As at October 1, 2012 (restated*)	1,724,361	5,709,950	(1,024,901)	7,679	4,549,874	1,435,343	12,402,306	58,662	12,460,968
Changes in equity for the year									
Profit for the year	-	377,727	-	-	-	-	377,727	34,288	412,015
Other comprehensive income/(loss) for the year	-	(274,902)	(22,914)	6,880	349,022	-	58,086	(3,014)	55,072
Total comprehensive income/(loss) for the year	-	102,825	(22,914)	6,880	349,022	-	435,813	31,274	467,087
Deconsolidation of subsidiaries (Note 36)	-	810,760	-	-	-	(810,760)	-	-	-
Depreciation transfer for buildings	-	43,845	-	-	(43,845)	-	-	-	-
Tax effect of depreciation transfer for buildings	-	(6,577)	-	-	6,577	-	-	-	-
Dividends (Note 28)	-	(161,424)	-	-	-	-	(161,424)	(21,021)	(182,445)
As at September 30, 2013 (restated*)	1,724,361	6,499,379	(1,047,815)	14,559	4,861,628	624,583	12,676,695	68,915	12,745,610
Balance at October 1, 2013	1,724,361	6,499,379	(1,047,815)	14,559	4,861,628	624,583	12,676,695	68,915	12,745,610
Changes in equity for the year									
Profit for the year	-	458,494	-	-	-	-	458,494	43,140	501,634
Other comprehensive income/(loss) for the year	-	23,683	(424,328)	(681)	619,355	-	218,029	4,122	222,151
Total comprehensive income/(loss) for the year	-	482,177	(424,328)	(681)	619,355	-	676,523	47,262	723,785
Depreciation transfer for buildings	-	43,845	-	-	(43,845)	-	-	-	-
Tax effect of depreciation transfer for buildings	-	(6,577)	-	-	6,577	-	-	-	-
Dividends (Note 28)	-	(161,424)	-	-	-	-	(161,424)	(41,920)	(203,344)
Balance at September 30, 2014	1,724,361	6,857,400	(1,472,143)	13,878	5,443,715	624,583	13,191,794	74,257	13,266,051

THE COMPANY

	Stated Capital	Retained Earnings	Available-for-sale Financial Assets Reserve	Revaluation Reserve	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at October 1, 2012	1,724,361	4,344,893	467	4,257,911	10,327,632
Changes in accounting policies (Note 2.2)	-	(370,211)	-	-	(370,211)
As at October 1, 2012 (restated*)	1,724,361	3,974,682	467	4,257,911	9,957,421
Changes in equity for the year					
Profit for the year	-	1,473,828	-	-	1,473,828
Other comprehensive income for the year	-	(266,787)	102	267,351	666
Total comprehensive income for the year	-	1,207,041	102	267,351	1,474,494
Depreciation transfer for buildings	-	41,898	-	(41,898)	-
Tax effect of depreciation transfer for buildings	-	(6,285)	-	6,285	-
Dividends (Note 28)	-	(161,424)	-	-	(161,424)
Balance at September 30, 2013 (restated*)	1,724,361	5,055,912	569	4,489,649	11,270,491
As at October 01, 2013 (restated*)	1,724,361	5,055,912	569	4,489,649	11,270,491
Changes in equity for the year					
Profit for the year	-	179,902	-	-	179,902
Other comprehensive income for the year	-	22,335	370	(8,562)	14,143
Total comprehensive income for the year	-	202,237	370	(8,562)	194,045
Depreciation transfer for buildings	-	38,199	-	(38,199)	-
Tax effect of depreciation transfer for buildings	-	(5,730)	-	5,730	-
Dividends (Note 28)	-	(161,424)	-	-	(161,424)
Balance at September 30, 2014	1,724,361	5,129,194	939	4,448,618	11,303,112

*Certain amounts shown here do not correspond to the 2013 and 2012 financial statements and reflect adjustments made, refer to Note 2.2.

STATEMENTS OF CASH FLOWS

for the year ended september 30, 2014

	Notes	THE GROUP		THE COMPANY	
		2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Operating activities			Restated*		Restated*
Profit before tax		488,852	437,835	173,063	1,495,016
<i>Adjustments to reconcile profit before tax to net cash flows</i>					
<i>Non-cash:</i>					
Depreciation and impairment on property, plant and equipment	13	571,277	514,470	434,079	434,807
Amortisation of intangible assets	15	4,594	3,952	2,343	2,342
(Profit)/loss on disposal of property, plant and equipment		(2,127)	(9,433)	8,128	719
Provision for bad debts		52	5,173	3,295	3,500
Fair value gain on investment properties	14	(250,942)	(101,177)	-	(78,732)
Dividend income		(513)	(6)	(12,692)	(3,398)
Interest income	7	(35,196)	(15,843)	(1,915)	(266)
Interest expense	8	648,131	587,501	573,223	617,128
Loss/(gain) on other financial assets	7 & 8	8,999	21,990	8,999	21,990
Exchange loss/(gain) on retranslation of loans	7 & 8	(143,279)	4,979	(144,905)	7,535
Share of profit of associates	17	(1,423)	(41,039)	-	-
Profit on winding up of subsidiaries	36	-	-	-	(1,093,624)
Decrease in employee benefit asset	19	6,164	11,768	5,670	6,442
<i>Working capital adjustments:</i>					
Decrease/(increase) in inventories		220,326	(493,072)	(19,864)	22,611
(Increase)/decrease in trade and other receivables		(553,004)	(569,022)	(277,058)	(63,662)
Increase/(decrease) in trade and other payables		285,032	376,695	204,742	(142,447)
Income tax (paid)/refund	11	(21,561)	(37,681)	29,118	(10,309)
Net cash flows generated from operating activities		1,225,382	697,090	986,226	1,219,652
Investing activities					
Purchase of property, plant and equipment		(1,584,369)	(1,527,169)	(37,101)	(172,842)
Proceeds from sale of property, plant and equipment		27,854	23,240	13,139	10,535
Proceeds from redemption of shares in associates		-	24,145	-	-
Dividend received		2,979	3,398	12,692	3,398
Interest received	7	35,196	15,843	1,915	266
Net cash flows used in investing activities		(1,518,340)	(1,460,543)	(9,355)	(158,643)
Financing activities					
Proceeds from borrowings		2,971,324	5,230,360	2,580,594	5,230,360
Repayment of term loans		(2,346,066)	(3,813,984)	(2,319,766)	(3,736,958)
Financing through lease obligation		-	148,368	-	148,368
Repayment of finance lease liabilities		(117,489)	(80,538)	(66,115)	(51,915)
Advances to subsidiaries		-	-	(1,024,095)	(2,509,375)
Interest paid	8	(945,587)	(955,118)	(681,689)	(735,707)
Dividends paid to equity holders of the parent		(161,424)	-	(161,424)	-
Dividends paid to non-controlling interests		(41,920)	(21,021)	-	-
Net cash flows (used in)/from financing activities		(641,162)	508,067	(1,672,495)	(1,655,227)
Net decrease in cash and cash equivalents		(934,120)	(255,386)	(695,624)	(594,218)
Cash and cash equivalents at October 1,		(1,247,119)	(971,797)	(1,995,109)	(1,400,891)
Net foreign exchange difference		(14,647)	(19,936)	-	-
Cash and cash equivalents at September 30, (Note 22)		(2,195,886)	(1,247,119)	(2,690,733)	(1,995,109)

*Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to Note 2.2.

NOTES TO THE FINANCIAL STATEMENTS

september 30, 2014

1. CORPORATE INFORMATION

The financial statements of New Mauritius Hotels Limited (the 'Company') and consolidated with its subsidiaries (the 'Group') for the year ended September 30, 2014 were authorised for issue in accordance with a resolution of the Directors on December 16, 2014. New Mauritius Hotels Limited is a public limited company incorporated in Mauritius and is listed on The Stock Exchange of Mauritius. Its registered office is situated at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius.

The principal activities of the Group consist of hotels operations, tour operating and the provision of airline and inland catering and development of property for sale.

2. BASIS OF PREPARATION

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

Statement of compliance

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at September 30, 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations:

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of October 1, 2013:

Effective for accounting period beginning on or after New or revised standards

IFRS 10 Consolidated Financial Statements	January 1, 2013
IFRS 11 Joint Arrangements	January 1, 2013

IFRS 12 Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13 Fair Value Measurement	January 1, 2013
IAS 27 Separate Financial Statements (2011)	January 1, 2013
IAS 28 Investments in Associates and Joint Ventures (2011)	January 1, 2013
IAS 19 Employee Benefits	January 1, 2013

Amendments

Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	January 1, 2013
Government Loans (Amendments to IFRS 1)	January 1, 2013
Annual Improvements 2009-2011 Cycle	January 1, 2013
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	January 1, 2013

Interpretations

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013
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New or revised standards

The adoption of the standards or interpretations is described below:

IFRS 10 Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities' which are now known as 'structured entities'). Under IFRS 10, control is based on whether an investor has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the returns.

The Group made a reassessment of its control conclusion for its investees at October 1, 2013 and determined that there is no change. Therefore, the adoption did not have any impact on the financial position or performance of the Group. The Company continues to account for its investment in its subsidiaries at cost in its separate financial statements.

IFRS 11 Joint Arrangements

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures. This new standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly);
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

The Group made an assessment at October 1, 2013 and concluded that it does not have any joint operation or joint venture. The adoption of the standard did not have any impact on the financial position nor performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 Disclosure of Interests in Other Entities requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- Significant judgements and assumptions - such as how control, joint control, significant influence has been determined;
- Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on;
- Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information); and
- Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

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The Group provided the relevant disclosures in the relevant notes to the financial statements.

IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - unobservable inputs for the asset or liability

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified. Additional disclosures have been provided in the relevant notes to the financial statements.

IAS 27 Separate Financial Statements (2011)

This is an amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 Consolidated and Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments / IAS 39 Financial Instruments: Recognition and Measurement.

The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements.

This new standard had no impact on the financial position or performance of the Group.

IAS 28 Investments in Associates and Joint Ventures (2011)

This Standard supersedes IAS 28 Investments in Associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

The Group assessed the impact of this new standard and concluded that it had no impact on its financial position nor performance.

Amendments

IAS 19 Employee Benefits

The Group applied IAS 19 (Revised 2011) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. The opening statement of financial position of the earliest comparative period presented (October 1, 2012) and the comparative figures have been accordingly restated.

IAS 19 (Revised 2011) changes, amongst other things, the accounting for defined benefit plans. Some of the key changes that impacted the Group include the following:

- All past service costs are recognised at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognised. As a result, unvested past service costs can no longer be deferred and recognised over the future vesting period.
- The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period.

IAS 19 (Revised 2011) also requires more extensive disclosures. These have been provided in Note 19.

IAS 19 (Revised 2011) has been applied retrospectively, with following permitted exceptions:

- The carrying amounts of other assets have not been adjusted for changes in employee benefit costs that were included before October 1, 2012; and
- Sensitivity disclosures for the defined benefit obligation for comparative period (year ended september 30, 2014) have not been provided.

Impact on profit or loss and OCI (increase/ (decrease) in profit/OCI):

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Statement of profit or loss				
Staff costs	(6,164)	9,764	(5,663)	13,963
Profit before tax	(6,164)	9,764	(5,663)	13,963
Income tax	925	(1,464)	849	(2,094)
Profit for the year	(5,239)	8,300	(4,814)	11,869

Statement of other comprehensive income

Re-measurement gain on defined benefit plans	28,068	(323,414)	26,277	(313,867)
Income tax effect on above	(4,210)	48,512	(3,942)	47,080
Other comprehensive income/ (loss) for the year, net of tax	23,858	(274,902)	22,335	(266,787)
Total comprehensive income/ (loss) for the year,	18,619	(266,602)	17,521	(254,918)

Impact on equity (increase/(decrease) in net equity):

Group

	As at September 30,		As at October 1,
	2014 Rs.000	2013 Rs.000	2012 Rs.000
Non-current liabilities			
Impact on employee benefit liability	21,904	(313,650)	(430,801)
Impact on deferred tax liability	(3,285)	47,048	64,620
Net increase/(decrease) in equity	18,619	(266,602)	(366,181)

Company

	As at September 30,		As at October 1,
	2014 Rs.000	2013 Rs.000	2012 Rs.000
Non-current liabilities			
Impact on employee benefit liability	20,614	(299,903)	(435,542)
Impact on deferred tax liability	(3,093)	44,985	65,331
Net increase/(decrease) in equity	17,521	(254,918)	(370,211)

Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

The disclosure requirements in IFRS 7 Financial Instruments: Disclosures were amended to require information about all recognised financial instruments that are set off in accordance

with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment had no impact on the disclosures provided by the Group as there has been no offsetting of financial assets and financial liabilities during the year.

Government Loans (Amendments to IFRS 1)

IFRS 1 First-time Adoption of International Financial Reporting Standards was amended to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans.

This amendment had no impact on the financial position of the Group as it is not a first time adopter of IFRS.

Annual Improvements 2009-2011 Cycle

The following are annual improvements to existing standards:

- IFRS 1 - Permits the repeated application of IFRS 1, and clarification on accounting for borrowing costs on certain qualifying assets;
- IAS 1 - Clarifies the requirements for comparative information;
- IAS 16 - Clarifies the classification of servicing equipment;
- IAS 32 - Clarifies that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes; and
- IAS 34 - Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments.

These amendments had no impact on the financial position or performance of the Group.

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities were amended to provide additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

The amendments described above did not have any impact on the Group's financial position or performance.

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Interpretations

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

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

The Interpretation requires stripping activity costs which provide improved access to ore are recognised as a non-current 'stripping activity asset' when certain criteria are met. The stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate.

The amendments described above did not have any impact on the Group's financial position or performance as the Group is not engaged in mining activities.

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

Effective for accounting period beginning on or after

- IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition	January 1, 2018
- IFRS 14 Regulatory Deferral Accounts	January 1, 2016
- IFRS 15 Revenue from Contracts with Customers	January 1, 2017
- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	January 1, 2014
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	January 1, 2014
- Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014
(Amendments to IAS 36) – effective	January 1, 2014
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	January 1, 2014
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	July 1, 2014
- Annual Improvements 2010-2012 Cycle	July 1, 2014
- Annual Improvements 2011-2013 Cycle	July 1, 2014
- Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests	January 1, 2016
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016

- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants January 1, 2016
- Amendments to IAS 27: Equity Method in Separate Financial Statements January 1, 2016
- IFRIC 21 Levies January 1, 2014

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

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 14 Regulatory Deferral Accounts - effective January 1, 2016

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

IFRS 15 Revenue from Contracts with Customers - effective January 1, 2017

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under

IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

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

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities – effective January 1, 2014

This amendment to IAS 32 Financial Instruments: Presentation was made to clarify certain aspects because of diversity in application of the requirements on offsetting thereby focusing on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off';
- The application of simultaneous realisation and settlement;
- The offsetting of collateral amounts; and
- The unit of account for applying the offsetting requirements.

This amendment is not expected to have an impact on the financial position or performance of the Group.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective January 1, 2014

These amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements were made to:

- Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and
- Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

These amendments will not have an impact as the Group is not considered to be an investment entity.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective January 1, 2014

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to

disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. This amendment may have an impact on the disclosure in future, if assets are impaired and the fair value less costs of disposal is used as the recoverable amount.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective January 1, 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The Group is currently assessing the impact of the above amendments on its financial statements.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) - effective July 1, 2014

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014.

The Group is currently assessing the impact of the amendment on its financial position or performance.

Annual improvements 2010-2012 Cycle

These improvements are effective from July 1, 2014 and are not expected to have a material impact on the Group. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition

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- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

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

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

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

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

Annual improvements 2011-2013 Cycle

These improvements are effective from July 1, 2014 and are not expected to have a material impact on the Group. They include:

IFRS 3 Business Combinations

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

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

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests - effective January 1, 2016

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The amendment will not have an impact since the Group does not have any interests in joint operations.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation - effective January 1, 2016

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants - effective January 1, 2016

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

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

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

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

IFRIC 21 Levies - effective January 1, 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time; and
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

This new interpretation will not have an impact on the Group. No early adoption of these standards and interpretations is intended by the Board of directors

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Functional currency

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

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

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

Revaluation of freehold land, hotel buildings and investment properties

The Group measures freehold land and hotel buildings at revalued amounts with changes in fair value being recognised in equity. In addition, it carries its investment properties at fair

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value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to determine fair value based on prevailing market data. Further details in respect of the freehold land and buildings and investment properties are contained in Note 13 and 14 respectively.

Fair value measurements of financial instruments

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

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 15.

Employee benefit obligations

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

Property, plant and equipment: Estimations of the useful lives and residual value of the assets

The depreciation charge calculation requires an estimation of the economic useful life of the property, plant and equipment of the Group analysed by component as well as their residual values. In estimating residual values, the Group has assessed the value of the buildings at today's rates assuming the buildings are in the condition in which they are expected to be at the end of their useful lives.

Other items of property, plant and equipment are depreciated using the norms applicable in the industry. The carrying amount of property, plant and equipment is disclosed in Note 13.

Taxes

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and

designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

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

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

Foreign currency translation

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

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

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

Property, plant and equipment

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

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

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

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

An annual transfer from the revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the

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gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

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

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

Work in progress pertains mainly to costs incurred in the construction of hotel in Morocco, namely Royal Palm Marrakech. Such costs include costs of construction and borrowing costs.

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

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

Investment properties

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

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

Transfers are made to investment property only when there is a change in use, evidenced by the end of owner occupation,

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

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

Investments in subsidiaries

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

Financial statements of the Company

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

Investments in associates

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

Financial statements of the Company

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

Consolidated financial statements

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

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

The profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the

statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of an associate is shown on the face of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

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

Intangible assets

Goodwill

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

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

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

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

Other intangible assets

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

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

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

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

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

Leasehold rights

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

Patents

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

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is

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required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

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

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

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

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

Goodwill

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

Intangible assets

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

Financial assets

Initial recognition

Financial assets are classified at initial recognition as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end. Financial assets are recognised initially at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way purchases) are recognized on the trade date, i.e., the date the Group commits to purchase or sell the asset.

The Group's financial assets include cash in hand and at banks, trade and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

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

Derivatives recorded at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in profit or loss.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied.

The Group uses derivatives such as forward foreign exchange contracts. Derivatives are recorded at fair value and are carried as assets when fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives

are included in the profit or loss.

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

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as other operating expenses.

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets include equity investments. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to profit or loss in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans

and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

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

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

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of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

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

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

Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group

determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft and borrowings and derivatives.

Subsequent measurement

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

Interest-bearing loans and borrowings

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

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

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's

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

Financial liabilities

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

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

Offsetting of financial instruments

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

Fair value measurement

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

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

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to

measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

Involvement of external valuers for the valuation of its properties is decided upon by management after discussion with and approval of the audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources, that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents.

Management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset

and liability with relevant external sources to determine whether the change is reasonable.

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

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current. A liability is current when
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

Cash and cash equivalents

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

Inventories

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

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

- Food and beverages are valued at purchase cost on a weighted average basis.
- Operating supplies and small equipment are recognised at purchase cost and amortised on a straight line basis over their estimated useful life which is between two to four years.

- Spare parts, fabrics and garments are valued at purchase cost on a weighted average basis.

Stock of villas is valued at cost which comprise of cost of land, construction costs and borrowing costs.

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

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

Provisions

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

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.

In the current year, the Group applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts

recognised in profit or loss and other comprehensive income in prior years.

Specific transitional provisions are applicable to first-time application of IAS 19 (as revised in 2011). The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis.

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

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

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

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

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

Severance allowance

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

Taxes

Current income tax

Current tax income assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws, used to compute the amount, are those that are enacted

or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred income tax

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

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

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

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

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

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

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become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

Value Added Tax

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

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

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

Environment fees and solidarity levy

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

Corporate Social Responsibility

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

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

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the

arrangement conveys a right to use the asset or assets, even of that right is not explicitly specified in the arrangement.

Group as a lessee

Finance leases

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

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

Operating lease

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

Borrowing costs

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

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

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

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and value added taxes or other taxes.

The following specific criteria must also be met before revenue is recognised:

(i) Revenue from hotel operations

Revenue is recognised upon consumption and acceptance by customers.

(ii) Revenue from airline and inland catering

Revenue is recognised when the significant risks and rewards

of ownership of the goods have passed to the buyers, usually on dispatch of the goods.

(iii) Revenue from tour operating

Commissions are recognised on completion of the services performed.

(iv) Revenue from sale of villas

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

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

(v) Interest income

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

(vi) Dividend revenue

When the shareholder's right to receive payment is established.

Cash dividend to equity holders

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

4. SEGMENTAL REPORTING

The Group presents segmental information using business segments and geographical segments. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The Group is composed of four business segments, which are as follows: hotel operations, tour operations, airline and inland catering and property development as described below. Each business segment provides products and services that are subject to risks and returns that are different from those of other business segments.

- Hotel operations - carried out in Mauritius, Seychelles and Morocco (under construction).
- Tour operating- carried out in France, United Kingdom, Italy, South Africa and Australia.
- Airline and inland catering- carried out in Mauritius.
- Property development- construction and sale of villas in Morocco and property development in Mauritius (to be started as soon as clearance is obtained from local authorities).

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4. SEGMENTAL REPORTING

	Hotel Operations Rs'000	Tour Operating Rs'000	Flight & Inland Catering Rs'000	Property & Others Rs'000	Group Rs'000
Business segments for the year ended september 30, 2014					
Revenue	6,530,793	1,345,639	229,166	687,745	8,793,343
Profit /(loss) after tax	238,890	(208)	(5,452)	268,404	501,634
Segment assets	28,381,230	1,435,199	417,182	4,985,588	35,219,199
Share of net assets of associates	-	-	-	526,365	526,365
Total assets					35,745,564
Segment liabilities	20,054,138	1,226,735	94,784	1,103,856	22,479,513
<i>Other segment information:</i>					
Capital expenditure	2,166,950	52,531	19,206	62,934	2,301,621
Depreciation and impairment on property, plant and equipment	477,669	51,016	12,889	29,703	571,277
Amortisation of intangible assets	4,156	-	-	438	4,594
Business segments for the year ended September 30, 2013					
	Hotel Operations Rs.'000	Tour Operating Rs.'000	Flight & Inland Catering Rs.'000	Property and others Rs.'000	Group Rs.'000
Revenue	6,222,501	1,353,839	242,523	-	7,818,863
Profit /(loss) after tax	340,218	72,308	(1,007)	496	412,015
Segment assets	26,188,101	1,498,321	424,119	4,432,070	32,542,611
Share of net assets of associates	-	-	-	524,683	524,683
Total assets					33,067,294
Segment liabilities	17,920,385	1,245,519	48,907	1,027,038	20,241,849
<i>Other segment information:</i>					
Capital expenditure	1,736,348	34,501	11,000	32,101	1,813,950
Depreciation and impairment on property, plant and equipment	452,259	42,289	11,000	7,878	513,426
Amortisation of intangible assets	3,952	-	-	-	3,952
	Mauritius Rs'000	Europe Rs'000	Morocco Rs'000	Other countries Rs'000	Total Rs'000
Geographical segments For the year ended September 30, 2014					
Segment revenue	6,729,394	655,403	806,177	602,369	8,793,343
Segment assets	23,271,693	955,650	9,732,578	1,785,643	35,745,564
Capital expenditure	468,311	7,385	1,779,704	46,221	2,301,621
Geographical segments For the year ended September 30, 2013					
Segment revenue	6,561,589	665,300	-	591,974	7,818,863
Segment assets	23,041,208	981,521	7,039,609	1,925,121	32,987,459
Capital expenditure	281,151	3,370	1,489,943	39,486	1,813,950

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	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
		Restated		Restated
Wages, salaries, fees and bonuses	2,156,665	1,914,514	1,525,610	1,424,713
Social security costs	263,868	224,197	125,416	155,509
Employee benefits and related expenses	503,655	487,979	460,283	424,262
	<u>2,924,188</u>	<u>2,626,690</u>	<u>2,111,309</u>	<u>2,004,484</u>

6. OTHER EXPENSES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Operating supplies and cleaning expenses	393,283	338,918	309,461	307,097
Repairs and maintenance	206,515	219,932	184,344	181,672
Utility costs	524,555	480,157	403,131	390,048
Marketing expenses	810,181	788,517	459,501	427,951
Guest entertainment	89,196	85,636	82,615	81,946
Administrative expenses	305,499	260,150	139,909	136,041
Operating lease rentals	177,114	146,403	131,484	129,882
Licences, patents, insurance and taxes	131,772	119,665	111,639	106,290
	<u>2,638,115</u>	<u>2,439,378</u>	<u>1,822,084</u>	<u>1,760,927</u>

7. FINANCE REVENUE

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Investment income: Quoted	14	6	14	6
Unquoted	26	-	12,678	3,392
Unrealised gain of forward contracts	31,510	-	31,510	-
Exchange gain on retranslation of loans	144,905	-	144,905	-
Interest income	35,196	15,843	1,915	266
	<u>211,651</u>	<u>15,849</u>	<u>191,022</u>	<u>3,664</u>

NOTES TO THE FINANCIAL STATEMENTS

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8. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Fair value loss on derivatives	40,509	21,990	40,509	21,990
Exchange loss on retranslation of loans and debentures	1,626	99,011	-	7,535
Exchange loss on retranslation of subsidiaries' current accounts	-	-	284,604	27,606
Interest costs on:				
Bank overdrafts	117,262	70,859	94,743	69,702
Loans	730,934	747,015	581,862	593,287
Debentures	65,464	13,063	-	-
Finance leases	30,286	24,575	21,822	20,841
Call account with subsidiaries (Note 31)	-	-	23,528	16,141
Others	15	595	15	595
	986,096	977,108	1,047,083	757,697
Less borrowing costs capitalised:	(297,456)	(367,617)	(108,467)	(118,579)
	688,640	609,491	938,616	639,118
Borrowing costs capitalised can be analysed as follows:				
Exchange loss on retranslation of loans and debentures included in:				
Property, plant and equipment(Note 13 (c))	-	(61,006)	-	-
Inventories (Note 20 (c))	-	(33,026)	-	-
	-	(94,032)	-	-
Interest cost on bank loans and overdrafts and debentures included in:				
Property, plant and equipment(Note 13 (c))	(160,210)	(154,633)	(47,581)	(52,998)
Inventories (Note 20 (c))	(137,246)	(118,952)	(60,886)	(65,581)
	(297,456)	(273,585)	(108,467)	(118,579)
Total borrowings capitalised	(297,456)	(367,617)	(108,467)	(118,579)

9. PRE-OPERATIONAL EXPENSES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Pre-operational costs incurred	61,697	103,195	-	-

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

10. OTHER INCOME

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Fair value gain on investment properties (Note 14)	250,942	101,177	-	78,732
Insurance proceeds-credit protection	-	11,171	-	11,171
Insurance refund	9,000	-	9,000	-
Other operating income	534	-	-	-
	260,476	112,348	9,000	89,903

11. INCOME TAX

The major components of income tax expense for the years ended September 30, 2014 and 2013 are:

Statement of profit or loss:

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Income tax on the adjusted profit for the year at 15% (2013: 15%)	(48,575)	(27,490)	-	-
Corporate Social Responsibility (CSR) charge	(6,244)	(10,306)	(5,797)	(10,306)
Overprovision of income tax in previous year	-	168	-	170
Deferred tax (Note 26)	67,601	11,808	12,636	(11,052)
Income tax credit/(expense)	12,782	(25,820)	6,839	(21,188)

Statement of other comprehensive income:

<i>Deferred tax relating to items recognised in other comprehensive income</i>				
Remeasurement of retirement benefit obligations	(4,210)	48,512	(3,942)	47,080
Gains on revaluation of property	(402)	(58,180)	2,462	(45,116)
	(4,612)	(9,668)	(1,480)	1,964

Statements of financial position

At October 1,	46,348	49,414	47,297	47,126
(Under)/Over provision of income tax in previous year	-	168	-	171
Income tax on the adjusted profit for the year at 15% to 30% (2013: 15% to 30%)	(43,013)	(37,796)	(5,797)	(10,309)
Exchange differences	(11,805)	(3,119)	-	-
Refund received	(34,915)	-	(34,915)	-
Less: Payment during the year	56,476	37,681	5,797	10,309
At September 30,	13,091	46,348	12,382	47,297
Analysis of tax position at year end:				
Income tax prepaid	15,737	46,348	12,382	47,297
Income tax payable	(2,646)	-	-	-
	13,091	46,348	12,382	47,297

A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian's tax rate for the years ended September 30, 2014 and 2013 as follows:

Profit before tax	488,852	437,835	173,063	1,495,016
Tax calculated at a tax rate of 15% to 30% (2013: 15% to 30%)	(41,748)	(65,675)	(25,959)	(224,252)
Expenses not deductible for tax purposes	152,688	(4,435)	(2,837)	(7,598)
Expenses qualifying for double deduction	-	44,437	-	44,434
Corporate Social Responsibility (CSR) charge	(6,244)	(10,306)	(5,797)	(10,306)
Gain on liquidation of subsidiaries	-	-	-	164,044
Deferred tax asset not recognised	(96,393)	-	-	-
Underprovision of tax in previous year	-	168	-	170
Fair value gain on investment properties not subject to tax	4,479	11,810	-	11,810
Income not subject to tax	-	(1,819)	41,432	510
Tax credit/(expense)	12,782	(25,820)	6,839	(21,188)

12. BASIC EARNINGS PER SHARE

	THE GROUP	
	2014 Rs'000	2013 Rs'000
Profit for the year attributable to owners of the parent	458,494	377,727
Number of equity shares in issue	161,423,536	161,423,536

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

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13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land Rs'000	Buildings Rs'000	Other Fixed Assets Rs'000	Motor Vehicles Rs'000	Work in Progress Rs'000	Total Rs'000
THE GROUP						
Cost and valuation						
At October 1, 2012	1,666,096	16,067,119	4,434,044	355,813	1,625,963	24,149,035
Additions	51,519	56,390	202,756	48,617	1,454,668	1,813,950
Transfer**	59,009	7,802	611	-	(55,135)	12,287
Disposals	-	-	(27,748)	(44,577)	-	(72,325)
Scrapped	(50)	-	(24,677)	-	-	(24,727)
Revaluation	23,474	(44,974)	-	-	-	(21,500)
Exchange differences	2,345	89,146	16,607	(341)	34,991	142,748
At September 30, 2013	1,802,393	16,175,483	4,601,593	359,512	3,060,487	25,999,468
Depreciation						
At October 1, 2012	-	471,309	2,665,443	172,941	-	3,309,693
Charge for the year*	-	82,638	373,016	57,772	-	513,426
Disposals	-	-	(32,277)	(35,094)	-	(67,371)
Scrapped	-	-	(22,209)	-	-	(22,209)
Revaluation	-	(428,702)	-	-	-	(428,702)
Exchange differences	891	3,464	9,655	(862)	-	13,148
At September 30, 2013	891	128,709	2,993,628	194,757	-	3,317,985
Net Book Values						
At September 30, 2013	1,801,502	16,046,774	1,607,965	164,755	3,060,487	22,681,483
At September 30, 2012	1,666,096	15,595,810	1,768,601	182,872	1,625,963	20,839,342
Cost and valuation						
At October 1, 2013	1,802,393	16,175,483	4,601,593	359,512	3,060,487	25,999,468
Additions	82,643	503,353	144,021	122,803	1,448,801	2,301,621
Transfer**	(6,505)	2,028,995	176,072	10,230	(2,215,297)	(6,505)
Disposals	-	-	(31,974)	(69,404)	-	(101,378)
Scrapped	-	-	(70,928)	-	-	(70,928)
Impairment	(40,280)	-	-	-	-	(40,280)
Revaluation	513,909	38,835	-	-	-	552,744
Exchange differences	(4,678)	(120,109)	(22,754)	(1,976)	(43,793)	(193,310)
At September 30, 2014	2,347,482	18,626,557	4,796,030	421,165	2,250,198	28,441,432
Depreciation						
At October 1, 2013	891	128,709	2,993,628	194,757	-	3,317,985
Charge for the year*	-	99,446	355,737	75,814	-	530,997
Disposals	-	-	(27,341)	(55,578)	-	(82,919)
Scrapped	-	-	(63,720)	-	-	(63,720)
Revaluation	-	(71,229)	-	-	-	(71,229)
Exchange differences	(891)	(544)	(9,218)	(5,825)	-	(16,478)
At September 30, 2014	-	156,382	3,249,086	209,168	-	3,614,636
Net Book Values						
At September 30, 2014	2,347,482	18,470,175	1,546,944	211,997	2,250,198	24,826,796
At September 30, 2013	1,801,502	16,046,774	1,607,965	164,755	3,060,487	22,681,483

* Included in depreciation charged for the year is an amount of Rs 7,995,000 (2013:Rs 9,226,000) which has been reclassified to pre-operational expenses in respect of Domaine Palm Marrakech and Beachcomber Marrakech SA.

** An amount of Rs 6,505,000 relating to land has been transferred from property, plant and equipment to investment properties.

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

	Freehold Land Rs'000	Buildings Rs'000	Other Fixed Assets Rs'000	Motor Vehicles Rs'000	Work in Progress Rs'000	Total Rs'000
THE COMPANY						
Cost and valuation						
At October 1, 2012	1,629,360	14,869,921	4,105,224	202,079	70,136	20,876,720
Additions	50,214	54,289	127,934	15,837	8,461	256,735
Transfer	46,722	7,802	611	-	(55,135)	-
Disposals	-	-	(25,885)	(21,930)	-	(47,815)
Scrapped	-	-	(17,553)	-	-	(17,553)
Revaluation	11,704	(118,722)	-	-	-	(107,018)
At September 30, 2013	1,738,000	14,813,290	4,190,331	195,986	23,462	20,961,069
Depreciation						
At October 1, 2012	-	450,727	2,470,981	116,744	-	3,038,452
Charge for the year	-	74,242	336,917	23,648	-	434,807
Disposals	-	-	(22,475)	(15,816)	-	(38,291)
Scrapped	-	-	(15,823)	-	-	(15,823)
Revaluation	-	(419,485)	-	-	-	(419,485)
At September 30, 2013	-	105,484	2,769,600	124,576	-	2,999,660
Net Book Values						
At September 30, 2013	1,738,000	14,707,806	1,420,731	71,410	23,462	17,961,409
At September 30, 2012	1,629,360	14,419,194	1,634,243	85,335	70,136	17,838,268
Cost and valuation						
At October 1, 2013	1,738,000	14,813,290	4,190,331	195,986	23,462	20,961,069
Additions	47,344	269,942	87,379	57,925	881	463,471
Disposals	-	-	(25,035)	(39,538)	-	(64,573)
Scrapped	-	-	(70,927)	-	-	(70,927)
Impairment	(40,280)	-	-	-	-	(40,280)
Revaluation	5,436	(46,197)	-	-	-	(40,761)
At September 30, 2014	1,750,500	15,037,035	4,181,748	214,373	24,343	21,207,999
Depreciation						
At October 1, 2013	-	105,484	2,769,600	124,576	-	2,999,660
Charge for the year	-	71,519	299,861	22,420	-	393,800
Disposals	-	-	(20,973)	(29,600)	-	(50,573)
Scrapped	-	-	(63,752)	-	-	(63,752)
Revaluation	-	(29,737)	-	-	-	(29,737)
At September 30, 2014	-	147,266	2,984,736	117,396	-	3,249,398
Net Book Values						
At September 30, 2014	1,750,500	14,889,769	1,197,012	96,977	24,343	17,958,601
At September 30, 2013	1,738,000	14,707,806	1,420,731	71,410	23,462	17,961,409

(a) Revaluation of freehold land and buildings

The freehold land and buildings of the Group and the Company were revalued on September 30, 2014 by Mr. Noor Dilmohamed, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer, based on open market value. The Company has amended its policy to revalue its land and buildings from every two years to an annual basis.

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

The revalued land and buildings consist of hotel properties. Management determined that these constitute two classes of assets, land and buildings, under IFRS 13, based on the nature, characteristics and risks of the property. Fair value of the properties was determined by using open market value. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. The freehold land and buildings have been classified as level 2 as it is based on sales comparison approach.

Significant unobservable valuation input

Range

Price per square metre Freehold land Rs1,371 - Rs 4,320

Building Rs 34,721 - Rs 72,198

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

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

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

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Cost	15,845,365	13,192,873	12,519,635	12,242,630
Accumulated depreciation	(772,591)	(730,333)	(646,752)	(613,637)
Net carrying amount	15,072,774	12,462,540	11,872,883	11,628,993
(c) Borrowing costs				
Les Salines and Marrakech projects and renovation of Royal Palm for the financial year:				
Borrowing costs capitalised in property, plant and equipment (note 8)	160,210	215,639	47,581	52,998
The rate used to determine the amount of interest costs eligible for capitalisation varied between 2.5% to 5.1% for loans in foreign currency and 7.0% - 7.5% for loans denominated in Mauritian rupees.				
(d) Assets held under finance leases				
The carrying amount of property, plant and equipment held under finance leases was:				
<i>Plant and equipment included in other fixed assets</i>				
Cost	489,396	318,041	475,827	299,791
Accumulated depreciation	(182,306)	(83,408)	(170,559)	(73,212)
Net book values	307,090	234,633	305,268	226,579
<i>Motor vehicles</i>				
Cost	155,156	171,044	91,143	38,422
Accumulated depreciation	(41,759)	(72,929)	(18,376)	(6,950)
Net book values	113,397	98,115	72,767	31,472

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

(f) Part of the acquisition of property, plant and equipment was financed by leases amounting to Rs 103.4m for the Group (2013: Rs 56.7m) and Rs 93.6m (2013: Rs30.9m) for the Company.

(g) During the year, the Company did not transfer ownership of its assets to any leasing company (2013: Rs 146.4m).

14. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
At October 1,	480,900	378,330	195,125	115,000
Transfer of land from inventory (note (b))	29,099	1,393	-	1,393
Transfer of land from property (note (c))	6,505	-	-	-
Additions	19,454	-	-	-
Fair value gain	250,942	101,177	-	78,732
At September 30,	786,900	480,900	195,125	195,125

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

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

Significant unobservable valuation input

Price per square metre

Range
Rs. 2,749-Rs.4,320

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

(b) During the year, properties of 8.04 acres was transferred from inventories to investment properties at its carrying amount as its use has not yet been determined (2013: properties of 0.25 acres was transferred).

(c) During the year properties of 1.53 acres was transferred from property, plant and equipment to investment properties as its use has not yet been determined.

14. INVESTMENT PROPERTIES (CONT'D)

(d) The amounts recognised in profit or loss were as follows in respect of :
 Direct operating expenses arising from the investment properties:
 - that generated rental income during the year
 - that did not generate rental income during the year

THE GROUP		THE COMPANY	
2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
-	-	-	-
13,165	11,526	11,566	9,515

15. INTANGIBLE ASSETS

THE GROUP	Goodwill arising on Acquisition Rs'000	Leasehold Rights Rs'000	Patents Rs'000	Licences Rs'000	Total Rs'000
Cost					
At October 1, 2012	1,259,000	438,327	24,493	3,150	1,724,970
Exchange differences	-	5,331	-	-	5,331
At September 30, 2013	1,259,000	443,658	24,493	3,150	1,730,301
Amortisation					
At October 1, 2012	-	18,060	-	-	18,060
Amortisation charge	-	3,952	-	-	3,952
Exchange differences	-	761	-	-	761
At September 30, 2013	-	22,773	-	-	22,773
Net book values					
At September 30, 2013	1,259,000	420,885	24,493	3,150	1,707,528
At September 30, 2012	1,259,000	420,267	24,493	3,150	1,706,910
Cost					
At October 1, 2013	1,259,000	443,658	24,493	3,150	1,730,301
Exchange differences	-	(5,720)	-	-	(5,720)
At September 30, 2014	1,259,000	437,938	24,493	3,150	1,724,581
Amortisation					
At October 1, 2013	-	22,773	-	-	22,773
Amortisation charge	-	3,964	-	630	4,594
Exchange differences	-	(966)	-	630	(336)
At September 30, 2014	-	25,771	-	1,260	27,031
Net book values					
At September 30, 2014	1,259,000	412,167	24,493	1,890	1,697,550
At September 30, 2013	1,259,000	420,885	24,493	3,150	1,707,528

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15. INTANGIBLE ASSETS (CONT'D)

	Goodwill arising on acquisition Rs'000	Leasehold Rights Rs'000	Total Rs'000
THE COMPANY			
Cost			
At October 1, 2012 and September 30, 2013	1,089,892	140,247	1,230,139
Amortisation			
At October 1, 2012	-	6,530	6,530
Amortisation charge	-	2,342	2,342
At September 30, 2013	-	8,872	8,872
Net book values			
At September 30, 2013	1,089,892	131,375	1,221,267
At September 30, 2012	1,089,892	133,717	1,223,609
Cost			
At October 1, 2013 and September 30, 2014	1,089,892	140,247	1,230,139
Amortisation			
At October 1, 2013	-	8,872	8,872
Amortisation charge	-	2,343	2,343
At September 30, 2014	-	11,215	11,215
Net book values			
At September 30, 2014	1,089,892	129,032	1,218,924
At September 30, 2013	1,089,892	131,375	1,221,267

(a) Impairment testing of Goodwill

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

Cash-generating units

	Allocation of goodwill	
	2014 Rs.'000	2013 Rs.'000
<i>Tour operating cash-generating units</i>		
Beachcomber Limited and its tour operating subsidiaries	818,221	818,221
<i>Hotels operations cash-generating units</i>		
Hotel boutiques	4,101	4,101
Royal Palm hotel	168,685	168,685
Le Canonnier hotel	98,885	98,885
The Company	1,089,892	1,089,892
<i>Hotels operations cash-generating units</i>		
Ste Anne Resort Limited	89,745	89,745
<i>Tour operating cash-generating units</i>		
Beachcomber Tours SARL	1,184	1,184
Beachcomber Tours Limited	72,296	72,296
<i>Property development cash generating unit:</i>		
Domaine Palm Marrakech S.A	5,883	5,883
The Group	1,259,000	1,259,000

15. INTANGIBLE ASSETS (CONT'D)

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

Domaine Palm Marrakech S.A.

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

Key assumptions used in recoverable amount calculations

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

Completion of phases 1, 2 and 3 of the sale of villas within timeframe:

Phase 1, consisting of the sale and delivery of 93 villas, is expected to be completed by 30 September 2015 while Phase 2 is expected to bring an additional EUR 24M as from the year ending 30 September 2016 with the sale of 48 villas. Phase 3 will consist of sale and delivery of 150 villas and is expected to be completed in 2019/2020.

Maintaining selling price and gross margins on villas:

Average selling prices and gross margins for Phase 1 villa sales are based on existing rack prices and average margins achieved in past years. Selling prices, margins and contribution on sales of villa in phase 2 and 3 are expected to increase compared to Phase 1 so as to bring an additional EUR 24m and EUR 85m net cash flows respectively to the Project.

Discount rates:

Discount rates represent the current market assessment of the risks specific to a cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate (12%) calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service.

Sensitivity to changes in assumptions

The Directors have used prudent assumptions in preparing the financial forecast but recognise that downward pressure on sales prices and/or margins and delays in receiving revenue from sales of villas can have a significant impact on the recoverable value of the Project.

All other Cash Generating Units (CGUs)

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

(b) Leasehold rights

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

(c) Patent

Patent represents cost of acquisition of "White Sand Tours" trademark in 2011. It has an indefinite useful life. As at September 30, 2014, the patent were tested for impairment and no indication of impairment was noted.

(d) Licences

Licences are amortised over a period of five years.

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16. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2014 Rs'000	2013 Rs'000
(a) Cost (Unquoted)		
At October 1,	2,542,247	3,181,875
Additions during the year	5,256,159	503
Subsidiaries wound up during the year (Note 36)	-	(640,131)
At September 30,	7,798,406	2,542,247

Additions for the year pertains to capitalisation of intercompany receivable from subsidiaries (refer to note 31); these are non-cash items and have been excluded in the statement of cash flows.

(b) List of Subsidiaries

Name of Corporation	Main business activity	Country of incorporation	Effective % holding	
			2014 %	2013 %
Beachcomber Limited	Secretarial	Mauritius	100	100
Kingfisher Ltd	Investment	Mauritius	100	100
Beachcomber Training Academy Limited	Hotel training	Mauritius	100	100
Les Salines Development Ltd	Investment	Mauritius	100	100
Les Salines Golf and Resorts Limited	Real estate	Mauritius	100	100
Ste Anne Resorts Limited	Hotel operations	Seychelles	100	100
Beachcomber Gold Coast Resort Limited	Dormant	Seychelles	100	100
Beachcomber Marketing (Pty) Ltd	Tour operating	South Africa	51	51
Beachcomber Tours SARL	Tour operating	France	100	100
Holiday Marketing (Pty) Ltd	Tour operating	Australia	75	75
Beachcomber Tours Limited	Tour operating	England	100	100
New Mauritius Hotel - Italia Srl	Tour operating	Italy	100	100
Wild Africa Safari Ltd	Dormant	England	100	100
Beachcomber Holidays Limited	Dormant	England	100	100
Beachcomber Hotel Marrakech S.A.	Investment	Morocco	100	100
Beachcomber Hotel S.A.	Hotel operations	Morocco	100	100
Domaine Palm Marrakech S.A.	Property development	Morocco	100	100
White Palm Ltd	Tour operating	Mauritius	51	51
Mautourco Ltd	Tour operating	Mauritius	51	51
Transmaurice Car Rental Ltd	Car rental	Mauritius	51	51
Societe Pur Blanca	Investment	Mauritius	51	51

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

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

The investment in Kingfisher Ltd has been pledged against a EUR 10M loan taken by the Company in the current year.

17. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
At October 1,	524,683	509,585	19,062	19,062
Movement during the year:				
Dividends from associates	(2,466)	(3,392)	-	-
Reduction in share capital of associate	-	(24,145)	-	-
Exchange difference	3,223	1,596	-	-
Share of results of associates	1,423	41,039	-	-
At September 30,	526,863	524,683	19,062	19,062

In prior year, Marguerite Morocco Hospitality reduced its share capital by MAD 18,900,000.

Summarised financial information of associates on an aggregated basis:

	THE GROUP	
	2014 Rs'000	2013 Rs'000
Total assets	6,027,309	5,561,191
Total liabilities	(1,279,882)	(881,429)
Net assets	4,747,427	4,679,762
Revenue	1,363,577	1,473,374
Profit/(Loss) for the year	(21,401)	277,952
Share of results of associates	1,423	41,039

Investment in associates consist of investments in unquoted shares.

List of associates

	Year-end	Class of shares	Percentage held	
			2014 %	2013 %
South West Tourism Development Co Ltd	June 30,	Ordinary shares	31	31
Launderers (Hotels & Restaurants) Ltd	June 30,	Ordinary shares	50	50
Parure Limitée	June 30,	Ordinary shares	27	27
Societe Cajeva	June 30,	Parts	50	50
Marguerite Morocco Hospitality	December 31,	Ordinary shares	35	35

Marguerite Morocco Hospitality is incorporated in Morocco while all the other companies listed above are unquoted and are incorporated in the Republic of Mauritius.

The Group has assessed that no material adjustment will arise should the same reporting date of September 30, be used for all associates.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
At October 1,	26,021	19,141	1,480	1,378
Fair value (loss)/gain	(681)	6,880	370	102
At September 30,	25,340	26,021	1,850	1,480
Analysed into:				
Quoted	22,570	23,251	1,802	1,432
Unquoted	2,770	2,770	48	48
	25,340	26,021	1,850	1,480

Available-for-sale financial assets consist of investments in ordinary shares. Quoted shares are stated at quoted (unadjusted) prices available in active markets.

Unquoted shares that do not have quoted market prices in an active market and whose fair values cannot be reliably measured, are stated at cost.

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19. EMPLOYEE BENEFIT LIABILITIES

(i) The Group participates in the New Mauritius Hotels Group Superannuation Fund, a multi-employer pension plan registered under the Private Pension Fund Act, the assets of which are held independently. The pensions plan are funded from payments from the employees and the Group, taking into account the recommendations of an independent actuary, namely Anglo Mauritius Assurance Society Ltd. The pension scheme is a defined benefit scheme.

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

	THE GROUP			THE COMPANY		
	2014 Rs'000	2013 Rs.'000	2012 Rs.'000	2014 Rs'000	2013 Rs'000	2012 Rs'000
(a) Funded Obligation						
Funded obligation (note a)	709,551	730,404	405,474	702,700	723,307	402,998
Unfunded obligation (note b)	9,201	10,252	-	-	-	-
	718,752	740,656	405,474	702,700	723,307	402,998
Funded Obligation						
(i) The amounts recognised in the statement of financial position in respect of funded obligation are as follows:						
Defined benefit obligation	3,094,255	2,884,813	2,388,271	3,063,391	2,856,225	2,373,687
Fair value of plan assets	(2,384,704)	(2,154,409)	(1,982,797)	(2,360,691)	(2,132,918)	(1,970,689)
Employee benefit liability	709,551	730,404	405,474	702,700	723,307	402,998
(ii) Movement in the liability recognised in the statement of financial position:						
At October 1,	730,404	405,474	288,585	723,307	402,998	287,213
Amount recognised in profit or loss	137,901	100,835	90,771	135,058	99,237	89,209
Amount recognised in other comprehensive income	(25,180)	319,652	123,065	(26,277)	313,867	120,873
Employer's contribution	(133,574)	(95,557)	(96,947)	(129,388)	(92,795)	(94,297)
At September 30,	709,551	730,404	405,474	702,700	723,307	402,998
(iii) The amounts recognised in profit or loss are as follows:						
Current service cost	75,562	66,643	72,878	73,358	65,260	71,384
Scheme expenses	5,447	1,353	1,353	5,400	1,486	1,345
Interest cost on defined benefit obligation	220,416	201,515	198,811	218,075	200,108	197,584
Return on plan assets	(163,524)	(168,676)	(182,271)	(161,775)	(167,617)	(181,104)
Net benefit expense	137,901	100,835	90,771	135,058	99,237	89,209
(iv) The amounts recognised in other comprehensive income are as follows:						
(Gains)/losses on pension scheme assets	(14,945)	4,709	85,037	(18,112)	8,346	82,203
Experience (gains)/losses on the liabilities	(10,235)	201,087	602,579	(8,165)	193,236	598,912
Changes in assumptions under underlying the present value of the scheme	-	113,856	(564,551)	-	112,285	(560,242)
	(25,180)	319,652	123,065	(26,277)	313,867	120,873
(v) Cumulative actuarial gains/(losses) recognised:						
Cumulative actuarial losses at October 01,	756,914	437,262	314,197	749,074	435,207	314,334
Actuarial losses recognised in current year	(25,180)	319,652	123,065	(26,277)	313,867	120,873
Cumulative actuarial losses at September 30,	731,734	756,914	437,262	722,797	749,074	435,207

19. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

(a) Funded Obligation (cont'd)	THE GROUP			THE COMPANY		
	2014 Rs'000	2013 Rs.'000 Restated	2012 Rs.'000 Restated	2014 Rs'000	2013 Rs'000 Restated	2012 Rs'000 Restated
(vi) Reconciliation of the present value of defined benefit obligation:						
Present value of obligation at October 1,	2,884,813	2,388,271	2,142,911	2,856,225	2,373,687	2,130,630
Current service cost	75,562	66,643	72,878	73,358	65,260	71,384
Interest cost on defined benefit obligation	220,416	201,515	198,811	218,075	200,108	197,584
Employees' contribution	33,409	31,855	32,312	32,349	30,932	31,432
Actuarial (gains)/losses	(10,235)	314,943	38,028	(8,165)	305,521	38,671
Benefits Paid	(109,710)	(118,414)	(96,669)	(108,451)	(119,283)	(96,014)
Present value of obligation at September 30,	<u>3,094,255</u>	<u>2,884,813</u>	<u>2,388,271</u>	<u>3,063,391</u>	<u>2,856,225</u>	<u>2,373,687</u>
(vii) Reconciliation of fair value of plan assets:						
Fair value of plan assets at October 1,	2,154,409	1,982,797	1,854,326	2,132,918	1,970,689	1,843,418
Return on plan assets	163,524	168,676	182,271	161,775	167,617	181,104
Employer's contributions	133,574	95,557	96,947	129,388	92,795	94,297
Scheme expenses	(5,447)	(1,353)	(1,353)	(5,400)	(1,486)	(1,345)
Employees' Contribution	33,409	31,855	32,312	32,349	30,932	31,432
Actuarial gains/(losses)	14,945	(4,709)	(85,037)	18,112	(8,346)	(82,203)
Benefits paid	(109,710)	(118,414)	(96,669)	(108,451)	(119,283)	(96,014)
Fair value of plan assets at September 30,	<u>2,384,704</u>	<u>2,154,409</u>	<u>1,982,797</u>	<u>2,360,691</u>	<u>2,132,918</u>	<u>1,970,689</u>

The actual return on the plan assets was Rs 177m (2013: Rs 164m) for the current financial year.

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

	GROUP AND COMPANY		
	2014	2013	2012
Discount rate	7.50	7.50	8.50
Future salary increase	4.00	4.00	6.25
Pension increase	1.00	1.00	2.25
Return on plan assets	7.50	7.50	8.50
Post retirement mortality tables	a(90)	a(90)	a(90)

(ix) A quantitative sensitivity analysis for significant assumption as at 30 September 2014 is shown as follows below:

Assumptions Sensitivity	Discount rate			
	THE GROUP		THE COMPANY	
	1% increase Rs'000	1% decrease Rs'000	1% increase Rs'000	1% decrease Rs'000
Impact on defined benefit obligation	(435,962)	554,019	(429,704)	547,665
Impact on defined benefit obligation	Future salary increase			
	THE GROUP		THE COMPANY	
	1% increase Rs'000	1% decrease Rs'000	1% increase Rs'000	1% decrease Rs'000
Impact on defined benefit obligation	234,461	(204,728)	232,901	(203,302)
Impact on defined benefit obligation	Pension increase			
	THE GROUP		THE COMPANY	
	1% increase Rs'000	1% decrease Rs'000	1% increase Rs'000	1% decrease Rs'000
Impact on defined benefit obligation	272,183	(244,526)	269,555	(241,640)

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

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19. EMPLOYEE BENEFIT LIABILITIES (CONT'D)

(b) Unfunded Obligation

	THE GROUP	
	2014	2013
	Rs'000	Rs'000
(i) The amounts recognised in the statements of financial position in respect of unfunded obligation are as follows:		
Benefit Liability	9,201	10,252
(ii) Movement in the liability recognised in the statements of financial position:		
At October 1,	10,252	4,811
Total expenses	2,443	1,892
Benefits paid	(606)	(213)
Liability experience loss/(gain)	(2,888)	3,836
Changes in assumptions	-	(74)
At September 30,	9,201	10,252
(iii) The amounts recognised in the statement of profit or loss are as follows:		
Current service cost	1,149	(142)
Interest cost	1,294	(51)
Past service cost	-	2,085
Net benefit expenses	2,443	1,892
(iv) The amounts recognised in other comprehensive income are as follows:		
Liability experience loss/(gain)	(2,888)	3,836
Liability (gain)/loss due to change in demographic assumptions	-	(74)
Actuarial (gain)/losses recognised in other comprehensive income	(2,888)	3,762
(v) Reconciliation of the present value of defined benefit obligation:		
Present value of obligation at October 1,	10,252	4,811
Current service cost	1,149	(142)
Interest cost	1,294	(51)
Past service cost	-	2,085
Actuarial (gains)/losses	(2,888)	3,762
Benefits paid	(606)	(213)
Present value of obligation at September 30,	9,201	10,252
(vi) The principal actuarial assumptions used for accounting purposes were:	2014	2013
	%	%
Discount rate	7.5	7.5
Future salary increase	5.0	5.0
(vii) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Local equities	32	29
Overseas bond and equities	33	36
Fixed interest	14	13
Property and other	21	22
	100	100
(viii) 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.		
(ix) Maturity profile of the defined benefit obligation		
The weighted average duration of the liabilities as at September 30, 2014 is 19 years.		
(x) Expected contribution for next year		
The Group is expected to contribute Rs 139m (2013: Rs 150m) m including employees' contribution to its defined benefit pension plan in the next financial year.		
(xi) Included in the plan assets is a property , valued at an open market value of Rs. 407m (2013: Rs 401m). The property is rented to the company by New Mauritius Hotels Group Superannuation Fund.		

20. INVENTORIES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Food and beverages (cost)	93,005	73,661	79,916	67,396
Operating equipment (net realisable value)	125,165	96,159	89,029	84,437
Operating supplies and others (net realisable value)	64,122	53,017	45,681	49,546
Spare parts (cost)	55,411	51,893	29,100	29,604
Fabrics and garments (cost)	59,957	44,336	53,659	42,169
Stock of land for sale (cost) ((a))	3,484,536	3,825,782	1,203,992	1,141,975
Goods in transit (cost)	-	5,567	-	5,567
	3,882,196	4,150,415	1,501,377	1,420,694
(a) Stock of land for sale is made up of:				
Land for sale at Les Salines, Mauritius	1,203,992	1,141,975	1,203,992	1,141,975
Villas under construction in Marrakech, Morocco	2,280,544	2,683,807	-	-
	3,484,536	3,825,782	1,203,992	1,141,975

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

(c) Included in stock of land for sale is an amount of Rs 137.2m for the Group (2013: Rs. 152 m) and an amount of Rs 60.8m for the Company (2013: Rs 65.6m) pertaining to borrowing costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation varied between 7% to 8.5%, which is the effective rate of interest on the specific borrowings.

(d) Cost of inventories expensed amounts to Rs 95.8m (2013: Rs 110.4m).

21. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Trade receivables	945,552	812,374	488,898	552,286
Other receivables	2,074,193	1,695,295	375,580	159,011
Amounts due from associates (Note 31)	12,642	12,536	12,642	12,536
Amounts due from subsidiaries (Note 31)	-	-	2,346,702	6,458,290
	3,032,387	2,520,205	3,223,822	7,182,123

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

At September 30, 2014, trade receivables at nominal value of Rs 8m (2013: Rs 8m) for the Group and Rs 3.2m (2013: Rs 3.5m) for the Company were impaired and fully provided for.

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

At October 1,	8,086	10,471	3,500	5,000
Utilised during the year	(3,857)	(7,558)	(2,363)	(5,000)
Charge for the year	3,805	5,173	2,158	3,500
At September 30,	8,034	8,086	3,295	3,500

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

	Total		Past due but not impaired			
	Neither past due nor impaired Rs'000	< 30 days Rs'000	30-60 days Rs'000	61-90 days Rs'000	> 90 days Rs'000	
GROUP						
2014	945,552	806,366	83,435	9,924	16,237	29,590
2013	812,374	626,135	85,408	44,918	19,290	36,623
COMPANY						
2014	488,898	333,582	113,148	23,725	1,408	17,035
2013	552,286	355,037	115,955	34,332	16,506	30,456

(c) Other receivables, include mainly advances made to suppliers, are unsecured and are neither past due nor impaired.

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

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22. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Cash in hand and at banks	801,277	849,316	58,084	84,007
Bank overdrafts (note 25)	(2,997,163)	(2,096,435)	(2,748,817)	(2,079,116)
	(2,195,886)	(1,247,119)	(2,690,733)	(1,995,109)

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash is Rs801m (2013: Rs 849m) for the Group and Rs 58m (2013: Rs 84m) for the Company respectively.

(b) Non-cash transactions

The principal non-cash transaction consists of amount due on the renovation of the Royal Palm hotel totalling Rs 249m (2013: nil) (the Group and the Company). This amount was excluded from 'purchase of property, plant and equipment' disclosed under investing activities for the purpose of Statement of cash flows.

(c) There was no undrawn loan facilities at year end (2013: nil).

23. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2014 Rs'000	2013 Rs'000
Authorised		
500,000,000 Ordinary shares at no par value	5,000,000	5,000,000
Issued and fully paid		
161,423,536 Ordinary shares at no par value	1,724,361	1,724,361

24. OTHER COMPONENTS OF EQUITY

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Nature and purpose of reserves				
<i>Other reserves</i>	624,583	624,583	-	-
These reserves are principally used to record the fair value adjustments relating to shares issued by the Company to acquire all non-controlling interests in local subsidiaries and the movement in the reserves of the associates.				
<i>Available-for-sale financial assets reserve</i>	13,878	14,559	939	569
The fair value reserve is principally used to record the fair value adjustment relating to available-for-sale financial assets.				
<i>Revaluation reserve</i>	5,443,715	4,861,628	4,448,618	4,489,649
The revaluation reserve is principally used to record changes in fair value of freehold land and buildings following revaluation exercises performed by an independent surveyor. It is also used to record impairment losses to the extent that such losses relate to increases on the same asset previously recognised in revaluation reserve.				
<i>Foreign exchange difference reserves</i>	(1,472,143)	(1,047,815)	-	-
These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries and loss or gain arising on cash flow hedges.				
<i>Total other components of equity</i>	4,610,033	4,452,955	4,449,557	4,490,218

25. BORROWINGS

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Current portion				
Bank overdrafts (note (a))	2,997,163	2,096,435	2,748,817	2,079,116
Term loans (note (b))	3,374,130	2,493,292	3,355,804	2,470,060
Obligations under finance leases (note (c))	91,828	117,814	71,119	98,096
Debentures (note (d))	623,674	279,314	623,674	279,314
	7,086,795	4,986,855	6,799,414	4,926,586
Non-current portion				
Term loans (note (b))	8,742,182	9,006,872	8,268,304	8,902,330
Obligations under finance leases (note (c))	226,447	163,591	195,933	139,485
Debentures (note (d))	462,337	942,491	462,337	942,491
	9,430,966	10,112,954	8,926,574	9,984,306
Total borrowings	16,517,761	15,099,809	15,725,988	14,910,892

(a) Bank overdrafts

The bank overdrafts are secured by floating charges on the assets of the individual companies of the Group. The rates of interest vary between 5.06% and 7.75% per annum.

(b) Term loans

Term loans can be analysed as follows:

Current

- Within one year

Non-current

- After one year and before two years

- After two years and before five years

- After five years

	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Current				
- Within one year	3,374,130	2,493,292	3,355,804	2,470,060
Non-current				
- After one year and before two years	1,863,254	2,023,862	1,799,251	2,000,630
- After two years and before five years	4,445,187	3,882,767	4,230,173	3,813,073
- After five years	2,433,741	3,100,243	2,238,880	3,088,627
	8,742,182	9,006,872	8,268,304	8,902,330
	12,116,312	11,500,164	11,624,108	11,372,390

Terms loans are denominated as follows:

	Effective interest rate %	Maturity	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
<i>Denominated in:</i>						
Mauritian rupees	6.50% - 7%	On demand	121,879	171,879	121,879	171,879
Mauritian rupees	6.50% - 7.5%	2014-2023	8,588,525	8,483,231	8,588,525	8,483,231
Euro	EURO LIBOR + 2.50%	On demand	631,840	987,840	631,840	987,840
Euro	EURO LIBOR + (2.50% to 5%)	2017-2021	1,970,059	1,799,590	1,867,577	1,671,816
Euro	EURIBOR + (2.50% to 4.5%)	2014	120,247	57,624	120,247	57,624
USD	4.50%	2014	40,690	-	40,690	-
GBP	5.75%	2014-2015	253,350	-	253,350	-
MAD	6.50%	2025	389,722	-	-	-
			12,116,312	11,500,164	11,624,108	11,372,390

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

The term loans include a loan of Rs 121.9m (2013: Rs 21.9 m) repayable on demand to New Mauritius Hotels Group Superannuation Fund, loans totalling EUR 1.5m (2013: EUR 1.7M) to Ste Anne Resorts Limited and loans amounting to Rs 729.6m (2013:Rs 750m) to Beachcomber Limited - see note 31.

The Company is still in breach of its covenants with one bank resulting in a classification of the total loan payable of Rs 632m as current liability. However, the bank has not signified its intention to recall back the entire loan in the short term. The Company will honour refund of the current portion of the loan as per its term of repayment and will amount to Rs 315m.

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25. BORROWINGS (CONT'D)

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
(c) Obligations under finance leases				
<i>Minimum lease payments:</i>				
- Within one year	113,442	138,117	89,454	115,887
- After one year and before two years	106,137	58,392	88,426	45,209
- After two years and before five years	144,886	130,891	129,852	117,264
- After five years	1,734	-	-	-
	366,199	327,400	307,732	278,360
Less: Future finance charges on obligations under finance leases	(47,924)	(45,995)	(40,680)	(40,779)
Present value of obligations under finance leases	318,275	281,405	267,052	237,581
Present value analysed as follows:				
Current				
- Within one year	91,828	117,814	71,119	98,096
Non-current				
- After one year and before two years	91,828	46,849	76,212	35,086
- After two years and before five years	133,010	116,742	119,721	104,399
- After five years	1,609	-	-	-
	226,447	163,591	195,933	139,485
	318,275	281,405	267,052	237,581

An amount of Rs 41.6m pertaining to lease taken by the Company in prior years was rescheduled during the year under review. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(d) Debentures

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Term debentures can be analysed as follows:				
<i>Current</i>				
- Within one year	623,674	279,314	623,674	279,314
<i>Non-current</i>				
- After one year and before two years	462,337	469,001	462,337	469,001
- After two years and before five years	-	473,490	-	473,490
	462,337	942,491	462,337	942,491
	1,086,011	1,221,805	1,086,011	1,221,805

Debentures are denominated as follows:

	Effective interest rate %	Maturity	THE GROUP		THE COMPANY	
			2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Mauritian rupees	7.00%	22-Jul-16	249,848	250,746	249,848	250,746
Euro (Tranche 1)	4.30%	22-Jul-15	173,108	281,184	173,108	281,184
Euro (Tranche 2)	5.25%	22-Jul-15	450,566	468,681	450,566	468,681
Euro (Tranche 3)	6.00%	22-Jul-16	212,489	221,194	212,489	221,194
			1,086,011	1,221,805	1,086,011	1,221,805

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

Debentures (Tranche 1) amounting to Euro 4.4m was rescheduled during the year under review.

26. DEFERRED TAX (ASSET)/LIABILITY

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

(a) THE GROUP

	Statement of financial position			Statement of profit or loss		Statement of other comprehensive	
	2014 Rs'000	2013 Rs'000	2012 Rs'000	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
<i>Deferred tax liability</i>		Restated	Restated		Restated		Restated
Accelerated capital allowances	1,249,798	1,109,559	872,695	140,239	236,864	-	-
Assets revaluation	776,361	775,959	717,779	-	-	402	58,180
Employee benefit liability	(107,813)	(111,098)	(60,821)	(925)	(1,765)	4,210	(48,512)
Exchange differences	(44,559)	(44,559)	(44,559)	-	-	-	-
	<u>1,873,787</u>	<u>1,729,861</u>	<u>1,485,094</u>				
<i>Deferred income tax assets</i>							
Losses available for offsetting against future taxable income	(587,676)	(380,761)	(133,854)	(206,915)	(246,907)	-	-
Exchange differences	3,594	3,594	3,594	-	-	-	-
	<u>(584,082)</u>	<u>(377,167)</u>	<u>(130,260)</u>				
Deferred tax liabilities (net)	<u>1,289,705</u>	<u>1,352,694</u>	<u>1,354,834</u>				
Disclosed as follows:							
Deferred tax asset	(130,261)	(79,835)	(55,891)				
Deferred tax liability	1,419,966	1,432,529	1,410,725				
	<u>1,289,705</u>	<u>1,352,694</u>	<u>1,354,834</u>				
Deferred income tax release (Note 11)				<u>(67,601)</u>	<u>(11,808)</u>		
Deferred income tax charged/ (credited) to other comprehensive income						<u>4,612</u>	<u>9,668</u>
(b) THE COMPANY							
Accelerated capital allowances	1,212,768	1,094,643	834,376	118,125	260,267	-	-
Assets revaluation	708,710	711,172	666,056			(2,462)	45,116
Losses available for offsetting against future taxable income	(449,776)	(321,254)	(62,670)	(128,522)	(258,584)	-	-
Provision	(6,123)	(4,736)	(15,071)	(1,387)	10,335	-	-
Employee benefit liability	(105,405)	(108,495)	(60,449)	(852)	(966)	3,942	(47,080)
Deferred tax liabilities	<u>1,360,174</u>	<u>1,371,330</u>	<u>1,362,242</u>				
Deferred income tax release (Note 11)				<u>(12,636)</u>	<u>11,052</u>		
Income tax charged/ (credited) to other comprehensive income						<u>1,480</u>	<u>(1,964)</u>

27. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Trade payables	2,003,401	1,097,702	90,292	104,320
Other payables	1,776,478	1,777,751	1,168,168	628,989
Dividends payable (Note 28)	-	161,424	-	161,424
Loan at call payable to subsidiaries (Note 31)	-	-	343,749	269,819
Amount due to subsidiaries (Note 31)	-	-	1,273,198	1,222,886
	<u>3,779,879</u>	<u>3,036,877</u>	<u>2,875,407</u>	<u>2,387,438</u>

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27. TRADE AND OTHER PAYABLES (CONT'D)

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

28. DIVIDENDS PAID AND PROPOSED

Dividend expense (Rs 1 per share)

Dividend proposed for the year ended September 30, 2014 was fully paid during the year as compared to September 30, 2013 where the proposed dividend was paid in December 2013.

THE GROUP AND THE COMPANY	
2014	2013
Rs'000	Rs'000
161,424	161,424

29. COMMITMENTS

Capital Commitments

Les Salines project
 Marrakech Hotel and villa project (Morocco)
 Royal Palm

THE GROUP		THE COMPANY	
2014	2013	2014	2013
Rs'000	Rs'000	Rs'000	Rs'000
1,000,000	1,000,000	1,000,000	1,000,000
9,750,000	1,500,000	-	-
100,000	400,000	-	400,000
10,850,000	2,900,000	1,000,000	1,400,000

Les Salines project will consist of a property development of some 160 acres to be sold for residential purpose and the construction of a 18-hole golf course.

The amount of Rs 9.7b represents the estimated costs to complete phase 1, 2 and 3 of Marrakech project as at 30 September 2014. For recall, the project consists of the construction of some 290 villas for sale, a golf course and a five star hotel. The amount of Rs 100m will be used to complete the renovation of the Royal Palm in Mauritius.

Operating lease commitments

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

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Within one year	89,425	89,934	77,546	77,546
After one year but not more than five years	356,381	361,207	310,184	310,184
More than five years	4,398,798	4,519,627	3,954,852	4,032,398
	4,844,604	4,970,768	4,342,582	4,420,128

30. NON-CONTROLLING INTEREST

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2014	2013
		%	%
Beachcomber Tours	South Africa	49	49
Mautourco Ltd	Mauritius	49	49

Accumulated balances of material non-controlling interest:

	Rs 000	Rs 000
Mautourco Ltd	44,902	39,408
Beachcomber Marketing (Pty) Ltd	13,154	15,094

Profit and other comprehensive income allocated to material non-controlling interest:

Mautourco Ltd	16,732	9,562
Beachcomber SA	29,886	20,590

The summarised financial information of these subsidiaries is provided below.

This information is based on amounts before inter-company eliminations.

30. NON-CONTROLLING INTEREST (CONT'D)

Summarised statement of profit or loss for the year ended September 30, 2014:	Mautourco Ltd	Beachcomber Marketing (Pty) Ltd
	Rs 000	Rs 000
Revenue	372,809	207,383
Cost of sales	(193,713)	-
Administrative expenses	(156,616)	(147,641)
Finance revenue	-	26,325
Finance costs	(2,370)	-
Other income	7,576	-
Profit before tax	27,686	86,067
Income tax	(4,478)	(22,535)
Profit for the year from continuing operations	23,208	63,532
Total comprehensive income	34,147	60,991
Attributable to non-controlling interests	16,732	29,886
Dividends paid to non-controlling interests	(9,800)	(32,120)
Summarised statement of profit or loss for the year ended September 30, 2013:		
Revenue	339,539	196,347
Cost of sales	(174,363)	-
Administrative expenses	(145,579)	(151,143)
Finance revenue	-	21,193
Finance costs	(2,669)	-
Other income	6,116	442
Profit before tax	23,044	66,839
Income tax	(3,530)	(18,714)
Profit for the year from continuing operations	19,514	48,125
Total comprehensive income	19,514	41,989
Attributable to non-controlling interests	9,562	20,590
Dividends paid to non-controlling interests	-	(21,021)
Summarised statement of financial position as at 30 September 2014:		
Property, plant and equipment and other non-current financial assets (non-current)	100,945	6,074
Trade, cash and bank balances and other current assets	118,004	424,128
Trade and other payables and current liabilities	(101,033)	(403,359)
Interest-bearing loans and borrowing and other non current liabilities	(22,539)	-
Total equity	95,377	26,843
Attributable to:		
Equity holders of parent	50,475	13,689
Non-controlling interest	44,902	13,154
Summarised statement of financial position as at 30 September 2013:		
Property, plant and equipment and other non-current financial assets (non-current)	85,185	6,512
Trade, cash and bank balances and other current assets	121,883	437,702
Trade and other payables and current liabilities	(101,715)	(413,410)
Interest-bearing loans and borrowing and other non current liabilities	(24,929)	-
Total equity	80,424	30,804
Attributable to:		
Equity holders of parent	41,016	15,710
Non-controlling interest	39,408	15,094
Summarised cash flow information for year ending 30 September 2014		
Operating	54,098	85,680
Investing	2,098	(88,923)
Financing	(5,876)	(65,550)
Net increase/(decrease) in cash and cash equivalent	50,320	(68,793)
Summarised cash flow information for year ending 30 September 2013		
Operating	49,898	187,365
Investing	1,195	(63,658)
Financing	(4,683)	(37,050)
Net increase in cash and cash equivalent	46,410	86,657

NOTES TO THE FINANCIAL STATEMENTS

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31. RELATED PARTY DISCLOSURES

		THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs'000	Rs'000	Rs'000	Rs'000
The following transactions have been entered into with related parties:					
(i) Included in Revenue are:		Nature of goods or services			
<i>Subsidiaries:</i>					
Beachcomber Marketing (Pty) Ltd	Hotel packages	-	-	544,903	688,799
Beachcomber Tours SARL	Hotel packages	-	-	585,362	630,822
Holiday Marketing (Pty) Ltd	Hotel packages	-	-	2,349	24,959
Beachcomber Tours Limited	Hotel packages	-	-	398,626	431,200
Ste Anne Resorts Limited	Management fees	-	-	11,221	11,069
Mautourco Ltd	Management fees	-	-	1,020	1,820
White Palm Ltd	Management fees	-	-	5,136	5,136
Beachcomber Hotel Marrakech S.A.	Promoter's fees	-	-	3,780	2,120
Domaine Palm Marrakech S.A.	Promoter's fees	-	-	6,054	4,792
White Palm Ltd	Rental income	-	-	303	310
		-	-	1,558,754	1,801,027
<i>Associate:</i>					
Parure Limitee	Space rental	1,550	1,474	1,550	1,474
(ii) Included in Other expenses are:					
<i>Subsidiaries:</i>					
Beachcomber Training Academy Limited	Training courses	-	-	5,243	4,558
<i>Associate:</i>					
Launderers (Hotels & Restaurants) Ltd	Laundry services	114,271	104,998	114,271	104,998
<i>Other related parties:</i>					
New Mauritius Hotels Superannuation Fund	Rent	25,563	24,000	25,663	24,000
(iii) Included in Finance costs are:					
<i>Interest on call account with subsidiaries:</i>					
Beachcomber Marketing (Pty) Ltd	Interest on call a/c	-	-	22,448	14,228
Beachcomber Tours SARL	Interest on call a/c	-	-	1,080	1,913
		-	-	23,528	16,141
<i>Included in Interest on finance lease:</i>					
Beachcomber Limited		-	-	9,941	11,084
<i>Included in interest on loans:</i>					
<i>Subsidiaries:</i>					
Beachcomber limited	Interest on loans	-	-	61,337	40,658
Ste Anne Resorts Limited	Interest on loans	-	-	2,842	3,116
		-	-	64,179	43,774
<i>Other related party:</i>					
New Mauritius Hotels Superannuation Fund	Interest on loan	3,223	1,282	3,223	1,282

31. RELATED PARTY DISCLOSURES (CONT'D)

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
(iv) Included in the trade receivables balance are:				
<i>Subsidiaries:</i>				
Holiday Marketing (Pty) Ltd	-	-	5,199	4,579
Beachcomber Tours SARL	-	-	72,364	59,289
Beachcomber Tours Limited	-	-	25,272	23,980
Beachcomber Marketing (Pty) Ltd	-	-	69,757	60,839
White Palm Ltd	-	-	2,006	446
Mautourco Ltd	-	-	2,939	2,606
	-	-	177,537	151,739
(v) Year end balances receivables from associates:				
<i>Associates:</i>				
Societe Cajeva	12,642	12,536	12,642	12,536
	12,642	12,536	12,642	12,536
(vi) Year-end balances receivable from related parties				
<i>Subsidiaries:</i>				
Ste Anne Resorts Limited	-	-	584,278	531,699
Beachcomber Gold Coast Limited	-	-	107,357	107,357
Kingfisher Ltd	-	-	2,347	2,344
Beachcomber Hotel Marrakech S.A.	-	-	-	21,150
Beachcomber Hotel S.A.	-	-	-	2,617,688
Domaine Palm Marrakech S.A.	-	-	1,575,311	3,097,320
New Mauritius Hotel - Italia Srl	-	-	32,543	32,543
Les Salines Development Ltd	-	-	10	10
Les Salines Golf and Resort Limited	-	-	32,607	31,016
Beachcomber Training Academy Limited	-	-	12,016	16,551
Mautourco Ltd	-	-	-	20
Trans-Maurice Car Rental Ltd	-	-	-	4
White Palm Ltd	-	-	233	588
	-	-	2,346,702	6,458,290
<i>Other related party:</i>				
Fondation Espoir et Développement (Not-for-profit organisation)	55	120	55	120
New Mauritius Hotels Superannuation Fund	9,028	5,982	9,028	5,982
	9,083	6,102	9,083	6,102
(vii) Included in the loan at call payable to subsidiaries balance are:				
<i>Subsidiary:</i>				
Loan at call payable to Beachcomber Tours SARL	-	-	26,179	9,995
Loan at call payable to Beachcomber Marketing (Pty) Ltd	-	-	317,570	259,824
	-	-	343,749	269,819

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31. RELATED PARTY DISCLOSURES (CONT'D)

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
(viii) Included in other payables balance are:				
<i>Subsidiaries:</i>				
Ste Anne Resorts Limited	-	-	204	-
Beachcomber Tours SARL	-	-	10,507	2,799
Beachcomber Marketing (Pty) Ltd	-	-	8,473	3,333
Holiday Marketing (Pty) Ltd	-	-	14	-
Beachcomber Tours Limited	-	-	4,726	598
Mautourco Ltd	-	-	6,127	1,055
White Palm Ltd	-	-	1,645	536
Beachcomber Training Academy Limited	-	-	-	126
	-	-	31,696	8,447
<i>Associate:</i>				
Launderers (Hotels & Restaurants) Ltd	9,554	11,161	9,554	11,161
<i>Other related parties:</i>				
Fondation Espoir et Developpement	-	26	-	26
Parure Limitee	-	4	-	4
	-	30	-	30
(ix) Year-end balances payable to related parties				
<i>Subsidiaries:</i>				
Grand Baie Hotels Limited	-	-	-	-
Société Immobilière et Touristique de Grand Baie	-	-	-	-
Royal Gardens Ltd	-	-	-	-
Société Royal Gardens	-	-	-	-
Maunex (Mauritius) Limited	-	-	-	-
Imperial Ltd	-	-	-	-
Beachcomber Hotel S.A.	-	-	4,528	-
White Palm Ltd	-	-	-	-
Plaisance Catering Limited	-	-	-	-
Beachcomber Limited	-	-	1,268,670	1,222,886
Beachcomber Boutiques Limited	-	-	-	-
	-	-	1,273,198	1,222,886
(x) Interest bearing loans and borrowings from related parties included in "term loans":				
Loans payable to Beachcomber Limited	-	-	729,688	750,000
Loan payable to New Mauritius Hotels Superannuation Fund	121,879	21,879	121,879	21,879
Loans payable to Ste Anne Resorts Limited	-	-	59,235	69,172
	121,879	21,879	910,802	841,051
(xi) Borrowings from related parties included in "obligations under finance leases":				
Beachcomber Limited	-	-	106,274	127,393

31. RELATED PARTY DISCLOSURES (CONT'D)

(xi) Borrowings from related parties included in "Obligations under finance leases": (Cont'd)

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. New Mauritius Hotels Limited has acted as guarantor for a EUR 1.5 M loan granted to Ste Anne Resorts Limited. For the financial year ended September 30, 2014, the Group assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2013: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 15.

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

- Loans from related parties

Loan payable at call to Beachcomber Tours SARL and Beachcomber Marketing (Pty) Ltd bears fixed interest rate at 7.5%.

Loans payable to Beachcomber Limited comprises of three loans of Rs 129.6M (2013: Rs 150M) , Rs 200M (2013: Rs 200M) and Rs 400M (2013: Rs 400M). The first two loans bear an interest rate of PLR+1% and the third loan bears an interest rate of PLR+1.25%.

Loan payable to New Mauritius Hotels Group Superannuation Fund comprises of two loans of Rs 21.8m (2013: Rs 21.8m) and Rs 100m (2013: nil) and bears a fixed interest rate of 6.5% and 7% p.a respectively. These loans are repayable on demand.

Loans payable to Sainte Anne Resorts Limited comprise of two loans of EUR 0.25M (2013: EUR 0.367M) and EUR 1.25M (2013 EUR 1.375M). The loans bear interest rates of Libor 1 month + 3 % and Libor 1 month + 4% respectively.

- Finance lease facilities taken from related parties

The Company benefited from leasing facilities from leasing companies through Beachcomber Limited regarding kitchen and gym equipments. The lease was contracted between Beachcomber Limited and the lessor. The amount due by the Company to Beachcomber Limited amounts to Rs 106m (2013: Rs 127.3M). Interest is payable at a rate of 8.25% p.a, and the lease is payable within 4 to 5 years.

(xii) Compensation of key management personnel

Short term employee benefits and termination settlements
Post-employment benefits

THE GROUP		THE COMPANY	
2014	2013	2014	2013
Rs'000	Rs'000	Rs'000	Rs'000
173,863	163,230	133,500	124,042
4,151	6,064	4,151	6,064
178,014	169,294	137,651	130,106

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(i) Credit risk

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

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

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Cash and cash equivalents	801,277	849,316	58,084	84,007
Available-for-sale financial assets	25,340	26,021	1,850	1,480
Trade and other receivables	1,126,637	1,778,655	2,876,177	7,050,112
Foreign exchange forward contracts	20,257	560	20,257	560
	<u>1,973,511</u>	<u>2,654,552</u>	<u>2,956,368</u>	<u>7,136,159</u>

Trade and other receivables exclude prepayments.

(ii) Market risk

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

The sensitivity analysis in the following sections relates to the position as at September 30, 2014 and 2013. The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial statements in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying value of pension and other post retirement obligations, provisions and on the non-financial assets and liabilities of the Group.

(a) Foreign currency risk

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

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

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

a) Foreign currency risk (cont'd)

	Increase in rates %	THE GROUP	THE COMPANY
		Effect on profit before tax and equity Rs'000	Effect on profit before tax and equity Rs'000
2014			
Euros	5%	(206,441)	(118,401)
Pound Sterling	5%	(7,271)	(11,507)
Rands	5%	(11,584)	(273)
United States Dollars	5%	341	(666)
Australian Dollars	5%	127	128
Moroccan Dirham	5%	(56,058)	-
Seychelles Rupees	5%	(1,696)	-
2013			
Euros	5%	(207,808)	87,358
Pound Sterling	5%	5,876	2,812
Rands	5%	(8,436)	8
United States Dollars	5%	1,277	811
Australian Dollars	5%	489	386
Moroccan Dirham	5%	11,498	-
Seychelles Rupees	5%	(2,031)	-

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

Currency profile

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

	THE GROUP				THE COMPANY			
	FINANCIAL ASSETS		FINANCIAL LIABILITIES		FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Euros	755,419	883,741	4,884,244	5,039,903	1,914,100	6,167,112	4,282,127	4,419,953
Pound Sterling	289,500	287,356	434,927	169,840	34,119	56,841	264,257	598
Rands	107,759	180,948	339,438	349,661	1,905	2,950	7,365	2,799
United States Dollars	58,516	37,357	51,689	11,813	28,088	28,117	41,402	11,907
Australian Dollars	26,939	34,804	24,407	25,027	2,560	7,730	-	-
Seychelles Rupees	44,518	68,230	78,437	108,843	-	2	-	-
Mauritian Rupees	321,067	429,608	12,049,275	11,458,983	975,227	871,908	13,703,004	12,708,416
Moroccan Dirhams	369,424	731,011	1,490,580	501,056	-	2	-	-
Swiss Francs	369	1,497	-	-	369	1,497	-	-
	1,973,511	2,654,552	19,352,997	17,665,126	2,956,368	7,136,159	18,298,155	17,143,673

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Net exposure	(17,379,486)	(15,010,573)	(15,341,787)	(10,007,514)

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

(b) Interest rate risk

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

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

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

	THE GROUP		THE COMPANY	
	Increase in rates %	Effect on profit before tax Rs'000	Effect on profit before tax Rs'000	Effect on profit before tax Rs'000
2014				
Interest-bearing loans and borrowings in Rs	1.00%	84,140	84,140	
Interest-bearing loans and borrowings in EUR	0.25%	6,807	6,549	
Interest-bearing loans and borrowings in USD	0.25%	102	102	
Interest-bearing loans and borrowings in GBP	0.25%	633	633	
2013				
Interest-bearing loans and borrowings in Rs	1.00%	(83,087)	(83,087)	
Interest-bearing loans and borrowings in EUR	0.25%	(5,403)	(5,083)	
Interest-bearing loans and borrowings in USD	0.25%	-	-	
Interest-bearing loans and borrowings in GBP	0.25%	-	-	

(c) Liquidity risk

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

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

THE GROUP	On demand Rs'000	Less than 3 months Rs'000	3 to 12 months Rs'000	1 to 5 years Rs'000	> 5 years Rs'000	Total Rs'000
2014						
Trade and other payables	-	2,794,731	-	-	-	2,794,731
Borrowings*	3,766,707	1,503,935	2,584,372	8,474,714	2,777,216	19,106,944
Other financial liabilities	-	-	-	-	-	-
	3,766,707	4,298,666	2,584,372	8,474,714	2,777,216	21,901,675
2013						
Trade and other payables	-	2,542,407	-	-	-	2,542,407
Borrowings*	3,315,128	484,795	1,953,103	8,746,385	3,649,063	18,148,474
Other financial liabilities	-	11,813	-	-	-	11,813
	3,315,128	3,039,015	1,953,103	8,746,385	3,649,063	20,702,694
THE COMPANY	On demand Rs'000	Less than 3 months Rs'000	3 to 12 months Rs'000	1 to 5 years Rs'000	> 5 years Rs'000	Total Rs'000
2014						
Trade and other payables	-	2,531,657	-	-	-	2,531,657
Borrowings*	3,518,362	1,485,975	2,530,491	8,060,925	2,548,435	18,144,188
Other financial liabilities	-	-	-	-	-	-
	3,518,362	4,017,632	2,530,491	8,060,925	2,548,435	20,675,846
2013						
Trade and other payables	-	2,220,968	-	-	-	2,220,968
Borrowings*	3,297,808	477,530	1,909,600	8,615,126	3,638,238	17,938,302
Other financial liabilities	-	11,813	-	-	-	11,813
	3,297,808	2,710,311	1,909,600	8,615,126	3,638,238	20,171,083

*Borrowings include future interest costs.

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

(d) Equity price risk

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

(e) Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The actual gearing is higher as anticipated by management and is principally due to the financing of projects as part of the Group's strategy. The gearing ratio will improve once cash is generated from the projects. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Total capital is based on equity attributable to equity holders of the parent' as shown in the statement of financial position. The gearing ratios at September 30, 2014 and September 30, 2013 were as follows.

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Interest bearing loans and borrowings	19,106,944	18,148,474	18,144,188	17,938,301
Less interests costs included above	(2,589,183)	(3,048,663)	(2,418,200)	(3,027,410)
Less cash in hand and at bank	(801,277)	(849,316)	(58,084)	(84,007)
Net Debt	15,716,484	14,250,495	15,667,904	14,826,884
Equity	13,191,794	12,676,695	11,303,112	11,270,491
Net realised gains reserve	-	-	-	-
Total capital	13,191,794	12,676,695	11,303,112	11,270,491
Equity attributable to equity holders of the parent	13,191,794	12,676,695	11,303,112	11,270,491
Gearing Ratio	119%	112%	139%	132%

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities,

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at 30 September 2014, the Group held the following financial instruments carried at fair value in the statement of financial position.

Assets / (liabilities) measured at fair value

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

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33. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Assets / (liabilities) measured at fair value (cont'd)

	THE COMPANY			
	30 September			
	2014 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000
Other financial assets at fair value through profit or loss (Note 34):				
- Foreign exchange forward contracts	20,257	-	20,257	-
- Currency swaps	(40,509)	-	(40,506)	-
Available-for-sale financial assets (Note 18)	1,850	1,802	-	48
Property	16,640,269	-	16,640,269	-
Investment properties	195,125	-	195,125	-
Borrowings	(12,977,171)	-	(12,977,171)	-

	THE GROUP			
	30 September			
	2013 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000
Other financial assets at fair value through profit or loss (Note 34):				
- Foreign exchange forward contracts	560	-	560	-
- Currency swaps	(11,813)	-	(11,813)	-
Available-for-sale financial assets (Note 18)	26,021	23,251	-	2,770
Property	17,848,276	-	17,848,276	-
Investment properties	480,900	-	480,900	-
Borrowings	(13,003,374)	-	(13,003,374)	-

	THE COMPANY			
	30 September			
	2013 Rs'000	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000
Other financial assets at fair value through profit or loss (Note 34):				
- Foreign exchange forward contracts	560	-	560	-
- Currency swaps	(11,813)	-	(11,813)	-
Available-for-sale financial assets (Note 18)	1,480	1,432	-	48
Property	16,445,806	-	16,445,806	-
Investment properties	195,125	-	195,125	-
Borrowings	(12,831,776)	-	(12,831,776)	-

Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

Unquoted available-for-sale financial assets represent investments in equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured. Available-for-sale financial assets are therefore measured at cost.

Fair values of the Group's interest-bearing loans and borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowings rate as at the end of the reporting date.

The fair value of foreign exchange forward and swap contracts are determined by using the foreign exchange spot and forward rates, interest rate curves and forward rate curves of each currency.

For valuation techniques regarding property classified under "Property, plant and equipment" and "Investment properties", refer to note 13 and 14 respectively.

During the reporting period ended 30 September 2014, there were no transfers between Level 1 and Level 2 fair value measurements.

34. OTHER FINANCIAL (LIABILITIES)/ASSETS

	THE GROUP AND THE COMPANY	
	2014 Rs'000	2013 Rs'000
Other financial (liabilities)/assets at fair value through profit or loss:		
Derivatives not designated as hedges:		
Foreign exchange forward contracts	20,257	560
Currency options	(40,509)	(11,813)
	(20,252)	(11,253)
Disclosed as follows:		
Current assets	20,257	560
Current liabilities	(40,509)	(11,813)
Net other financial liabilities at fair value through profit or loss	(20,252)	(11,253)

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

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

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

35. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

36. WINDING-UP OF SUBSIDIARIES

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

Total amount invested directly by the Company or indirectly through its subsidiaries as at 30 September 2013 in these entities amounted to Rs. 640.1m and Rs. 412.3m respectively.

Summary of the financial position of the wound-up subsidiaries at the date of winding-up is summarised below.

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

NOTES TO THE FINANCIAL STATEMENTS

september 30, 2014

36. WINDING-UP OF SUBSIDIARIES (cont'd)

A capital gain of MUR 1.094b has been recognised in the separate financial statements of the Company following the winding-up of these subsidiaries; the gain represents the fair value gain of the assets recognised in the accounts of the subsidiaries at the time of the transfer of the whole of the business as a going concern to the holding company.

As the disposal proceeds from the winding-up were equivalent to the net assets value of the subsidiaries, no gain or loss has been recognised in the Group financial statements.

37. EVENTS AFTER THE REPORTING DATE

There have been no material events after the reporting date which require disclosure or adjustment to the financial statements for the year ended September 30, 2014.

38. PARTICULARS OF DIRECTORATE IN SUBSIDIARIES

	Beachcomber Limited	Beachcomber Training Academy Limited	Mautourco Ltd	White Palm Ltd	Les Salines Development Ltd	Beachcomber Golf and Resorts Limited	Beachcomber Marketing (pty) Ltd	Beachcomber Tours SARL	Beachcomber Tours Limited	Wild Africa Holidays Limited	Holiday Safari Ltd	New Mauritius Kingfisher Limited	Kingfisher (pty) Ltd	Ste Anne Hotel-Italia Srl	Beachcomber Gold Coast Limited	Beachcomber Hotel Marrakech S.A.
DIRECTORS																
Herbert Couacaud	•			•	•	•	•	•				•	•	•	•	•
Michel Daruty de Grandpré		•											•	•		
Jacques Doger de Spéville			•													
Robert Doger de Spéville	•		•	•	•	•	•							•		
Rodney Eather										•						
Mike Edwards								•	•	•						
Hector Espitalier-Noël	•				•	•										
Philippe Espitalier-Noël			•	•												
Alexandre Fayd'herbe			•	•												
Asraf Khodabux				•												
Jean-Hugues Maigrot													•	•		
Marcel Masson	•			•	•	•						•	•	•		
Francis Montocchio		•														
Terry Munro						•										
Bertrand Piat				•												
Jean-Louis Pismont		•														
Tiburce Plissonneau Duquesne		•														
Richard Robert			•													
Sheila Collet Serret											•					
Jacques Silvant		•														
Peter Taylor								•	•	•						
François Venin		•														

NOTICE OF ANNUAL MEETING

NEW MAURITIUS HOTELS LIMITED

Notice is hereby given that the Annual Meeting of the shareholders of New Mauritius Hotels Limited will be held at Labourdonnais Waterfront Hotel, Caudan, Port Louis on Tuesday, March 31, 2015 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, 2014 including the Annual Report and the Auditors' Report.
2. To reappoint, in accordance with Section 23.6 of the Company's constitution, Messrs Gilbert Espitalier-Noël and Jacques Silvant, who are the two Directors due for retirement as Director of the Company.
3. To reappoint Messrs. Ernst & Young as auditors for the financial year ending September 30, 2015 and authorise the Board of Directors to fix their remuneration.
4. Shareholders' Question Time.

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

By order of the Board
BEACHCOMBER LIMITED
Secretary



(Per Francis MONTOCCHIO)
March 9, 2015

PROXY

NEW MAURITIUS HOTELS LIMITED

I / We (Block Capitals, please)
 being a member/members of the New Mauritius Hotels Limited, hereby appoint the Chairman of the meeting or

Mr. / Mrs
 of
 as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at Labourdonnais Waterfront Hotel, Caudan, Port Louis on Tuesday, March 31, 2015 at 10.30 a.m and at any adjournment thereof.

Signed this day of 2015.

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, 2014 including the Annual Report and Auditors' report		
2. To reappoint, in accordance with Section 23.6 of the Company's constitution, Messrs Gilbert Espitalier-Noël and Jacques Silvant, who are the two Directors due for retirement as Director of the Company		
3. To reappoint Messrs Ernst & Young as auditors for the financial year ending September 30, 2015 and authorise the Board of Directors to fix their remuneration.		

NOTES

- 1.A member may appoint a proxy of his own choice. If such an appointment is made, delete the words 'the Chairman of the meeting' and insert the name of the person appointed proxy in the space provided.
- 2.If the appointer is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
- 3.In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
- 4.If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.
- 5.To be valid, this form must be completed and deposited at the registered office of the Company not less than twenty four hours before the time fixed for holding the meeting or adjourned meeting.



DREAM IS A SERIOUS THING

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Shandrani • Le Victoria • Le Canonnier • Le Mauricia •
SEYCHELLES • Sainte Anne Island • MOROCCO • Royal Palm Marrakech

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