



NEW MAURITIUS HOTELS LIMITED

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR YEAR ENDED SEPTEMBER 30, 2014

STATEMENT OF PROFIT OR LOSS

	THE GROUP	
	Year ended 30.09.2014 Rs.'000	Year ended 30.09.2013 Rs.'000
		<i>Restated</i>
Revenue	8,793,343	7,818,863
Direct costs	(1,899,652)	(1,271,747)
Staff costs	(2,924,188)	(2,626,690)
Other expenses	(2,638,116)	(2,439,378)
Other income	260,476	112,348
Profit on disposal of property, plant and equipment	2,127	9,433
Finance revenue	211,651	15,849
Share of results of associated companies	1,423	41,039
EBITDA*	1,807,064	1,659,717
Finance costs	(688,640)	(609,491)
Depreciation and impairment of property, plant and equipment	(563,282)	(505,244)
Amortisation of intangible assets	(4,594)	(3,952)
Pre-operational expenses re Marrakech project	(61,696)	(103,195)
Profit before tax	488,852	437,835
Income tax credit/(expense)	12,782	(25,820)
Profit for the year	501,634	412,015
Profit attributable to:		
Owners of the parent	458,494	377,727
Non-controlling interests	43,140	34,288
	501,634	412,015
Basic earnings per share (Rs)	2.84	2.34
SEGMENTAL INFORMATION		
GEOGRAPHICAL SEGMENT	2014 Rs.'000	2013 Rs.'000
		<i>Restated</i>
Revenue:		
Mauritius	6,729,394	6,561,589
Morocco	806,177	-
Others	1,257,772	1,257,274
	8,793,343	7,818,863
EBITDA*:		
Mauritius	1,578,867	1,551,634
Morocco	140,850	-
Others	87,347	108,083
	1,807,064	1,659,717
BUSINESS SEGMENT	2014 Rs.'000	2013 Rs.'000
		<i>Restated</i>
Revenue:		
Hotel	6,530,793	6,222,501
Property	687,745	-
Others	1,574,805	1,596,362
	8,793,343	7,818,863
EBITDA*:		
Hotel	1,498,682	1,509,648
Property	297,625	-
Others	10,757	150,069
	1,807,064	1,659,717

STATEMENT OF OTHER COMPREHENSIVE INCOME

	THE GROUP	
	Year ended 30.09.2014 Rs.'000	Year ended 30.09.2013 Rs.'000
		<i>Restated</i>
Profit for the year	501,634	412,015
Other comprehensive income, net of tax:		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translating foreign operations	(416,973)	(33,289)
Available-for-sale financial assets	(681)	6,880
Cash flow hedges	(7,624)	7,361
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Gains on revaluation of land and buildings	623,571	349,022
Remeasurement of retirement benefit obligations	23,858	(274,902)
Other comprehensive income for the year, net of tax	222,151	55,072
Total comprehensive income for the year	723,785	467,087
Total comprehensive income attributable to:		
Owners of the parent	676,523	435,813
Non-controlling interests	47,262	31,274
	723,785	467,087

STATEMENT OF CHANGES IN EQUITY

THE GROUP	Attributable to owners of the parent							Non-controlling interests	Total equity
	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for-sale financial assets Reserves	Revaluation Reserves	Other Reserves	Total		
	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
Prior year adjustment	-	(366,181)	-	-	-	-	(366,181)	-	(366,181)
Change in accounting policies	-	(366,181)	-	-	-	-	(366,181)	-	(366,181)
As 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									
Total comprehensive income for the year	-	102,825	(22,914)	6,880	349,022	-	435,813	31,274	467,087
Deconsolidation of subsidiaries	-	810,760	-	-	-	(810,760)	-	-	-
Transfer to retained earnings	-	37,268	-	-	(37,268)	-	-	-	-
Dividends	-	(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
As at October 1, 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
Changes in equity for the year									
Total comprehensive income for the year	-	482,177	(424,328)	(681)	619,355	-	676,523	47,262	723,785
Transfer to retained earnings	-	37,268	-	-	(37,268)	-	-	-	-
Dividends	-	(161,424)	-	-	-	-	(161,424)	(41,920)	(203,344)
As 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

*EBITDA is arrived at before pre-operational expenses incurred in Marrakech project.

STATEMENT OF FINANCIAL POSITION

	THE GROUP		
	As at 30.09.2014 Rs.'000	As at 30.09.2013 Rs.'000	As at 30.09.2012 Rs.'000
		<i>Restated</i>	<i>Restated</i>
ASSETS			
Non-current assets			
Property, plant and equipment	24,826,796	22,681,483	20,839,342
Investment properties	786,900	480,900	378,330
Intangible assets	1,697,550	1,707,528	1,706,910
Investment in associates	526,863	524,683	509,585
Available-for-sale investments	25,340	26,021	19,141
Deferred tax asset	130,261	79,835	55,891
	27,993,710	25,500,450	23,509,199
Current assets			
Inventories	3,882,196	4,150,415	3,458,486
Trade and other receivables	3,032,387	2,520,205	1,982,582
Other financial assets	20,257	560	10,737
Income tax prepaid	15,737	46,348	49,414
Cash in hand and at banks	801,277	849,316	680,696
	7,751,854	7,566,844	6,181,915
	35,745,564	33,067,294	29,691,114
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Stated capital	1,724,361	1,724,361	1,724,361
Retained earnings	6,857,400	6,499,379	5,709,950
Other components of equity	4,610,033	4,452,955	4,967,995
	13,191,794	12,676,695	12,402,306
Non-controlling interests	74,257	68,915	58,662
Total equity	13,266,051	12,745,610	12,460,968
Non-current liabilities			
Borrowings	9,430,966	10,112,954	8,263,293
Deferred tax liability	1,419,966	1,432,529	1,410,725
Employee benefit liability	718,752	740,656	405,474
Total non-current liabilities	11,569,684	12,286,139	10,079,492
Current liabilities			
Trade and other payables	3,779,879	3,036,877	2,477,043
Borrowings	7,086,795	4,986,855	4,673,611
Other financial liabilities	40,509	11,813	-
Income tax payable	2,646	-	-
Total current liabilities	10,909,829	8,035,545	7,150,654
Total liabilities	22,479,513	20,321,684	17,230,146
Total equity and liabilities	35,745,564	33,067,294	29,691,114

STATEMENT OF CASH FLOWS

	THE GROUP	
	Year ended 30.09.2014 Rs.'000	Year ended 30.09.2013 Rs.'000
		<i>Restated</i>
Net cash flows generated from operating activities	1,225,382	697,090
Investing activities		
Purchase of property, plant and equipment	(1,584,369)	(1,527,169)
Proceeds from sale of property, plant and equipment	27,854	23,240
Proceeds from redemption of shares in associates	-	24,145
Dividend received	2,979	3,398
Interest received	35,196	15,843
Net cash flows used in investing activities	(1,518,340)	(1,460,543)
Financing activities		
Proceeds from borrowings	2,971,324	5,230,360
Repayment of term loans	(2,346,066)	(3,813,984)
Financing through lease obligations	-	148,368
Repayment of finance lease liabilities	(117,489)	(80,538)
Interest paid	(945,587)	(955,118)
Dividends paid to equity holders of the parent	(161,424)	-
Dividends paid to minority shareholders	(41,920)	(21,021)
Net cash flows (used in) / generated from financing activities	(641,162)	508,067
Net decrease in cash and cash equivalents	(934,120)	(255,386)
Cash and cash equivalents at October 1,	(1,247,119)	(971,797)
Net foreign exchange difference	(14,647)	(19,936)
Cash and cash equivalents at September 30,	(2,195,886)	(1,247,119)

COMMENTS

Consolidation and Accounting Standards

The audited Financial Statements for year ended September 30, 2014 have been prepared in accordance with IFRS. 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.

Overview

During the year under review, tourist arrivals in Mauritius increased by 4.1% with the Chinese market accounting for 70% of that growth. In spite of the closing of the Royal Palm for major refurbishing works from May to October, NMH hotels in Mauritius performed better than the national average, improving their average occupancy by 10% and REVPAR by 5%.

The Royal Palm Marrakech was partially opened on the 26th December 2013 and became fully operational as from November 2014. With regard to the property development, the title was transferred to the buyers for 21 of the 55 villas sold and the profit thereon recognised at year end.

Group Results

Revenue increased by 12.5% to Rs8.8bn including an amount of Rs688m from the proceeds of sale of villas in Marrakech. EBITDA for the year grew by 8.9% to Rs1.8bn and profit by 21.8% to Rs502m.

In Marrakech, the profits of Rs161m recognised on the sale of villas together with the fair value gain of Rs251m exceeded the net loss of Rs187m suffered on the hotel operation and the preliminary expenses of Rs62m incurred during the year. The fair value gain arose on 10 hectares of land originally earmarked for future hotel developments now treated as investment property. The remaining land of some 80 hectares for the residential development is included in inventories at cost.

Finance revenue which includes interest income, profit on forward currency contracts and exchange gain on the retranslation of loans, was significantly higher than last year, amounting to Rs212m, whereas the share of results of the associated companies dropped from Rs41m to Rs1m.

Finance costs consist mainly of fair value loss on derivatives amounting to Rs41m and interest costs which increased by 10% over last year to Rs646m.

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 recognised. This has resulted in a net tax credit of Rs13m after the offsetting of tax charges of Rs69m for the other subsidiaries.

Outlook

The results for the first quarter should be lower than those of the previous year considering the prevailing unfavourable exchange rates of the Euro and the Rand, the reopening of Royal Palm Mauritius in mid-October and the drop in tourist arrivals in Marrakech.

However, with the bookings in hand and the expected transfer of titles in respect of villas in Marrakech, the trend should reverse during the second quarter.

Capital Restructuring

The Board is currently carrying out an exercise of capital restructuring with a view of reducing the Group's level of indebtedness. A proposal in that respect will be submitted to the shareholders and the authorities concerned in due course.

The Audited Abridged Financial Statements are issued pursuant to Listing Rule 12.20 and the Securities Act 2005. The Board of Directors of NMH accepts full responsibility for the accuracy of the information contained therein.

Copies of the Statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the Financial Statements are available free of charge at the head office of the Company, Beachcomber House, Botanical Garden Street, Curepipe.

By Order of the Board December 16, 2014



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